CULLEN
RESOURCES LIMITED

ANNUAL REPORT 2014

Cullen Resources Limited

CORPORATE DIRECTORY

ABN: 46 006 045 790

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Chris Ringrose (Managing Director)
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Chairman's Report

DEAR FELLOW SHAREHOLDER

During the past year junior explorers have again endured difficult market conditions, and capital management and project prioritisation has been the watch word. In response, Cullen has curtailed overseas exploration activities in favour of concentrating generally on two main objectives: maintaining its participating interest in the Mt Stuart Iron Ore Joint Venture (MSIOJV), and exploring for nickel sulphide deposits and gold in its 100% owned Mt Eureka project, both in Western Australia.

The most significant development in regards to the company's iron ore assets in the West Pilbara has been the takeover of Aquila Resources Limited by Baosteel Resources Australia Pty Ltd (Baosteel) and Aurizon Operations Limited (Aurizon), which was successfully concluded in July 2014. Baosteel, with Aurizon, has indicated its intention to move forward quickly towards rail and port development for exploitation of the West Pilbara Iron Ore Project (WPIOP) resources. Cullen through the MSIO JV owns 30% of the Catho Well channel iron ore deposit which has been previously proposed as a starter pit for the 30Mtpa, Stage 1-WPIOP scenario (from a 2010 Feasibility Study). The project may now move away from a tenement maintenance/minimum budget position towards project development with new momentum. Cullen considers its iron ore interest to be a substantial valuable asset.

At Mt Eureka Cullen owns ~40km of strike of ultramafics extending northwards from a new nickel sulphide discovery at Camelwood-Musket-Cannonball (Rox Resources Limited). The region is a potential new nickel sulphide province, and we believe that our large project is highly prospective for nickel sulphides. We will undertake further mapping and sampling programmes and ground geophysical surveys for target prioritisation, and further drilling is planned.

In addition, Cullen maintains its effort on early stage exploration in greenfield terranes and has made some new tenement applications in WA. These are in the Dundas and Fraser Range regions of south east WA for nickel-copper and gold, and in the Gascoyne region of WA for graphite and gold.

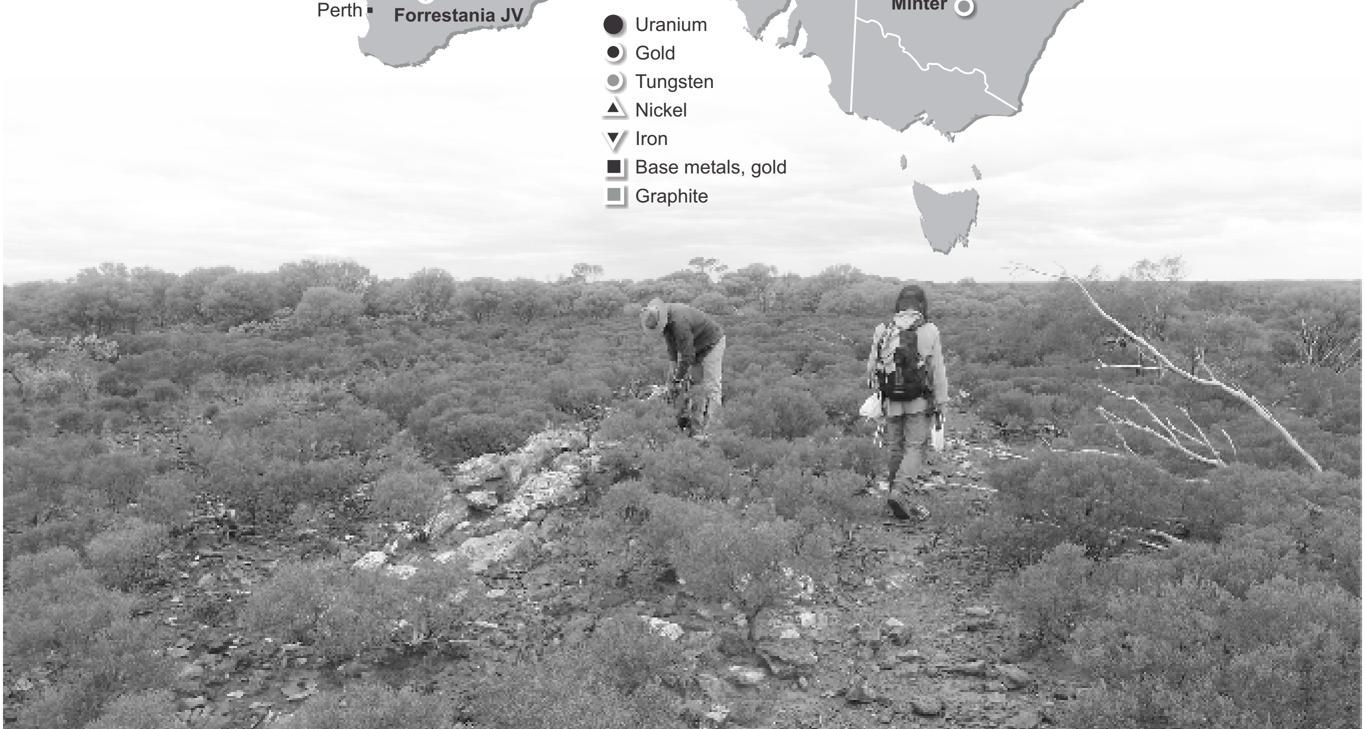
In conclusion, I thank all shareholders for their continued support, and my fellow directors, staff, consultants and contractors in Perth for their valuable contributions.

Dr. Denis Clarke, Chairman

Company Profile

Perth-based minerals explorer with:

- iron ore Reserve, West Pilbara
- multi-commodity portfolio via multiple JV partnerships
- active programmes
- innovative approaches
- motivated management
- experienced board
- project generation in Fraser Range, Gascoyne and Goldfields Regions of W.A.



Highlights

2013/2014

Mt STUART JV, WA **IRON**	Mineral Resource Estimate for the Catho Well Channel Iron Deposit (CID) of 98Mt @ 55.0% Fe, and a Maiden JORC (2004) Reserve Estimate of 70Mt @ 54.8% Fe (Cullen 30%). Baosteel's successful takeover of Aquila promises new project momentum.
WYLOO JV, WA **IRON**	Maiden Inferred Resource in Bedded Iron Deposit (BID) of 16.9Mt @ 57.11% Fe (Cullen 49%) further work in 2014/2015 is planned by JV Manager, Fortescue Metals Group.
MT EUREKA, WA **NICKEL & GOLD**	~650m^2 project area in North Eastern Goldfields - prospective for gold and nickel. VTEM and ground EM surveys completed, with drill testing of conductor plates. Further exploration planned.
LACHLAN , NSW **TUNGSTEN**	Diamond drilling completed at Minter in July 2012 tested for cupola-related, tungsten-bearing vein system. Interpretation of vein orientation indicates further drilling required to more correctly evaluate.
MURCHISON, WA **GOLD & BASE METALS**	Project area ~30km east of Cue, covering the northern part of the Tuckabianna - Webbs Patch greenstone sequence. Exploration targets for gold and VMS-style base metal mineralisation in this underexplored area. Some EM anomalies drilled, others remain untested.
KILLALOE JV **GOLD & COPPER**	Targetting nickel sulphide deposits with drill testing of EM conductor plates. Project area located south side of Lake Cowan along strike from "Taipan" nickel discovery of Sirius Resources Limited.
NEW PROJECTS	New tenement applications - Gascoyne Region (gold, graphite) and Fraser Range Region (nickel, copper, gold)

Exploration Review

ASHBURTON/PILBARA, WA

WEST PILBARA MT STUART JV

The Mt Stuart Iron Ore Joint Venture (MSIOJV) is between Cullen Exploration Pty Ltd - 30%, a wholly-owned subsidiary of Cullen Resources Limited (Cullen), 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 (a subsidiary of Aquila Resources Limited) 50%, and AMCI (IO) Pty Ltd 50%. Aquila Resources Limited was taken over by Baosteel Resources Australia Pty Ltd (Baosteel) and Aurizon Operations Limited (Aurizon) in July 2014.

The MSIOJV owns the Catho Well channel iron ore deposit (CID) – one of four starter pits for the proposed West Pilbara Iron Ore Project - Stage 1 (WPIOP), a 30 Mtpa project to be developed by the APIJV (based upon a 2010 Feasibility Study). Cullen, is contributing funds and maintaining its 30% participating interest in the MSIOJV. Cullen's ownership of iron ore produced from Catho Well, under one scenario, is ~1.5Mtpa for a 14 year mine life derived from the Catho Well Ore Reserve of 70Mt @ 54.81% Fe (JORC 2004 compliant) – see Cullen's ASX announcements of 14 December 2010; and 7 June 2012.

Cullen anticipates new momentum towards a development decision for the proposed West Pilbara Iron Ore Project, to include mining of Cullen's ore in the Catho Well CID, in the wake of the successful takeover of Aquila Resources Limited.

Towards the end of the year the KM Native Title Agreement was executed (see CUL:ASX announcement, 12 June 2014); and the execution process for the PKKP Native Title Agreement execution process commenced. Throughout the year, compliance activities were carried out in respect of mine environmental approval and licence conditions; and, a programme and budget for FY2014-15 was approved. RC drilling programmes are scheduled to commence in the September Quarter at the Catho Well deposit and Cardo Bore prospect.

MINERAL RESOURCE ESTIMATE CATHO WELL CHANNEL IRON DEPOSIT: (CULLEN 30%)

Joint Venture	JORC Classification	Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	S %	Mn %	MgO %	LOI %
Mt Stuart JV	Measured	2	55.1	0.041	6.61	3.64	0.020	0.058	0.208	9.99
	Indicated	73	55.1	0.037	6.91	3.16	0.016	0.079	0.178	10.26
	Inferred	23	54.6	0.037	7.53	3.10	0.015	0.102	0.209	10.40
	TOTAL	98	55.0	0.037	7.05	3.15	0.016	0.084	0.186	10.29

The Catho Well Mineral Resource estimate is reported at a 53% Fe cut-off. The resource estimate has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Exploration Review

MT STUART JOINT VENTURE (MSIOJV) ORE RESERVE ESTIMATE (CULLEN 30%)

Product	Category	Tonnes Mt	Fe %	Al_2O_3 %	SiO_2 %	P %	LOI %
Product 1	Proved	1	55.28	3.33	6.57	0.043	10.03
	Probable	69	54.80	3.23	7.23	0.037	10.31
	Total	70	54.81	3.23	7.22	0.037	10.30

Competent Persons Statement Resource

The information in this announcement that relates to Mineral Resources has been supervised by Mr Stuart Tuckey and Mr Richard Gaze who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is a full-time employee of API Management Pty Ltd. Mr Gaze is a full time employee of Golder Associates Pty Ltd. Messrs Tuckey and Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey and Mr Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Persons Statement Reserve

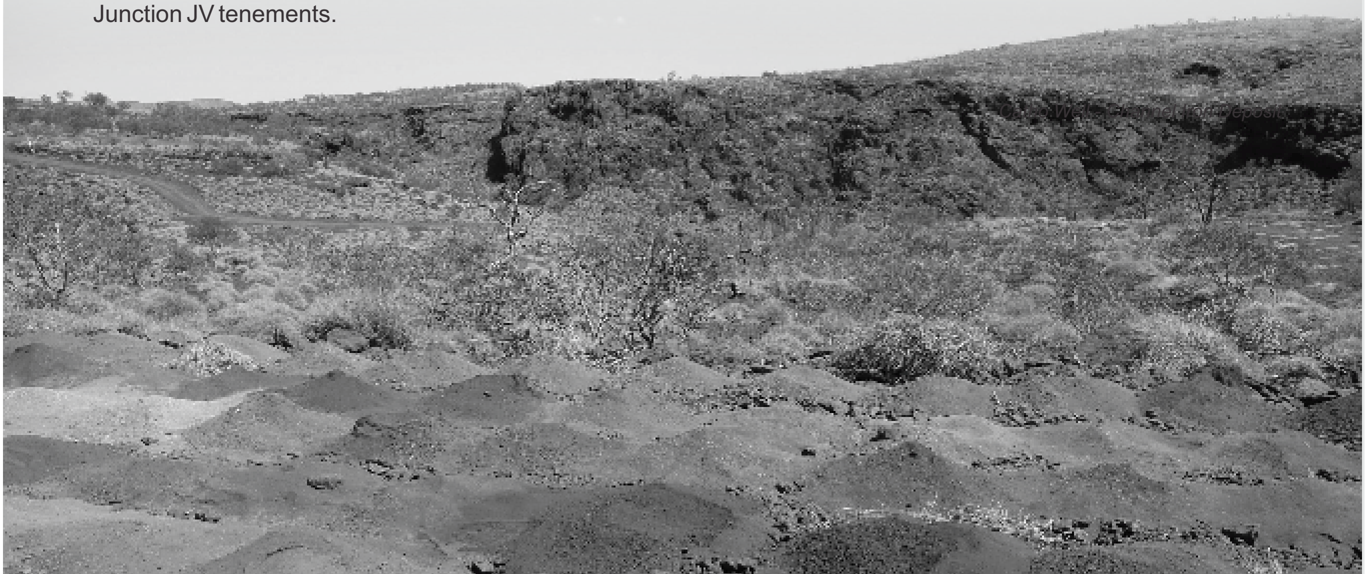
The information in this release that relates to Ore Reserves is based on information compiled by Mr Steve Craig, Managing Director of ORElogy (Mining Consultants). Mr Craig is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion of the matters based on his information in the form and context in which it appears in this release.

TUNNEL CREEK JV - URANIUM

The Company has a Joint Venture agreement with Element 92 Pty Ltd, a wholly-owned subsidiary of Thundelarra Exploration Ltd (Thundelarra), over its two tenements (ELs 52/1890, 1892) at Tunnel Creek/Kunderong, in the Ashburton Province. In 2011, U3O8 Limited (U3O8) and Thundelarra agreed for U3O8 to farm–in and take over management of these EL's in this Cullen/Thundelarra JV. U3O8 and Thundelarra can together earn 70%, with Cullen to retain 30%, in what is now called the Saltwater Pool JV. In 2012, U3O8 changed its name to Avocet, and during 2012-2013 merged with Lion One Metals Ltd (ASX: LLO).

HARDEY JUNCTION JV - GOLD

Intrepid Mines Limited sold the Paulsens Gold Mine, located approximately 15km north of the Hardey Junction JV ground, to Northern Star Resources Ltd in a deal which included sale of their beneficial interest in the Hardey Junction JV. Cullen holds a 20% Free Carried Interest to decision to mine based on a Bankable Feasibility study in this Joint Venture. Regional targeting work, which included acquisition of airborne multispectral images and a University of WA/Centre for Exploration Targeting study, was completed over a large area including the Hardey Junction JV tenements.



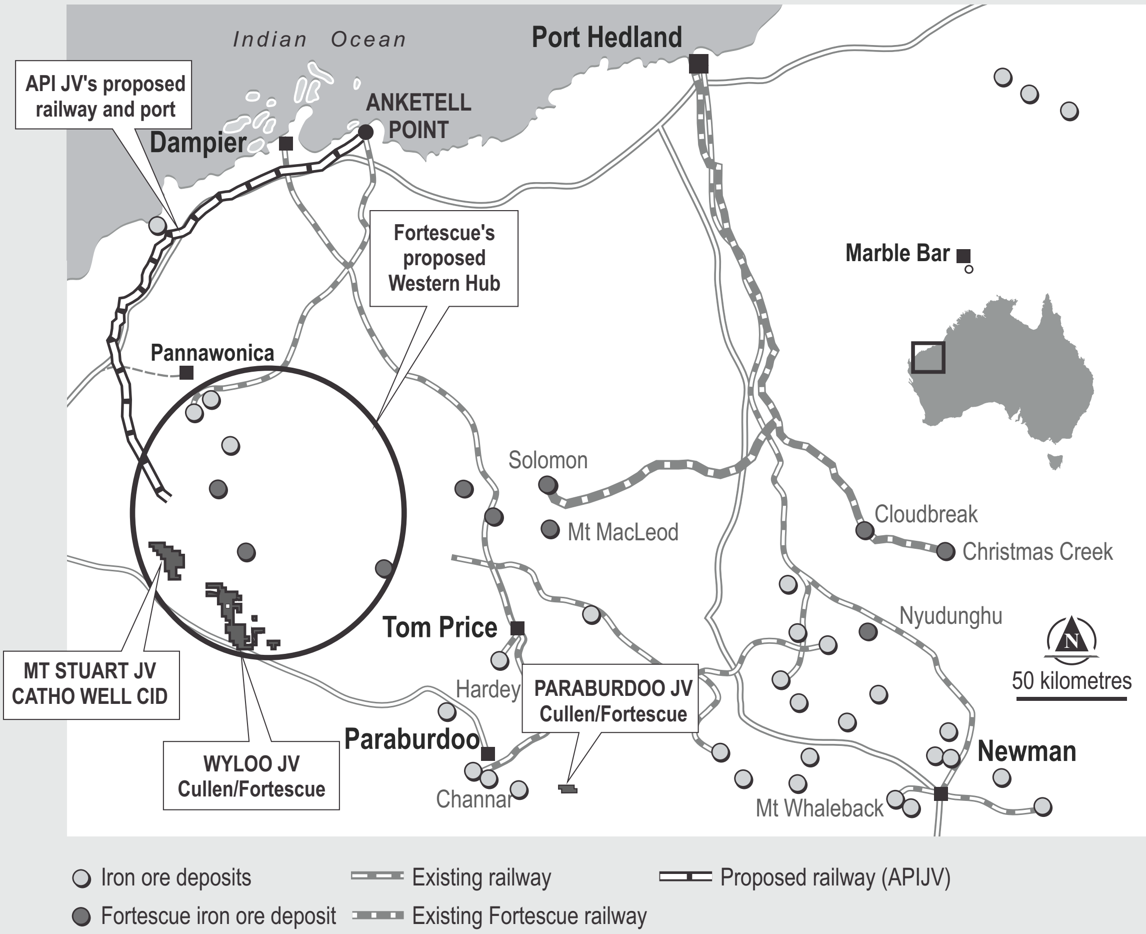
Exploration Review

WYLOO AND PARABURDOO JVs - IRON

The Wyloo JV project lies just south east of the MSIOJV's Catho Well Channel Iron Deposit. Fortescue has previously provided (see Cullen's ASX announcement of 21 April, 2012) a maiden Resource Estimate of 16.9 Mt @ 57.11% Fe, for the Wyloo South Bedded Iron deposit, classified as Inferred and JORC 2004 Compliant. Fortescue has earned 51% and may earn 80% by establishing and Indicated Resource and paying Cullen $500,000 and 3c per tonne of Resource >62% Fe delineated, already or thereafter, up to a maximum of 35Mt and minus the $500,000 already paid. Cullen will then retain 20% FCI to DTM.

During the year, the Joint Venture Manager has reported that earthworks were completed on E47/1154 and E47/1650 at Wyloo North and E47/1649 at Wyloo South in preparation for a drilling program. This program, and drilling on E47/1650 and E47/1649, is planned to be undertaken in the September quarter of FY14/15.

Fortescue can earn up to an 80% interest in the iron ore rights on Cullen's E52/1667 (Snowy Mountain), located ~25km south east of Paraburdoo in the Pilbara Region of Western Australia. The tenement includes potential for bedded iron deposits within the Brockman Iron Formation, along strike from the Paraburdoo and Channar Groups of iron deposits. Further work is planned to follow up this drilling over the next 2 years.



Competent Persons Statement – Wyloo JV - Resource

Mr. Stuart Robinson is a full-time employee of Fortescue Metals Group Ltd and Mr. Mark Glassock has since resigned from the company. Both people provided geological interpretations for Mineral Resource calculations and compiled the exploration results. Mr. Robinson, who is a Fellow of The Australian Institute of Mining and Metallurgy, and Mr. Glassock, who is a Member of The Australian Institute of Mining and Metallurgy have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Robinson and Mr. Glassock consent to the inclusion in this report of the matters based on this information and in the form and context in which it appears.

Exploration Review

NORTH WEST YILGARN, WA

NORTH TUCKABIANNA - GOLD AND BASE METALS

The felsic Eelya Complex hosts the high-grade Hollandaire copper discovery of Silver Lake Resources Ltd (ASX: SLR – 10 November 2011) as well as several other EM conductor targets, explored by Silver Lake Resources Ltd, including the Colonel and Mt Eelya prospects .

In April 2012, Cullen completed 7 holes, ~1000m, of scout RC drilling at its North Tuckabianna copper/gold project which targeted three conductors (NT1-NT3) identified by a helicopter-borne EM survey (VTEM,100-200m line spacing). The VTEM survey was flown across the Eelya Complex and the northern section of the Tuckabianna greenstone belt in March 2012. This drilling intersected disseminated sulphide (mainly pyrite and pyrrhotite, 1-20% visually identified over intervals of 1-20m downhole) in mafic and felsic rocks at or near the modelled conductor plates from the VTEM survey in all holes drilled.

However, downhole surveys completed at each VTEM anomaly redefined the position of the conductor plates and showed that the conductive targets had been narrowly missed by the first pass drilling and therefore had not been adequately tested. These redefined conductor plates were tested in August 2012 with four RC holes (TNRC15-18) and intersected zones of disseminated sulphide but with only geochemically anomalous assay results (maximum Cu - 0.20%). Several low-order VTEM anomalies remain to be investigated and tested, initially using A/C and/or RAB drilling.

EASTERN GOLDFIELDS, WA

KILLALOE JV - GOLD AND NICKEL

Matsa has earned a 70% interest in the Killaloe Project and Cullen has exercised its option to convert its 30% participating interest into a 20% Free Carried Interest (FCI) to a Decision to Mine. In June 2014, Cullen reported to the ASX in relation to the exploration activities completed by Matsa Resources Limited (Matsa), the JV Manager. These announcements described the intersection of narrow zones of semi-massive, and disseminated sulphides in komatiite at the “Hanging Wall Gossan” nickel prospect (diamond drill-hole 14KLDH01 – see CUL: ASX, 17 June 2014). Down hole surveying of this hole identified two strong off-hole conductors (CUL: ASX, 20 June ASX). Thereafter, Matsa reported that ground EM surveying and full assessment of all existing exploration data for the prospect would be undertaken to allow for the design of a follow-up drill programme at the Hanging Wall Gossan prospect (MAT: ASX, 23 June 2014).

In addition, Cullen suggests there is significant nickel sulphide prospectivity along the western contact of the Eastern Ultramafic Belt. Cullen interprets this contact is the southern strike extent of the basal contact of ultramafics which host the Taipan nickel sulphide discovery of Sirius Resources Limited (SIR: ASX announcement of 16 July, 2014) in their Polar Bear Project.

FORRESTANIA JV

Despite a long campaign of promotion by the Manager, the Joint Venture was unable to attract support from any third party for further nickel exploration, and no divestment was achieved. Subsequently the Joint Venture agreed to surrender a number of tenements, but retains the gold rights on M77/544.

Exploration Review

NORTH EASTERN GOLDFIELDS, WA

MT EUREKA - GOLD, NICKEL

Cullen holds 100% of ~650km^2 of approved tenure in the Mt Eureka Greenstone Belt in the North Eastern Goldfields of Western Australia which includes multiple targets for nickel sulphides and gold. The high nickel prospectivity of Cullen's ground is confirmed by the discovery of nickel sulphides by Rox Resources Limited (Rox) at Camelwood (Fisher East Project) which is located ~3km on strike to the south of Cullen's tenement boundary (ASX release by Rox, ASX : RXL of 3/10/2013 describes Maiden Resource for Camelwood).

PRIORITY DRILL TARGETS for NICKEL

The Mt Eureka project area includes a wide variety of targets for massive nickel sulphide deposits. Some targets have been drill-tested by WMC/BHPB Limited in joint venture with Cullen in 2002-2006, generally by 1 or 2 diamond drill holes. However, several targets have received very limited follow-up, with no ground EM and/or deeper drill testing. These targets include unresolved down hole EM (DHEM) and/or ground EM anomalies, as well as geochemical and lithological targets along strike of known mineralisation for further evaluation.

During 2013/2014 Cullen completed various phases of RC drilling to test EM conductors and geological/geochemical targets for nickel sulphide mineralisation, and a ground EM survey at its Doyles nickel prospect, located approximately 25km north and along strike of Camelwood, to optimise drilling positions.

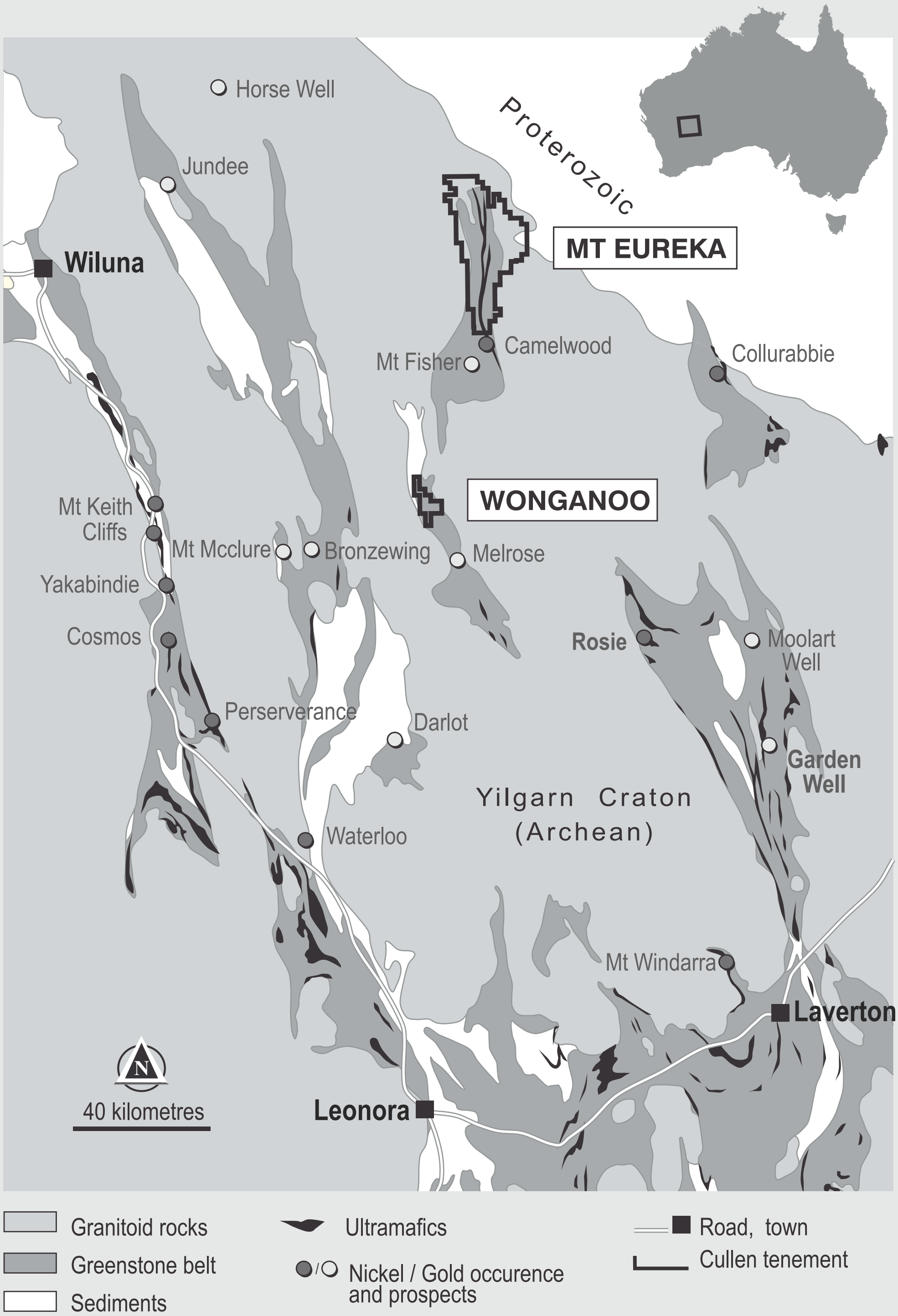
The Doyles nickel prospect includes a cluster of “picks” (anomalies), from a 2007 VTEM survey. These anomalies are broadly coincident with an area of anomalous nickel geochemistry from historical shallow drilling (as reported previously, Cullen ASX: 23/10/2013). Drilling returned black shales, explaining two main conductors (C1 and C2), and drilling beneath other low-level nickel anomalies from historical drilling appear to be indicate an enhancement of nickel values has occurred in the regolith.

The Silverbark North prospect comprises a series of VTEM and ground EM modeled conductors stretching over 1km in Cullen's ground (E1637). Cullen targeted this conductor trend for structurally remobilised nickel sulphide mineralisation (e.g. Spotted Quoll-type) and for shear-hosted gold and/or VMS base metals. However, in its first programme of RC drilling EM conductor tested proved to be black shales or sulphidic sediments without nickel.

A further phase of RC drilling (9 holes for 1502m, MERC 126-134, and deepening of MERC121), was completed in July 2014, testing various EM conductors at the Doyles and Silverbark North nickel sulphide prospects and in the Western Ultramafics. Geological logging did not indicate any significant Ni sulphide mineralisation associated with the ultramafics intersected. Of the four EM anomalies tested: two were explained as black shale/pyritic sediments; two were pyritic-pyrrhotitic-quartz veined structures in basalt and possibly prospective for gold mineralisation. Other holes tested ultramafics and below anomalous geochemistry in ultramafics, and a magnetic anomaly.

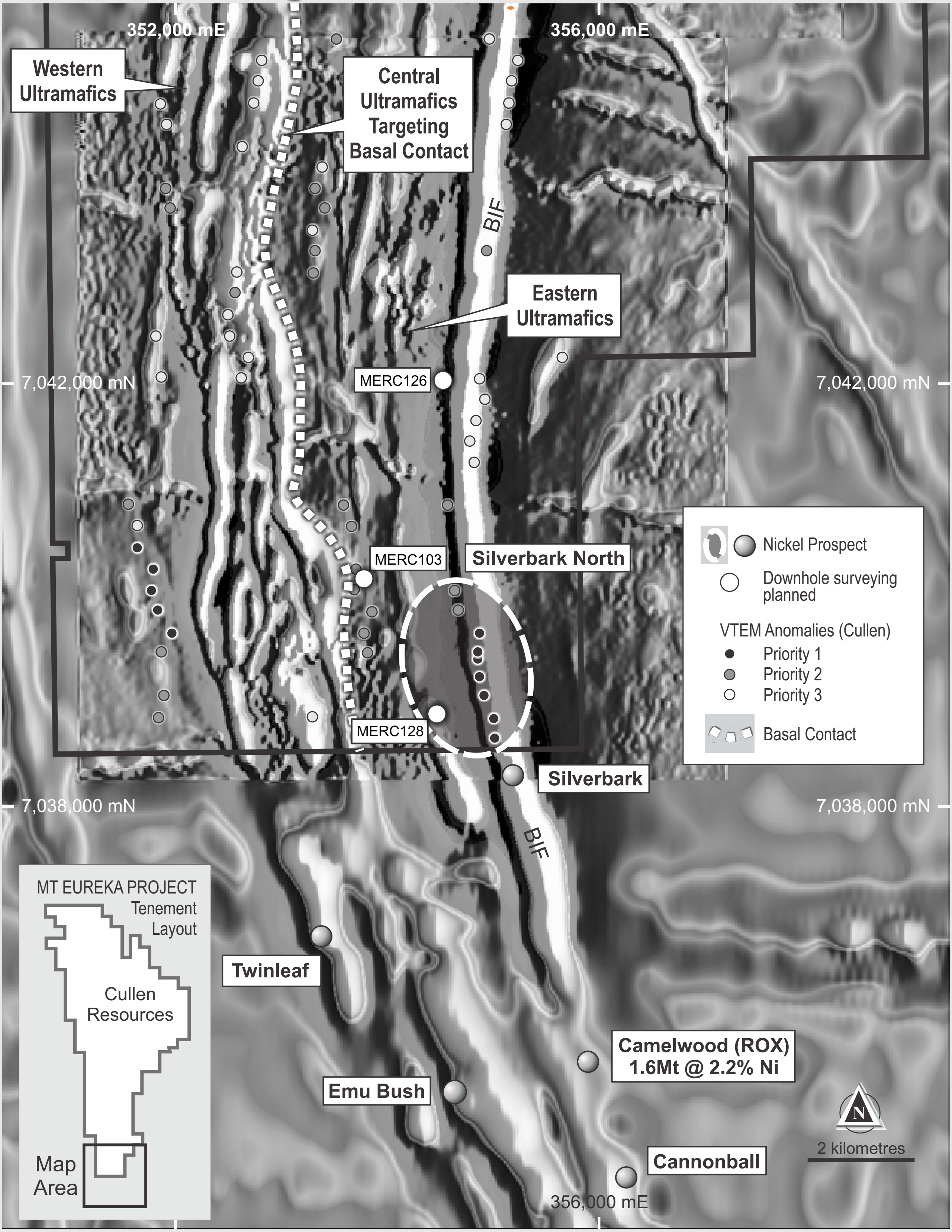
On-going geological mapping and prospecting of nickel sulphide targets at Mt Eureka has underlined the AK47 prospect area, the Central Ultramafics basal contact, and the Silverbark North BIF contacts – both east and west – as the priorities for further exploration and drill testing.

Exploration Review



MT EUREKA PROJECT - Regional Geological Setting

Exploration Review



MT EUREKA PROJECT - Nickel Prospects over Aeromagnetics

MT EUREKA - SOUTHERN GOLD PROSPECT

Cullen completed one vertical hole to a depth of 234m (MERC110) at the Southern gold prospect, which intersected a thick (~30m) sulphidic (visually estimated: pyrite, pyrrhotite, arsenopyrite at ~1-10%) zone (ASX announcement of 28 August 2013). Assays from this hole included a best intersection of 8m @ 1.71 g/t Au in 4m composite samples from 184m, within a 20m thick zone with anomalous arsenic averaging 1360ppm. Cullen also completed a further 5 RC holes on two drill fences 150m apart (MERC111-115). These holes tested the down plunge/dip, deeper portions of the gold mineralisation in the regolith at Southern, seeking to demonstrate continuity and higher grade.

This drilling confirmed the geological model based on a gas-in-soil anomaly and structural interpretation, which predicts that gold mineralised structures (low-angle faults/thrusts/shears) strike east-west and dip to the north where drill-tested to date. Mineralisation was intersected in all five holes drilled and comprises disseminated and semi-massive pyrite (visually estimated 30-40% over 1m), and arsenopyrite associated with quartz veining. The host rocks are mafic volcanics, felsic intrusives and meta-sediments, variably affected by alteration and metasomatism. The intersected quartz-sulphide mineralisation correlates well with previously intersected high-grade gold mineralisation in the regolith (2m @ 10.0 g/t Au from 50m and 7m @ 9 g/t Au from 116m in MERC 74; and 9m @ 6 g/t Au from 98m in MERC 75) and shows excellent continuity between individual drill holes and the two drill fences completed. Cullen has planned diamond drilling to further test this mineralisation.

MT EUREKA - OTHER GOLD TARGETS

The Southern gold prospect was discovered by RAB/air core drilling across a gold-in-lag geochemical anomaly. A review of the tenor and position of this anomaly on Cullen's aeromagnetic interpretation and regolith maps shows a major NW-SE alluvial channel lying south of Southern which overlies a number of interpreted intersecting structures. It is notable that a number of gold-in-lag gold anomalies sit at the margin of this channel and are controlled by structures, suggesting that other such geochemical anomalies may have been “stripped out”.

The position of Southern and other truncated geochemical anomalies suggests that numerous north and NW-SE trending shear zones and thrusts mapped beneath the alluvial channel are prime targets for gold. Although there have been some previous RAB and aircore traverses drilled in the channel, most holes are too shallow and too widely spaced to have effectively tested this area.

It is notable that the Garden Well gold deposit in the Duketon greenstone belt sits on the margin of a Tertiary palaeochannel, and that the Bronzewing gold deposit in the Yandal greenstone belt was discovered beneath thick, transported overburden.

Cullen proposes to prioritise its targets from the multiple structural settings by using its gas-in-soil geochemical technique, which it believes will indicate sulphide-bearing zones at depth, followed by reconnaissance drilling.

CENTRAL LACHLAN FOLD BELT, NSW

MINTER - TUNGSTEN

A combined RC percussion-diamond drilling programme totalling 536.8 metres in three holes was undertaken on the Minter project in June/July 2012 testing selected geological/geochemical targets at the Doyenwae and Orr Trig prospects. Holes were designed to test beneath zones of anomalous tungsten and tin geochemistry outlined by earlier soil sampling and shallow percussion/aircore/RAB drilling.

At the Doyenwae Prospect, RC percussion hole MRC005 averaged 0.045% tungsten over the full 111 metre length of the hole with localised two-metre zones of quartz-scheelite veining assaying up to 0.35% tungsten. Diamond drill hole CMDD001, drilled to 258.0 metres at the Doyenwae prospect, intersected significant quartz + sulphide veining throughout much of the hole. Examination of the core with an ultraviolet lamp detected widespread scheelite mineralisation occurring both within quartz veins and as disseminations/aggregates in silica-altered sandstone units; particularly in the interval from 130 metres to the end of the hole. The true width of potential mineralisation in both MRC005 and CMDD001 is uncertain as preliminary observations of vein orientations in the CMDD001 drill core indicate that the holes may have been drilled at a low angle to some of the mineralised quartz veins.

At the Orr Trig Prospect, diamond core hole CMDD002; drilled to 267.8 metres, intersected scattered zones of narrow quartz veining and localised silicification over much of the hole with scheelite being observed as disseminations in sandstone and within quartz veins in the interval between 100m and 250m. Although it would appear that hole CMDD002 has been drilled in an appropriate direction with respect to the orientation of the quartz veins, the amount of observable scheelite mineralisation is less than that noted in CMDD001. The results included: 1m @ 0.7% WO_3 (from 131.45m) and 4.05m @ 0.58% WO_3 from 185m in CMDD001.

Further drilling is required to test the dominant vein orientation as inferred from a mapping programme completed at a quarrying site near the Doyenwae prospect. Cullen has been awarded $36,250 (August,2014) from the NSW government's New Frontiers Cooperation Drilling Program, to support this planned work.

SCHEDULE OF TENEMENTS (as at 30 June 2014)

REGION	TENEMENTS	APPLICATIONS	CULLEN INTEREST	COMMENTS
WA: ASHBURTON / PILBARA				
Mt Stuart JV	EL08/1135, 1330, 1341, EL08/1292	MLA08/481, MLA08/482	30%	API has earned 70% of iron ore rights Cullen 100% other mineral rights
Hardey Junction JV	EL08/1166, 1189, 1763, P08/546		20%	Northern Star Resources Limited 80%
Wyloo JV	EL08/1393, EL47/1154, 1649, 1650, P08/556	MLA47/1490 MLA08/502	49%	FMG has earned 51%, can earn 80% of iron ore rights Cullen 100% other mineral rights
Paraburdoo JV	EL52/1667		100%	FMG can earn up to 80% of iron ore rights Cullen 100% other mineral rights
Tunnel Creek JV	EL52/1890, 1892		100%	Thundelarra Exploration and Lion One can earn up to 70%
Mt Edith	EL08/2227		100%	
Wyloo	EL08/2145		100%	
WA: NE GOLDFIELDS				
Gunbarrel	EL53/1299, 1300 +/ * EL53/1630, 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	EL53/1637		100%	
Irwin Bore	EL53/1209		100%	
Wonganoo	EL53/1611		100%	
WA: SE REGION				
Dundas		E63/1673	0%	
Fraser Range		E28/2377 E28/2470	0% 0%	In ballot - competing applications
WA: MURCHISON				
Cue	EL20/714, E20/808		100%	
WA: EASTERN GOLDFIELDS				
Killaloe	EL63/1018, 1199, P63/1672, 1331-1333		20%	Matsa Resources Limited 80%
WA: FORRESTANIA				
Forrestania JV	M77/544		20%	Hannans Reward Ltd 80% Gold rights only
NEW SOUTH WALES				
Minter	EL6572		100%	
NORTHERN TERRITORY				
Amadeus		E25493, 25494	0%	
SWEDEN: Holmajarvi 2; Lavasjakka - Exploration Permits 100% interest				

JOINT VENTURES - SUMMARY TABLE

Joint Venture (farm out)	Commodity Focus	JV Partner	JV Partner Earning (Earned)	Cullen's FCI to DTM Actual or (Available)	Cullen's NSR (possible)	Comment
Paraburdoo	Iron Ore	Fortescue Metals Group Ltd	80%	(20%)	-	1.5% FOB Royalty capped to 20Mt. May earn 51% by defining Inferred Resource, 80% by defining Indicated Resource.
Hardey Junction	Gold	Northern Star Resources Ltd	(80%)	20%	2%	Intrepid sold its Paulsen's gold mine , including its interest in the Hardey Junction JV to Northern Star Resources Ltd in July 2010.
Mt. Stuart	Iron Ore	API JV	(70%)∞	-	-	Cullen contributing at 30% in Mt Stuart JV, 50 cents/tonne royalty on all JV production
Tunnel Creek	Uranium	Thundelarra/ Lion One Metals	70% or 80%	(20%)	2%	U3O8 (now Lion One Metals) farmed into two tenements
Wyloo	Iron Ore	Fortescue Metals Group Ltd	80% (51%)	(20%)	-	1.5% FOB Royalty capped to 15Mt. Has earned 51% with Inferred Resource Estimate, 80% by definition of Indicated Resource
Forrestania	Nickel, Gold	Hannans Reward Ltd	(80%)	20%	2.5%	Gold Rights on M77/544 only
Killaloe	Nickel, Gold	Matsa Resources Limited	(80%)	20%	2%	

DTM = Decision to Mine FOB = Free on Board FCI = Free Carried Interest NSR = Net Smelter Return ∞ = Iron ore rights only NPI = Net Profits Interest

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Limited (Cullen), and previously released to the ASX via Cullen's various Announcements including Quarterly Reports. Dr. Ringrose is a full-time employee of Cullen Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. 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.

The information in this report may also include review and interpretation of historical and previous exploration by Cullen, firstly prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code2012 on the basis that the information has not changed materially since it was last reported. The Company confirms that it is not aware of any new information or data which materially affects the information included in this report.

This report also includes Cullen's annual review of mineral resources and ore reserves as the Mineral Resources and Ore Reserves (MROR) statement, and the relevant Competent Persons Statements from Joint Venture managers are included.

MINERAL RESOURCES and ORE RESERVES (MROR) statement

The company's annual review of mineral resources and ore reserves is given below. There has been no change in the entity's Mineral Resources and Ore Reserves since last reported to June 30, 2013.

MINERAL RESOURCE ESTIMATE CATHO WELL CHANNEL IRON DEPOSIT: (CULLEN 30%)

Joint Venture	JORC Classification	Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	S %	Mn %	MgO %	LOI %
Mt Stuart JV	Measured	2	55.1	0.041	6.61	3.64	0.020	0.058	0.208	9.99
	Indicated	73	55.1	0.037	6.91	3.16	0.016	0.079	0.178	10.26
	Inferred	23	54.6	0.037	7.53	3.10	0.015	0.102	0.209	10.40
	TOTAL	98	55.0	0.037	7.05	3.15	0.016	0.084	0.186	10.29

The Catho Well Mineral Resource estimate is reported at a 53% Fe cut-off. The resource estimate has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

MT STUART JOINT VENTURE (MSIOJV) ORE RESERVE ESTIMATE (CULLEN 30%)

Product	Category	Tonnes Mt	Fe %	Al_2O_3 %	SiO_2 %	P %	LOI %
Product 1	Proved	1	55.28	3.33	6.57	0.043	10.03
	Probable	69	54.80	3.23	7.23	0.037	10.31
	Total	70	54.81	3.23	7.22	0.037	10.30

Competent Persons Statement Resource

The information in this announcement that relates to Mineral Resources has been supervised by Mr Stuart Tuckey and Mr Richard Gaze who are members of the Australian Institute of Mining and Metallurgy. Mr Tuckey is a full-time employee of API Management Pty Ltd. Mr Gaze is a full time employee of Golder Associates Pty Ltd. Messrs Tuckey and Gaze have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey and Mr Gaze consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Persons Statement Reserve

The information in this release that relates to Ore Reserves is based on information compiled by Mr Steve Craig, Managing Director of ORElogy (Mining Consultants). Mr Craig is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion of the matters based on his information in the form and context in which it appears in this release.

WYLOO SOUTH INFERRED RESOURCE (CULLEN 49%)

Category	Tonnes Mt	Fe %	Al_2O_3 %	SiO_2 %	P %	LOI %
Inferred	16.9	57.11	3.55	7.91	0.102	6.12

Competent Persons Statement – Wyloo JV - Resource

Mr. Stuart Robinson is a full-time employee of Fortescue Metals Group Ltd and Mr. Mark Glassock has since resigned from the company. Both people provided geological interpretations for Mineral Resource calculations and compiled the exploration results. Mr. Robinson, who is a Fellow of The Australian Institute of Mining and Metallurgy, and Mr. Glassock, who is a Member of The Australian Institute of Mining and Metallurgy have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Robinson and Mr. Glassock consent to the inclusion in this report of the matters based on this information and in the form and context in which it appears.

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Dr Chris Ringrose, Managing Director, Cullen Resources Limited (Cullen), and previously released to the ASX via Cullen's various Announcements including Quarterly Reports. Dr. Ringrose is a full-time employee of Cullen Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. 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. The information in this report may also include review and interpretation of historical and previous exploration by Cullen, firstly prepared and disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code2012 on the basis that the information has not changed materially since it was last reported. The Company confirms that it is not aware of any new information or data which materially affects the information included in this report.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2014.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

- **Dr Denis Clarke BSc, BA, PhD, FAIMM (Non-Executive Chairman) (Appointed 1 April 1999)**

Dr Denis Clarke has more than 40 years' experience in exploration and mining operations. Over 15 years with Plutonic Resources ("Plutonic"), he contributed significantly at the General Manager level to its success as it developed from a small explorer in 1983 to one of Australia's largest gold miners prior to its take-over in 1998 in a transaction which valued Plutonic at $1 billion. Dr Clarke at various times managed the exploration, finance, administration and corporate divisions. He subsequently was a director and consultant to Troy Resources Limited for eleven years as it developed from explorer to a successful international gold miner. During the past three years Dr Clarke has been Chairman or Non-Executive Director of the following listed companies:

- LionGold Corp Ltd (from 1 October 2012 to present)
- Hill End Gold Limited (from 25 February 2010 to present)
- Signature Metals Limited (from 14 September 2012 to present)
- Anglo Australian Resources NL (from 9 April 2004 to 28 November 2011)

- **Dr Chris Ringrose BSc, PhD, MBA, MAIMM, MAICD (Managing Director) (Appointed 19 June 2003)**

Dr Chris Ringrose has been an exploration geologist based mainly in Western Australia since he completed his geology degrees in Scotland in 1982. His career has included experience with EZ, Chevron and Aztec, and prior to joining Cullen, he was Exploration Manager with Troy Resources Limited for nine years. Dr Ringrose has also completed an MBA at Deakin University and brings to the Company significant management, exploration and project evaluation experience gained both in Australia and overseas. Dr Ringrose has had no other directorships of listed companies in the last three years.

- **Grahame Hamilton BSc, MSc, MAIG (Non-Executive Director) (Appointed 1 April 1999)**

Mr Grahame Hamilton, a graduate of the University of NSW, has extensive experience over 40 years in exploration, corporate and project management. He has wide ranging expertise in project evaluation. Between 1994 and 1996 he managed the Brocks Creek exploration, environmental impact statement, feasibility study, mine development and construction for Solomon Pacific Resources NL. Before Solomon, Mr Hamilton worked with Getty Oil Development Co. - Minerals Division as Queensland Manager.

- **John Horsburgh BSc, MSc, FAIMM (Non-Executive Director) (Appointed 1 April 1999)**

Mr John Horsburgh, a graduate of the Royal School of Mines, has over 40 years industry experience including 11 years with Solomon Pacific Resources NL. Prior to this he gained extensive experience in Australia and overseas with Getty Oil Development Co., Billiton and RTZ Group. Mr Horsburgh is Non-Executive Chairman of AIM-listed public company Mariana Resources Limited.

- **Wayne John Kernaghan BBus, ACA, FAICD, ACIS (Non-Executive Director and Company Secretary) (Appointed 11 November 1997)**

Mr Wayne Kernaghan is a member of the Institute of Chartered Accountants in Australia with a number of years experience in various areas of the mining industry. He is also a Fellow of the Australian Institute of Company Directors. During the past three years Mr Kernaghan has held, and is currently a director and holds, the following listed company directorships:

- Gulf Industrials Limited (from 30 June 2005 to present)
- South American Ferro Metals Limited (from 26 June 2013 to present)

Principal Activities

The principal activity for the Consolidated Entity comprising Cullen Resources Limited ("the Company") and its controlled entities (together "the Consolidated Entity") during the course of the financial year was mineral exploration. There was no significant change in the nature of the Consolidated Entity's activities during the year.

Results

The loss attributable to the Consolidated Entity for the financial year was $1,880,593 [2013: loss $2,078,566]. No income tax was attributable to this result [2013: Nil].

Dividends

The directors do not recommend the payment of a dividend for this financial year. No dividend has been declared or paid by the Company since the end of the previous financial year.

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

Review of Operations

Cullen is a mineral exploration company seeking deposits of gold, nickel, copper, uranium and iron ore either in its own right, or managed by other partners in Joint Ventures.

During the year under review, the Company continued its mineral exploration activities including: project generation, database reviews, field mapping, geochemical surveying, and drilling programmes. Company exploration activities, including Joint Venture managed projects, were focused in Western Australia with additional activities in New South Wales as follows:

- Ashburton Province, WA (Hardey Junction JV, Mt Stuart JV, Wyloo JV, Paraburdoo JV and Tunnel Creek /Saltwater Pool JV - gold, uranium and /or iron ore projects)
- North Eastern Goldfields, WA (Gunbarrel/Mt Eureka and Irwin Bore, gold and nickel projects)
- Eastern Goldfields, WA (Killaloe, gold and nickel project)
- Murchison,WA (North Tuckabianna , copper and gold project)
- Forrestania, WA (Forrestania JV, gold and nickel project)
- Central Lachlan Fold Belt, NSW (Minter tungsten project)

Drilling by Cullen during the year to 30 June 2014 focussed on programmes for nickel sulphide and gold deposits in the Mt Eureka project area, and for iron ore in the Wyloo JV. Other exploration field work has included: field reconnaissance, geological mapping, geochemical and geophysical surveys in the Mt Eureka project, and evaluations of new project opportunities and project generation. The Company continued to market projects as potential farm-out opportunities.

During the year the Company ceased exploration activities overseas in response to its tight capital position.
Cullen withdrew from Namibia and Scandinavia, and terminated the TL property JV in Canada.

A total of $ 1,530,372 (2013: $1,912,358) was spent on exploration by Cullen during the year, with Joint Venture Partners contributing further exploration funds on Cullen tenements.

Cullen will continue to identify and evaluate both advanced and "grass roots" opportunities throughout Australia and in selected overseas locations. Cullen's portfolio is under continual evaluation to focus on projects likely to result in discovery of an economic mineral deposit.

Corporate
At 30 June 2014 available cash totalled $ 1,073,739 (2013: $1,884,038).

After Balance Date Events
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

Likely Developments and Future Results
Other than as referred to in this report, further information as to likely developments in the operations of the Consolidated Entity and the expected results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the Consolidated Entity.

Environmental Regulation
The exploration activities of the Consolidated Entity in Australia are subject to environmental regulation under the laws of the Commonwealth and the States in which those exploration activities are conducted. The environmental laws and regulations generally address the potential impact of the Consolidated Entity's activities in the areas of water and air quality, noise, surface disturbance and the impact upon flora and fauna. The directors are not aware of any environmental matter which would have a materially adverse impact on the overall business of the Consolidated Entity.

Options
As at the date of this report the Company has 6,000,000 (2013: 22,000,000) options which were outstanding. During the year 6,000,000 (2013: Nil) options were issued and 22,000,000 (2013: Nil) options expired. Refer to Note 11 of the financial statements for further details of the options outstanding.

During the year no fully paid ordinary shares were issued by virtue of the exercise of options (2013: Nil). Since the end of the financial year no shares have been issued by virtue of the exercise of options (2013: Nil).

Directors' Interest
At the date of this report, the interest of the directors in the shares and options of the company were:

2014	**Direct**			**Indirect**	
	Fully Paid Shares	Options		Fully Paid Shares	Options
D. Clarke	-	-		7,864,000	-
C. Ringrose	3,450,000	-		-	-
G. Hamilton	-	-		18,391,004	-
J. Horsburgh	2	-		19,952,122	-
W. Kernaghan	2,000,000	-		4,873,376	-

Directors' Meetings
During the year the Company held eight meetings of directors. The attendance of the directors at meetings of the Board were:

	Board of Directors Attended	Maximum possible eligible to attend
D. Clarke	8	8
C. Ringrose	8	8
G. Hamilton	8	8
J. Horsburgh	8	8
W. Kernaghan	8	8

Indemnification and insurance of Directors and Officers
The Company has entered into deeds of indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law. The Company has paid premiums totalling $10,448 (2013: $19,995) in respect of Directors and Officers Liability Insurance and Company reimbursement policies, which covers all Directors and Officers of the Company. The policy conditions preclude the Company from any detailed disclosures.

Indemnification of Auditors
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Employees
The Consolidated Entity employed two employees as at 30 June 2014 (2013: 3).

Corporate Governance
In recognising the need for the highest standard of corporate behaviour and accountability, the directors of Cullen Resources Limited support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is on page 27.

Auditor Independence
The directors have received the auditor's independence declaration for the year ended 30 June 2014 which is on page 26 and forms part of this directors' report. For the year Ernst & Young have provided non-audit services to the Consolidated Entity in the amount of $8,353(2013: $2,000).

The directors are satisfied that non-audit services are compatible with the independence requirements of the Corporations Act 2001. The nature and scope of the non-audit services provided has meant that auditor independence was not compromised.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Cullen Resources Limited.

This remuneration report outlines the director and executive remuneration arrangements of the Consolidated Entity in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company. Only directors of the Consolidated Entity meet the definition of key management personnel as the executive role is performed by the executive director.

Details of key management personnel:

Directors

D. Clarke	Chairman (Non-Executive)
C. Ringrose	Managing Director
G. Hamilton	Director (Non-Executive)
J. Horsburgh	Director (Non-Executive)
W. Kernaghan	Director (Non-Executive)

Remuneration Policy
The remuneration policy of Cullen Resources Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of Cullen Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company as well as create goal congruence between directors and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows.

The remuneration policy, setting the terms and conditions for the executive director was developed by the Board. The executive receives a base salary on factors such as length of service and experience, superannuation, options and incentives. The Board reviews executive packages annually by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to either long term or short term performance of the Consolidated Entity. However, to align directors' interest with shareholder interests, the directors are encouraged to hold shares in the Company. There is a specified aggregate directors fees of $250,000 for non-executive directors which was approved by shareholders at a general meeting of the Company. The $250,000 excludes other services outside of non-executive directors' fees.

Remuneration Incentives
Director and executive remuneration is currently not linked to either long term or short term performance conditions. The Board feels that the expiry date and exercise price of options when issued to the directors and executives are sufficient to align the goals of the directors and executives with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for the directors or the executives of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Company in future years.

Group performance and shareholder wealth
Below is a table summarising key performance and shareholder wealth statistics for the Consolidated Entity over the last five years.

Financial Year	Loss After Tax $	EPS Cents	Share Price Cents
30 June 2010	2,161,235	(0.39)	3.4
30 June 2011	1,640,087	(0.27)	3.0
30 June 2012	2,649,846	(0.41)	1.8
30 June 2013	2,078,566	(0.28)	0.8
30 June 2014	1,880,593	(0.21)	1.7

Employment Contract - ***Managing Director***
Pursuant to an agreement Dr Ringrose will provide managing director services to the Company. The term of this arrangement is from 1 November 2006 and will continue thereafter unless terminated on not less than three months' notice given at any time. Effective from 1 April 2011 Dr Ringrose's salary is $265,000pa. The position of the director will become redundant under this agreement in the limited circumstances where the employment of the Managing Director is terminated as a result of a takeover or merger of the Company. The Company will pay the Managing Director the equivalent of four weeks per year of service or part thereof of his base salary as a redundancy payment.

As part of Dr Ringrose's employment package he was issued with 8,000,000 options on 1 December 2010 with the following terms. The options will expire on the earlier of the date which is one month after the Director to whom the options are issued ceases to be a Director of the Company (or such longer period as determined by the Board of Directors) or at 5.00 pm on 30 November 2013 ("the Expiry Date") with an exercise price of $0.075. This is contained in the notice of meeting which was approved by shareholders. These options expired during the year.

During the year the Board paid a discretionary bonus of Nil (2013: Nil) to Dr Ringrose. This bonus was discretionary therefore there were no performance conditions attached to this bonus.

Non Executive Directors
The non executive directors have been issued with two million options each on 1 December 2010 with an exercise price of $0.075 each. The options will expire on the earlier of the date which is one month after the Director to whom the options are issued ceases to be a Director of the Company (or such longer period as determined by the Board of Directors) or at 5.00 pm on 30 November 2013 ("the Expiry Date"). This is contained in the notice of meeting which was approved by shareholders. These options expired during the year.

Directors' and Executives' Remuneration
Details of remuneration provided to directors for the year ended 30 June 2014 are as follows:

Directors		**Short Term**			**Post Employ-ment**	**Long Term**	**Share Based Payments**		
	Director Fees $	**Salary/ Consulting $**	**Bonus $**	**Non Monetary Benefits $**	**Super-annuation $**	**Long Service Leave $**	**Options $**	**Total $**	**Perfor-mance Related %**
D. Clarke	35,000	-	-	-	3,237	-	-	38,237	-
C. Ringrose	-	265,000	-	* 6,836	24,512	4,988	-	301,336	-
G. Hamilton	30,000	-	-	-	2,775	-	-	32,775	-
J. Horsburgh	30,000	-	-	-	2,775	-	-	32,775	-
W. Kernaghan	30,000	37,750	-	-	2,775	-	-	70,525	-
Total	**125,000**	**302,750**	**-**	**6,836**	**36,074**	**4,988**	**-**	**475,648**	**-**

* This relates to the provision of a motor vehicle.

The Company has no policy on directors and executives entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

Details of remuneration provided to directors for the year ended 30 June 2013 are as follows:

Directors		Short Term			Post Employ-ment	Long Term	Share Based Payments		
	Director Fees $	Salary/ Consulting $	Bonus $	Non Monetary Benefits $	Super-annuation $	Long Service Leave $	Options $	Total $	Perfor-mance Related %
D. Clarke	35,000	-	-	-	3,150	-	-	38,150	-
C. Ringrose	-	265,000	-	* 6,836	23,850	(18,500)	-	277,186	-
G. Hamilton	30,000	14,850	-	-	2,700	-	-	47,550	-
J. Horsburgh	30,000	-	-	-	2,700	-	-	32,700	-
W. Kernaghan	30,000	38,125	-	-	2,700	-	-	70,825	-
Total	**125,000**	**317,975**	**-**	**6,836**	**35,100**	**(18,500)**	**-**	**466,411**	-

* This relates to the provision of a motor vehicle.

Options granted as part of remuneration for the year ended 30 June 2014
There were nil (2013: nil) options granted as part of director emoluments during the year.

Shares issued on exercise of remunerated options
During the financial year nil (2013: Nil) remunerated options were exercised. During the financial year 16,000,000 (2013: nil) options expired. The directors exercised nil (2013: Nil) options during the year.

Directors	Value of options granted during the year $	Value of options exercised during the year $	Value of options expired during the year $	Total value of options granted, exercised and expired during the year $
D. Clarke	-	-	(55,400)	(55,400)
C. Ringrose	-	-	(221,600)	(221,600)
G. Hamilton	-	-	(55,400)	(55,400)
J. Horsburgh	-	-	(55,400)	(55,400)
W. Kernaghan	-	-	(55,400)	(55,400)

There were no options granted as a part of remuneration for the year ended 30 June 2014.

Options granted as part of remuneration for the year ended 30 June 2013

Directors	Value of options granted during the year $	Value of options exercised during the year $	Value of options expired during the year $	Total value of options granted, exercised and expired during the year $
D. Clarke	-	-	-	-
C. Ringrose	-	-	-	-
G. Hamilton	-	-	-	-
J. Horsburgh	-	-	-	-
W. Kernaghan	-	-	-	-

There were no options granted as a part of remuneration for the year ended 30 June 2013.

Option holdings of directors

Directors	Balance at beginning of year 1 July 2013 Number	Options issued Number	Options lapsed Number	Balance at end of year 30 June 2014 Number	Total Number	Vested and exercisable at 30 June 2014 Number
D Clarke	2,000,000	-	(2,000,000)	-	-	-
C Ringrose	8,000,000	-	(8,000,000)	-	-	-
G Hamilton	2,000,000	-	(2,000,000)	-	-	-
J Horsburgh	2,000,000	-	(2,000,000)	-	-	-
W Kernaghan	2,000,000	-	(2,000,000)	-	-	-
Total	16,000,000	-	(16,000,000)	-	-	-

The outstanding options were exercisable at $0.075 and had an expiry date of 30 November 2013.
These options have expired.

Directors	Balance at beginning of year 1 July 2012 Number	Options issued Number	Options lapsed Number	Balance at end of year 30 June 2013 Number	Total Number	Vested and exercisable at 30 June 2013 Number
D Clarke	2,000,000	-	-	2,000,000	2,000,000	2,000,000
C Ringrose	8,000,000	-	-	8,000,000	8,000,000	8,000,000
G Hamilton	2,000,000	-	-	2,000,000	2,000,000	2,000,000
J Horsburgh	2,000,000	-	-	2,000,000	2,000,000	2,000,000
W Kernaghan	2,000,000	-	-	2,000,000	2,000,000	2,000,000
Total	16,000,000	-	-	16,000,000	16,000,000	16,000,000

The outstanding options are exercisable at $0.075 and have an expiry date of 30 November 2013.
These options had a weighted average exercise price of $0.075 and a weighted average remaining contractual life of 0.42 years.

Shareholdings of directors

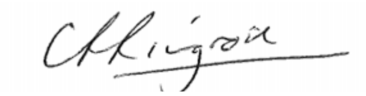
Directors	Balance 1 July 2013 Number	Options Exercised Number	Net Change Purchase Number	Balance 30 June 2014 Number
D Clarke	5,364,000	-	2,500,000	7,864,000
C Ringrose	950,000	-	2,500,000	3,450,000
G Hamilton	15,891,004	-	2,500,000	18,391,004
J Horsburgh	17,452,124	-	2,500,000	19,952,124
W Kernaghan	4,373,376	-	2,500,000	6,873,376
Total	44,030,504	-	12,500,000	56,530,504

Directors	Balance 1 July 2012 Number	Options Exercised Number	Net Change Purchase Number	Balance 30 June 2013 Number
D Clarke	4,614,000	-	750,000	5,364,000
C Ringrose	200,000	-	750,000	950,000
G Hamilton	15,141,004	-	750,000	15,891,004
J Horsburgh	16,702,124	-	750,000	17,452,124
W Kernaghan	3,623,376	-	750,000	4,373,376
Total	40,280,504	-	3,750,000	44,030,504

The directors' shareholdings are held directly and indirectly.

End of Remuneration Report

Signed in accordance with a resolution of the directors



C. Ringrose
Director
Perth, WA
5 September 2014

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Auditor's Independence Declaration to the Directors of Cullen Resources Limited

In relation to our audit of the financial report of Cullen Resources Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Peter McIver

Peter McIver
Partner
5 September 2014

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Cullen Resources Limited have adhered to the principles of corporate governance and this statement outlines the main corporate governance practices in place throughout the financial year. The ASX Corporate Governance Council released revised Corporate Governance Principles and Recommendations on 2 August 2007. Having regard to the size of the Company and the nature of its enterprise, it is considered that the Company complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Unless otherwise stated, the practices were in place for the entire year.

Board of Directors

The Board of Directors of the Company is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuing arrangements are in place to adequately manage those risks.

The primary responsibility of the Board includes:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company’s financial statements;
- ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive directors; and
- the establishment and maintenance of appropriate ethical standards.

The responsibility for the operation and administration of the Company is carried out by the directors, who operate in an executive capacity, supported by senior professional staff. The Board ensures that this team is suitably qualified and experienced to discharge their responsibilities, and assesses on an ongoing basis the performance of the management team, to ensure that management’s objectives and activities are aligned with the expectations and risks identified by the Board.

The Directors of the Company are as follows:

Dr Denis Clarke
Dr Chris Ringrose
Grahame Hamilton
John Horsburgh
Wayne Kernaghan

For information in respect to each director refer to the Directors' Report.

Independent Directors

Under ASX guidelines, principle 2.1, two of the current Board of five directors are considered to be independent directors. Dr Ringrose is the executive director and Mr Horsburgh and Mr Hamilton, who are former executive directors, are, under the ASX guidelines deemed not to be independent by virtue of their positions or former positions. The Board is satisfied that the structure of the Board is appropriate for the size of the Company and the nature of its operations and is a cost effective structure for managing the Company.

Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the Company. Any director so appointed must then stand for election at the next Annual General Meeting of the Company.

Terms of Appointment as a Director

The constitution of the Company provides that a Director, other than the Managing Director, may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

Board Committees

In view of the size of the Company and the nature of its activities, the Board has considered that establishing formally constituted committees for audit, board nominations and remuneration would contribute little to its effective management. Accordingly audit matters, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest). Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

Remuneration

Remuneration and other terms of employment of executives, including executive directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

The terms of engagement and remuneration of executive directors is reviewed periodically by the Board, with recommendations being made by the non-executive directors. Where the remuneration of a particular executive director is to be considered, the director concerned does not participate in the discussion or decision making.

Make Timely and Balanced Disclosure

The board has in place written policies and procedures to ensure the Company complies with its obligations under the continuous disclosure rule 3.1 and other ASX Listing Rule disclosure requirements.

Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

Code of Conduct
In view of the size of the Company and the nature of its activities, the Board has considered that an informal code of conduct is appropriate to guide executives, management and employees in carrying out their duties and responsibilities.

Diversity Policy
The Company is in the process of establishing a diversity policy.

As at 30 June 2014, 0 % (2013: 33.3%) of the workforce is female with no females at board or senior management level. There are only two employees who are both male.

Communication to Market & Shareholders
The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors and the Company. Information is communicated to shareholders and the market through:

- the Annual Report which is available to all shareholders;
- other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate;
- the Annual General Meeting and other meetings called to obtain approval for board action as appropriate; and,
- The Company's website.

Share Trading
Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act 2001 prohibits the purchase or sale of securities whilst a person is in possession of inside information.

External Auditors
The external auditor is Ernst and Young. The external auditors are invited to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Full details of the company’s corporate governance practices can be viewed at its website www.cullenresources.com.au.

Consolidated Statement of Financial Position
as at 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Current Assets			
Cash and cash equivalents	21(i)	1,073,739	1,884,038
Receivables	5	89,020	38,286
Total Current Assets		1,162,759	1,922,324
Non Current Assets			
Other financial assets	6	12,400	32,400
Plant & Equipment	7	963	3,172
Exploration & Evaluation	8	4,483,886	4,211,622
Total Non Current Assets		4,497,249	4,247,194
Total Assets		5,660,008	6,169,518
Current Liabilities			
Trade and other payables	9	145,939	108,266
Provisions	10	121,829	103,917
Total Current Liabilities		267,768	212,183
Non Current Liabilities			
Provisions	10	-	26,602
Total Non Current Liabilities		-	26,602
Total Liabilities		267,768	238,785
Net Assets		5,392,240	5,930,733
Equity			
Issued Capital	11	40,521,766	39,201,266
Share based payment reserve	12	1,301,725	1,280,125
Accumulated Losses	13	(36,431,251)	(34,550,658)
Total Equity		5,392,240	5,930,733

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2014

	Note	Issued Capital $	Share Based Payment Reserve $	Available for Sale Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2012		36,605,266	1,280,125	-	(32,472,092)	5,413,299
Loss for the year		-	-	-	(2,078,566)	(2,078,566)
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(expense) for the year		-	-	-	(2,078,566)	(2,078,566)
Issue of share capital		2,706,000	-	-	-	2,706,000
Share issue costs		(110,000)	-	-	-	(110,000)
Share based payments	12	-	-	-	-	-
At 30 June 2013		39,201,266	1,280,125	-	(34,550,658)	5,930,733

	Note	Issued Capital $	Share Based Payment Reserve $	Available for Sale Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2013		39,201,266	1,280,125	-	(34,550,658)	5,930,733
Loss for the year		-	-	-	(1,880,593)	(1,880,593)
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(expense) for the year		-	-	-	(1,880,593)	(1,880,593)
Issue of share capital		1,320,500	-	-	-	1,320,500
Share issue costs		-	-	-	-	-
Share based payments	12	-	21,600	-	-	21,600
At 30 June 2014		40,521,766	1,301,725	-	(36,431,251)	5,392,240

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Revenues	3	116,211	205,899
Rent		(41,966)	(42,810)
Salaries and Consultants' fees		(387,822)	(408,234)
Compliance expenses		(147,392)	(179,679)
Impairment of exploration expenditure	8	(1,258,108)	(1,452,694)
Share based payments	12	(21,600)	-
Depreciation		(2,209)	(5,421)
Other expenses		(137,707)	(195,627)
Loss before income tax		(1,880,593)	(2,078,566)
Income tax	4	-	-
Net Loss attributable to members of Cullen Resources Limited after tax		(1,880,593)	(2,078,566)
Other Comprehensive Income:		-	-
Total comprehensive income/(loss) for the period		(1,880,593)	(2,078,566)
Basic (loss) per share (cents per share)	22	(0.21)	(0.23)
Diluted (loss) per share (cents per share)	22	(0.21)	(0.23)

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the year ended 30 June 2014

	Note	Consolidated 2014 $	Consolidated 2013 $
Cash flows from operating activities			
Research and development grant		83,527	156,191
Cash payments in the course of operations		(841,845)	(1,597,202)
GST refunded		108,668	144,305
Interest received		29,223	40,481
Net operating cash flows	21(ii)	(620,427)	(1,256,225)
Cash flows from investing activities			
Refund of security deposits		20,000	-
Payment for plant & equipment		-	(2,619)
Payments for exploration & evaluation		(1,530,372)	(1,912,358)
Net investing cash flows		(1,510,372)	(1,914,977)
Cash flows from financing activities			
Proceeds from issue of shares		1,320,500	2,706,000
Share issue costs		-	(110,000)
Net financing cash flows		1,320,500	2,596,000
Net increase/(decrease) in cash and cash equivalents		(810,299)	(575,202)
Cash and cash equivalents at the beginning of the financial year		1,884,038	2,459,240
Cash and cash equivalents at the end of the financial year	21(i)	1,073,739	1,884,038

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation
The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards. The financial statements have also been prepared in accordance with the historical cost convention using the accounting policies described below and do not take account of changes in either the general purchasing power of the dollar or in prices of specific assets.

(b) Statement of compliance
The financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(c) Accounting policies and disclosures
The Consolidated Entity has adopted all new and amended Australian Accounting Standards and AASB interpretations which were applicable as of 1 July 2013. There were some increases to disclosures that were required as a result of AASB 12 – *Disclosure of Interests in Other Entities,* though this had no material impact on the financial position or performance of the Consolidated Entity. Adoption of other new and amended Australian Accounting Standards and AASB interpretations did not have any effect on the financial position or performance of the Consolidated Entity.

The Consolidated Entity has not elected to early adopt any new standards or amendments.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Consolidated Entity had cash assets of $1,073,739 at 30 June 2014. The directors acknowledge that continued exploration and development of the consolidated group's mineral exploration projects will necessitate further capital raisings.

The Consolidated Entity remains dependent on its ability to raise funding in volatile capital markets. However, the directors continue to believe that the going concern basis of accounting by the Consolidated Entity is appropriate as the Company and Consolidated Entity have successfully completed a capital raising during the year to 30 June 2014, notwithstanding the challenging conditions in equity markets.

In consideration of the above matters, the directors have determined that it is reasonably foreseeable that the Consolidated Entity will continue as going concern and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Consolidated Entity is unable to continue as a going concern (due to inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of assets amount or to the amounts and classification of liabilities that might be necessary if the Consolidated Entity does not continue a going concern.

(d) Principles of consolidation
The consolidated financial statements include the financial statements of Cullen Resources Limited and the results of all of its controlled entities which are referred to collectively throughout these financial statements as the "Consolidated Entity". The results of controlled entities are prepared for the same reporting period as the parent, using consistent accounting policies. All inter-entity balances and transactions, and unrealised profits arising from intra-economic entity transactions, have been eliminated in full.

(e) Taxes
Income tax
Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Provision for employee benefits
Provision has been made in the financial statements for benefits accruing to employees in relation to annual leave and long service leave. Annual leave provisions expected to be settled within twelve months are measured at their nominal amounts. Long service leave provisions are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to national government bond securities which have terms to maturity approximating the terms of the related liabilities are used.

(g) Investments in controlled entities
Investments in controlled entities are carried in the company’s financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account when they are proposed by the controlled entities.

(h) Exploration and Evaluation Expenditure
(i) Expenditure is deferred
Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the area of interest level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an area of interest exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount. Any impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

(i) Foreign currency
Both the functional and presentation currency of Cullen Resources Limited and its Australian subsidiaries is Australian dollars ($A).

Foreign currency transactions are translated to Australian currency at the rate of exchange ruling at the date of the transactions. Monetary items in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account in the Consolidated Statement of Comprehensive Income in the financial year in which the exchange rates change, as exchange gains or losses.

(j) Plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – over 3 to 8 years.

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate at each financial year end.

(k) Revenue
Other revenue includes interest revenue on short term deposit received from other persons. It is brought to account using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(l) Joint Operations
The Consolidated Entity recognises in relation to its joint operations:
- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

(m) Payables
Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity.

(n) Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days.

(o) Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

(p) Issued capital
Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Earnings per share (EPS)
Basic EPS is calculated as net profit/(loss) attributable to members, adjusted to exclude costs of servicing equity, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted EPS is calculated as net profit/ (loss) attributable to members, adjusted for:

- costs of servicing equity;
- the after tax effect of interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(r) Change in accounting policies
The accounting policies adopted are consistent with those of the previous year, except as noted at Note 1(c).

(s) Share based payments
At each subsequent reporting date until vesting, the cumulative charge to the Consolidated Statement of Comprehensive Income is the product of:

(i) The grant date fair value of the option.
(ii) The current best estimate of the number of options that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met.
(iii) The expired portion of the vesting period.

The charge to the Consolidated Statement of Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

The company may also issue options that do not have any vesting conditions.

Until an option has vested, any amounts recorded are contingent and will be adjusted if more or fewer options vest than were originally anticipated to do so. Any option subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(t) Investment and other financial assets
Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transactions costs. The Consolidated Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Subsequent measurement of available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale. After initial measurement, available–for-sale financial assets are measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss recorded is recognised in the income statement, or determined to be impaired, at which time the cumulative loss recorded is recognised in the Consolidated Statement of Comprehensive Income.

(u) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(v) New accounting standards and interpretations

International Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2014. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
Interpretation 21	*Levies*	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014
AASB 1055 Not applicable to this company.	*Budgetary Reporting*	This standard specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in AASB 1055.	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9/IFRS 9	*Financial Instruments*	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognised in profit or loss.	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
		Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.		
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	1 July 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.	1 January 2014	1 July 2014
AASB 2013-7	Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]	AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.	1 January 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 July 2014
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the F*ramework (*issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.	1 January 2014	1 July 2014
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.	1 July 2014	1 July 2014
AASB 14 The application of this IFRS is highly unlikely to have an impact on Australian companies.	Regulatory deferral accounts	AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. However, to enhance comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately from other items. An entity that is not a first-time adopter of Australian Accounting Standards will not be able to apply AASB 14. AASB 2014-1 Part D makes amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*, which arise from the issuance of AASB 14 *Regulatory Deferral Accounts* in June 2014.	1 January 2016	1 July 2016
Amendments to IAS 16 and IAS 38 These IFRS amendments have not yet been adopted by the AASB.	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
Amendments to IAS 16 and IAS 41 for bearer plants These IFRS amendments have not yet been adopted by the AASB.	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	The amendments require that bearer plants such as grape vines, rubber trees and oil palms, should be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments issued in June 2014 include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.	1 January 2016	1 July 2016
AASB 2014-1 Part B Amendments to AASB 119	Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
IFRS 15 These IFRS amendments have not yet been adopted by the AASB.	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations (IFRIC *13 Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate,* IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*) The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 July 2017
AASB 1056	*Superannuation Entities*	AASB 1056 is a new Standard applying to superannuation entities replacing AAS 25 *Financial Reporting by Superannuation Plans.* This new standard specifies requirements for general purpose financial statements of superannuation entities and results in significant changes to presentation of financial statements, measurement and disclosure of defined benefit obligations and disclosure of disaggregated financial information.	1 July 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements; • make AASB 1053 consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards*; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	1 July 2014

The adoption of these new and revised Standards and Interpretations will not have an impact on the financial position or performance of the Group.

2. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In applying the Consolidated Entity's accounting policies management continually evaluates estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Consolidated Entity. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by the management in the preparation of these financial statements are outlined below:

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(a) Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(b) Share-based payment transactions
The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using either a binomial or Black-Scholes model, with the assumption detailed in Note 16. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

	Consolidated 2014 $	Consolidated 2013 $
3. REVENUE AND EXPENSES		
(Loss) after crediting the following revenues:		
Other Revenues		
Interest received	29,223	40,481
Research and development grant	83,527	156,191
Foreign exchange gain	-	9,227
Royalty	3,461	-
	116,211	205,899
Loss after charging the following expenses:		
Auditors remuneration in respect of the Audit of the financial statements	54,877	54,250
Provision for employee benefits	(8,690)	(35,304)
Operating lease payments	41,966	42,560
Superannuation	58,149	80,898

4. INCOME TAX

	2014 $	2013 $
The major components of income tax expenses are:		
Income Statement		
Current Income Tax		
Current income tax charge/(benefit)	-	-
Deferred Income Tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense/(benefit) reported in the statement of comprehensive income	-	-
Operating loss before income tax	(1,880,593)	(2,078,566)
Prima facie income tax (benefit) calculated at 30% (2013: 30%)	(564,178)	(623,570)
Non-deductible expenses	6,769	3,328
Income tax losses carried forward/(utilised)	557,409	620,242
Total income tax (expense)/benefit	-	-

Cullen Resources Limited and its 100% owned subsidiaries have entered the tax consolidation regime from 1 July 2002. The head entity of the tax consolidation group is Cullen Resources Limited.

The entity has adopted the stand alone taxpayer method for measuring current and deferred tax amounts. The members of the income tax consolidated group have entered into a tax funding agreement.

Consolidated	Statement of Financial Position		Statement of Comprehensive Income	
	2014	2013	2014	2013
	$	$	$	$
Deferred Tax Liabilities				
Exploration	(1,345,166)	(1,263,486)	81,679	137,899
Deferred Tax Assets				
Provisions	36,549	39,155	(2,607)	(10,592)
Accruals	10,500	10,500	-	-
Deferred tax assets used to offset deferred tax liabilities (i)	1,298,117	1,213,831	(84,286)	(148,491)
Net Deferred Tax Recognised in the Statement of Financial Position	-	-	-	-

(i) As at 30 June 2014 future income tax benefits were available to the Consolidated Entity in respect of operating losses and prospecting and exploration expenditure incurred. The directors estimate the potential income tax benefit at 30 June 2014 in respect of tax losses not brought to account is $14,023,744 (2013: $13,466,335) and there is no expiry date. The benefit of these losses has only been brought to account to the extent needed to offset deferred tax liabilities. The remaining benefit will only be obtained if:

(a) the Consolidated Entity derives future assessable income of a nature and of sufficient amount to enable the benefit to be realised.
(b) the Consolidated Entity continues to comply with the conditions for deductibility imposed by the law; and
(c) no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit.

	Consolidated	
	2014	2013
	$	$

5. RECEIVABLES

Current		
Other debtors	89,020	38,286

Other debtors includes GST receivable which is non-interest bearing.

6. OTHER FINANCIAL ASSETS

Non current		
Security deposits	12,400	32,400
	12,400	32,400

The security deposits are non-interest bearing and relate to mining tenements.

	Consolidated 2014 $	Consolidated 2013 $
7. PLANT & EQUIPMENT		
Plant & Equipment at cost	164,153	164,153
Accumulated depreciation	(163,190)	(160,981)
Total written down amount	963	3,172
(a) Reconciliation		
Plant & Equipment		
Carrying amount at beginning	3,172	5,974
Additions	-	2,619
Depreciation expense	(2,209)	(5,421)
	963	3,172

8. EXPLORATION & EVALUATION

	2014	2013
Costs carried forward in respect of areas of interest in the exploration and evaluation phase		
Opening balance	4,211,622	3,751,958
Expenditure incurred during the year	1,530,372	1,912,358
	5,741,994	5,664,316
Less		
Impairment (a)	(1,258,108)	(1,452,694)
Closing balance net of impairment	4,483,886	4,211,622

Mining tenements are carried forward in accordance with the accounting policy set out in Note 1.

The ultimate recoupment of the book value of deferred costs relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Consolidated Entity's ability to continue to meet its financial obligations to maintain the areas of interest.

(a) Impairment

The Directors have reviewed all exploration projects for indicators of impairment in light of approved budgets. Where substantive expenditure is neither budgeted nor planned the area of interest has been written down to its fair value less costs to sell. In determining fair value less costs to sell the Directors had regard to the best evidence of what a willing participant would pay in an arms length transaction. Where no such evidence was available, areas of interest were written down to nil pending the outcome of any future farm-out arrangement. The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

9. TRADE AND OTHER PAYABLES

	2014	2013
Current		
Trade creditors - unsecured	145,939	108,266

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

	Consolidated	
	2014	2013
	$	$
10. PROVISIONS		
Current		
Employee benefits	121,829	103,917
Non Current		
Employee benefits	-	26,602

11. CONTRIBUTED EQUITY

Issued capital		
1,038,472,843 ordinary shares (2013: 818,389,431)	40,521,766	39,201,266

Movement in issued shares for the year:

	2014		2013	
	Number of Shares	$	Number of Shares	$
Beginning of the financial year:	818,389,431	39,201,266	693,089,431	36,605,266
Issued at 0.6 cents each (ii)	220,083,412	1,320,500	-	-
Issued at 2.0 cents each (ii)	-	-	25,300,000	506,000
Issued at 2.20 cents each (i)	-	-	100,000,000	2,200,000
Less share issue expenses	-	-	-	(110,000)
End of financial year:	1,038,472,843	40,521,766	818,389,431	39,201,266

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(i) Issued under a placement.

(ii) Issued under a Share Purchase Plan to shareholders.

Options

As at 30 June 2014 there are 6,000,000 (2013: 22,000,000) unissued shares in respect of which options were outstanding and the details of these are as follows:

Number	Grant Date	Vesting Date	Exercise Price	Expiry Date
6,000,000	9/06/14	Various	0.023	31 May 2017
6,000,000				

The options have no rights until they are exercised and become ordinary shares.
During the year 22,000,000 (2013: nil) options lapsed.
During the year 6,000,000 (2013: nil) options were issued to an employee to align their interest with shareholders.
Since the end of the financial year no shares have been issued by virtue of the exercise of options.

12. SHARE BASED PAYMENT RESERVE

The share based payment reserve represents the cost of share-based payments to directors, employees and third parties.

	Consolidated	
	2014 $	2013 $
Beginning of the year	1,280,125	1,280,125
Share based payments	21,600	-
End of the year	1,301,725	1,280,125

13. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	(34,550,658)	(32,472,092)
Net (loss)	(1,880,593)	(2,078,566)
Accumulated losses at the end of the year	(36,431,251)	(34,550,658)

14. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The consolidated financial statements at 30 June 2014 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

	Place of Incorporation	Interest %		Investment $	
Name		June 2014	June 2013	June 2014	June 2013
Cullen Minerals Pty Limited	Australia	100	100	-	-
Cullen Exploration Pty Ltd	Australia	100	100	-	-
Montrose Resources Pty Limited	Australia	100	100	1	1
Red Dirt Resources Pty Ltd *	Australia	-	100	-	1
Bearmark Investments Pty Ltd	Botswana	100	100	-	-
Cullen Resources Namibia Pty Ltd	Namibia	100	100	15	15
Cullen Exploration Inc	Canada	100	100	1	1
ARCTEX OY	Finland	100	100	4,072	4,072
ARCTEX AB	Sweden	100	100	7,915	7,915

*During the year this company was de-registered.

	Consolidated 2014 $	Consolidated 2013 $
15. KEY MANAGEMENT PERSONNEL		
Compensation for key management personnel		
Short-term employee benefits	434,586	449,811
Post-employment benefits	36,074	35,100
Other long-term benefits	4,988	(18,500)
Termination benefits	-	-
Share-based payments	-	-
Total compensation	475,648	466,411

16. SHARE BASED PAYMENTS

		2014 $	2013 $
(a)	**Recognised share based payment expenses**		
	Director options	-	-
	Employee options	21,600	-
		21,600	-

(b) Employee Options

(i) Options held at the beginning of the reporting period

Number	Grant Date	Vest Date	Expiry Date	Weighted Average Exercise Price
6,000,000	14/3/11	14/3/11	13/3/14	$0.06

(ii) Options lapsed / exercised during the year

Number	Grant Date	Vest Date	Expiry Date	Weighted Average Exercise Price
6,000,000	14/3/11	14/3/11	13/3/14	$0.06

(iii) Options issued during the year

Number	Grant Date	Vest Date	Expiry Date	Weighted Average Exercise Price	Weighted Average Share Price
6,000,000	9/6/14	Various*	31/5/17	$0.023	$0.013

(iv) Options held at the end of the reporting period

Number	Grant Date	Vest Date	Expiry Date	Exercise Price	Weighted Average Fair Value of Options
6,000,000	9/6/14	Various*	31/5/17	$0.023	$0.0096

- These options vest in three separate 2,000,000 tranches as follows:
- 2m vested immediately
- 2m vest from 1 June 2015
- 2m vest from 1 June 2016

These options had a weighted average exercise price of $0.023 and a weighted average remaining contractual life of 2.92 years.

The fair value of the equity settled share options granted are estimated as at the date of allocation using a Binomial Model taking into account the terms and conditions upon which they were granted.

(v) Valuation of options issued during the year

Number	Grant Date	Vest Date	Expiry Date	Exercise Price	Weighted Average Fair Value of Options
6,000,000	9/6/14	Various*	31/5/17	$0.023	$0.0096

(c) Weighted average remaining contractual life	**2014 Years**	**2013 Years**
Options - Employee	2.92	0.75
Options - Directors	-	0.42

(d) Range of exercise prices	**2014 $**	**2013 $**
Options - Employee	0.023	0.06
Options - Directors	-	0.075

(e) Weighted average fair value at date of issue	**2014 $**	**2013 $**
Options - Employee	0.0096	0.0216
Options - Directors	-	0.0277

(f) Option pricing model

The fair value of the equity settled share options granted are estimated as at the date of allocation using a Binomial Model taking into account the terms and conditions upon which they were granted.

The following table lists the inputs to the models used at the date of allocation for employee options:

	2014	**2013**
Dividend yield	-	-
Expected volatility	145.31%	-
Risk free interest rate	2.855%	-
Exercise price	0.023	-
Share price at measurement date	0.013	-

The following table lists the inputs used at the date of allocation for directors' options:

	2014	2013
Dividend yield	-	-
Expected volatility	-	-
Risk free interest rate	-	-
Exercise price	-	-
Share price at measurement date	-	-

17. JOINT OPERATIONS

The Consolidated Entity has interests in the following joint operations:

	Principal Activity	Other Participant
(a) Hardey Junction	Exploration	Northern Star Resources Ltd (Northern Star)
(b) Mt Stuart	Exploration	Australian Premium Iron Management Pty Limited (API)
(c) Wyloo	Exploration	Fortescue Mining Group Limited (Fortescue)
(d) Tunnel Creek/Saltwater Pool	Exploration	Thundelarra Exploration / Lion One Metals Limited
(e) Paraburdoo	Exploration	Fortescue Mining Group Limited (Fortescue)
(f) Forrestania	Exploration	Hannans Reward Limited (Hannans)
(g) Killaloe	Exploration	Matsa Resources Limited (Matsa)

a) Northern Star has an 80% interest, Cullen is 20% free carried.

b) API has earned a 70% interest in the iron ore rights and Cullen is contributing at 30% for its interest.

c) Fortescue has a 51% interest and can earn up to 80% in the iron ore rights.

d) Thundelarra Exploration/ Lion One Metals can earn 70%, Cullen has a 100% interest.

e) Fortescue can earn up to 80% in the iron ore rights, Cullen has a 100% interest.

f) Hannans has an 80% interest; Cullen is 20% free carried.

g) Matsa has an 80% interest; Cullen is 20% free carried.

The joint operations are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and any outputs and do not, in themselves, generate revenue and profit. The net contribution of any jointly controlled assets to the operating profit before income tax is $Nil (2013: $Nil). The Consolidated Entity's assets employed in the jointly controlled assets, are included in the balance sheet of the Consolidated Entity as follows:

	Consolidated	
	2014	2013
	$	$
Current Assets		
Receivables	44,124	233
Non-Current Assets		
Exploration and expenditure	4,457,944	4,211,349
Current Liabilities		
Trade and other payables	-	14,510

18. COMMITMENTS

(a) Minimum exploration work

The Consolidated Entity has certain obligations to perform minimum exploration work and expend minimum amounts of money on mineral exploration tenements. The Consolidated Entity has committed to expend a minimum of $1,857,838 (2013: $1,878,980) over the next year to keep its current tenements in good standing. Approximately 64% (2013: 68%) of this expenditure will be met by our joint operations partners.

(b) Joint Operation commitment

The Consolidated Entity has certain obligations in respect to the Mt Stuart joint operation and maybe required to expend further funds over the next year being its share of the joint operation's expenditure. The Consolidated Entity's share of the joint operation's total budgeted expenditure over the next year is $420,000.

(c) Lease expenditure commitments

	Consolidated	
	2014	**2013**
	$	**$**
Lease expenditure commitment		
Operating leases (non-cancellable) for premises		
Minimum lease payments		
- not later than one year	36,598	25,137
- later than one year and not later than five years	31,508	-
Aggregate lease expenditure contracted for at reporting date but not provided for	68,106	25,137

A new lease for the premises was entered into for the period 1 May 2014 to 30 April 2016 with an option for a further two years. There are no contingent rentals or restrictions imposed by the lease arrangements.

19. RELATED PARTIES

Payments to director related companies
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

20. OPERATING SEGMENTS

Identification of Reportable Segments

The Consolidated Entity has based its operating segment on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The Consolidated Entity currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Based on this criteria, the Consolidated Entity has only one operating segment, being exploration, and the segment operations and results are the same as the Consolidated Entity's results.

	Consolidated	
	2014	**2013**
	$	**$**
Non Current Assets by Geographical regions:		
Australia	4,494,849	4,244,794
Canada	2,400	2,400
	4,497,249	4,247,194

21. STATEMENT OF CASH FLOWS

(i) Reconciliation of cash

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash at bank and short term deposits at call. Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	2014	2013
	$	$
Cash on hand	1,073,739	1,884,038

(ii) Reconciliation of operating (loss) after income tax to net cash used in operating activities

Operating (loss) after income tax	(1,880,593)	(2,078,566)
Add/(less) non cash items		
Depreciation	2,209	5,421
Share based payments	21,600	-
Provisions for employee benefits	(8,690)	(35,304)
Impairment exploration expenditure	1,258,108	1,452,694
(Decrease) / Increase in trade and other payables	37,673	(706,199)
Decrease / (Increase) in receivables	(50,734)	105,729
Net operating cashflows	(620,427)	(1,256,225)

Share based payments

During the year the Consolidated Entity made share based payments of $21,600 (2013: $Nil) to an employee of the Consolidated Entity.

22. EARNINGS/(LOSS)PER SHARE

	Consolidated	
	2014	2013
Basic (loss) per share (cents per share)	(0.21)	(0.23)
Diluted (loss) per share (cents per share)	(0.21)	(0.23)
The following reflects the income and share data used in the calculations of basic and diluted (loss) per share		
Net (loss)	(1,880,593)	(2,078,566)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	880,495,161	739,383,404
Options on issue at year end are not dilutive and hence not used in the calculation of diluted EPS	6,000,000	22,000,000

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise receivables, payables, and cash and short-term deposits.

The Group manages its exposure to key financial risks, including interest rate risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board of Directors. Due to the size and nature of the company's operations, and as the company does not use derivative instruments or debt, the directors do not believe the establishment of a risk management committee is warranted.

(a) Interest Rate Risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents.

The Group's exposure to interest rate risk for each class of financial assets and financial liabilities is set out below.

	Consolidated	
Financial Instruments	**Floating interest rate**	**Floating interest rate**
	2014	**2013**
	$	**$**
Financial Assets		
Cash and cash equivalents	1,073,739	1,884,038
Total Financial Assets	1,073,739	1,884,038

Cash gives rise to interest rate risk because the interest rate is variable.

The following summarises the effect on loss and equity of financial instruments held at balance date as a result of a 1% movement in interest rates, with all other variables remaining constant.

	Consolidated	
	2014	**2013**
	$	**$**
Interest rate +1%	(10,737)	(18,840)
Interest rate -1%	10,737	18,840

The selection of 1% sensitivity check was based on recent interest rate adjustments.

(b) Currency Risk

The Consolidated Entity has limited exposure to foreign currency risk as it pays for its overseas exploration activities from Australia in various overseas currencies.

(c) Credit Risk

Credit risk arises from the financial assets of the Consolidated Entity, namely trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to its carrying amount. Exposure at balance date is addressed in each applicable note.

The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant. Receivables are due from the Australian Taxation Office and other government bodies which have very low default risk.

There are no significant concentrations of credit risk within the Consolidated Entity and cash and cash equivalents are spread amongst two of the big four Australian Banks.

(d) Liquidity Risk

The liquidity position of the Consolidated Entity is managed to ensure sufficient liquid funds are available to meet the Consolidated Entity's financial commitments in a timely and cost-effective manner. The Consolidated Entity funds its activities through capital raisings in order to limit its liquidity risk which is monitored on a monthly basis.

Contractual maturity of the trade payables is within 30 day terms.

The Consolidate Entity manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis. The Consolidated entity has established comprehensive risk reporting covering its business units that reflect expectations of management of the expected statement of financial assets and liabilities.

(e) Capital Management

Management controls the capital of the Consolidated Entity in order to provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in responses to include the management of debt levels, distributions to shareholders and share issues.

The Consolidated Entity uses cash flow forecasts to manage and adjust its capital management.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Entity since the prior year.

Capital managed by the Consolidated Entity consists of shareholders equity.

	Consolidated	
	2014	**2013**
	$	**$**
Shareholders equity	5,392,240	5,930,733

24. AUDITOR'S REMUNERATION

	Consolidated	
Amounts received or due and receivable by Ernst and Young	**2014**	**2013**
	$	**$**
- an audit or review of the financial report of the entity and any other entity in the Consolidated Entity	54,877	54,250
- taxation services provided to the Consolidated Entity	8,353	2,000

25. PARENT ENTITY INFORMATION

Information relating to Cullen Resources Limited.

	2014	**2013**
	$	**$**
Current assets	1,053,435	1,609,295
Total assets	5,480,120	5,995,280
Current liabilities	75,818	52,660
Total liabilities	75,818	52,660
Issued capital	40,521,766	39,201,266
Accumulated losses	36,419,189	34,538,771
Share based payment reserve	1,301,725	1,280,125
Total shareholders' equity	5,404,302	5,942,620
Loss of the parent entity	1,880,418	2,324,315
Total comprehensive income of the parent entity	1,880,418	2,324,315

The parent entity has no contingent liabilities, nor does it have any contractual commitments for the acquisition of property, plant or equipment.

26. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

27. CORPORATE INFORMATION

The financial report of Cullen Resources Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 5 September 2014.

Cullen Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cullen Resources Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b).

(c) subject to the achievement of the matters in Note 1(c) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2014.

On behalf of the Board

C. Ringrose
Director
Perth, WA
5 September 2014

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Independent auditor's report to the members of Cullen Resources Limited

Report on the financial report

We have audited the accompanying financial report of Cullen Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report. We confirm that the Auditor’s Independence Declaration would be in the same terms if given to the directors as at the time of this auditor’s report.

Opinion

In our opinion:

a. the financial report of Cullen Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(c) in the financial report. As a result of these matters there is the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the Remuneration Report included in pages 21 to 23 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cullen Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Peter McIver

Peter McIver
Partner
Perth
5 September 2014

SHAREHOLDER INFORMATION

CAPITAL STRUCTURE

As at 3 September 2014, the company had the following securities on issue:

	Fully paid Ordinary shares
Issued Capital	1,038,472,843
Top 20 Shareholders	
Total holding of twenty largest shareholders	433,544,808
% of total shares on issue	41.75%
Distribution of shareholders	
1 - 1,000 shares	165
1,001 - 5,000 shares	178
5,001 - 10,000 shares	370
10,001 - 100,000 shares	1,566
100,001 and over	837
Total	**3,116**
Unmarketable Parcels as at 3 September 2014 Minimum $500.00	1,460

OPTIONS

As at 3 September 2014, 6,000,000 unissued shares in respect of options were outstanding. These are as follows:

Number	**Exercise Price**	**Expiry Date**
6,000,000	$0.023	31 May 2017

SUBSTANTIAL SHAREHOLDERS

The company has three Substantial Shareholders as at 3 September 2014

Name	**%**	**No. of shares**
Perth Capital Pty Ltd, Wythenshawe Pty Ltd & Associates	17.76	184,447,576
Baosteel Group Corporation & Aurizon Holdings Limited	9.86	102,343,426

TWENTY LARGEST SHAREHOLDERS

The names of the twenty holders of the fully paid shares at 3 September 2014 are listed below:

Name	No. of Shares	% Held	Rank
Penoir Pty Ltd	72,000,000	6.93	1
Wythenshawe Pty Ltd	56,137,000	5.41	2
Glyde Street Nominees Pty Ltd	33,000,000	3.18	3
Perth Capital Pty Ltd	32,828,000	3.16	4
Perth Capital Pty Ltd	31,822,698	3.06	5
Brisbane Investments I Ltd	25,411,350	2.45	6
Brisbane Investments II Ltd	25,411,349	2.45	7
Kitchsmith Pty Ltd	17,938,002	1.73	8
Innerleithen Pty Ltd	16,534,120	1.59	9
Warramboo Holdings Pty Ltd	15,250,000	1.47	10
Warramboo Holdings Pty Ltd	15,098,462	1.45	11
Chiatta Pty Ltd	14,860,000	1.43	12
Bellarine Gold Pty Ltd	14,805,000	1.43	13
Mr Hugh Wallace-Smith	12,501,380	1.20	14
Aquila Resources Limited	11,846,603	1.14	15
A N Superannuation Pty Ltd	9,000,000	0.87	16
BT X Pty Ltd	8,500,000	0.82	17
Lindglade Enterprises Pty Ltd	7,864,000	0.76	18
Brendon Russell Strong	6,736,844	0.65	19
First Farley Pty Ltd	6,000,000	0.58	20
Total	433,544,808	41.75	

VOTING RIGHTS

Every member present in person or by representative shall on a show of hands have one vote, and on a poll every member present in person or by representative, proxy or attorney shall have one vote in respect of each fully paid share held by him.

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