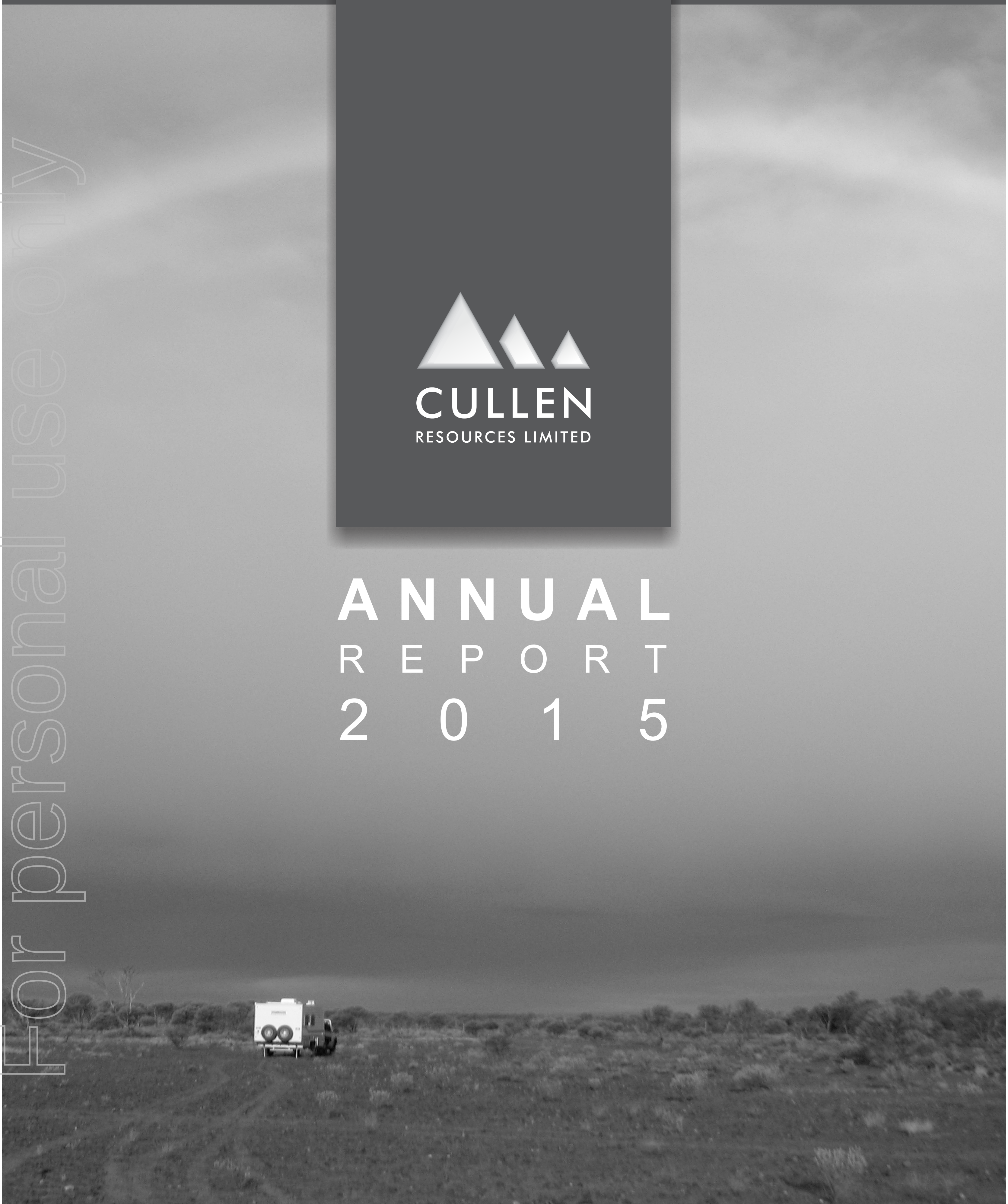

CULLEN
RESOURCES LIMITED

ANNUAL REPORT 2015

Cullen Resources Limited

CORPORATE DIRECTORY

ABN: 46 006 045 790

Directors
Denis Clarke (Non-executive Chairman)
Chris Ringrose (Managing Director)
John Horsburgh (Non-executive)
Grahame Hamilton (Non-executive)
Wayne Kernaghan (Non-executive)

Secretary
Wayne Kernaghan

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Bankers
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Sydney NSW 2000

Securities Quoted
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ASX Code: CUL

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Chairman's Report

DEAR FELLOW SHAREHOLDER

During the past year Cullen has responded to the on-going difficult market conditions for junior explorers and the commodity price collapse by prioritising management of capital and optimising our property portfolio. We have focussed on maintaining our participating interest in the advanced Mt Stuart Iron Ore Joint Venture and on exploring for nickel sulphide and gold deposits in our wholly owned Mt Eureka project, both projects being located in Western Australia.

The most significant developments in regards to the company's iron ore assets in the West Pilbara during the last year have been the sharp decline in the iron ore price and the takeover of one of our joint venture parties, Aquila Resources Limited, by Baosteel Resources Australia Pty Ltd (Baosteel) and Aurizon Operations Limited (Aurizon) in July 2014. Baosteel is one of China's largest steel producers and Aurizon is a well-established logistics operator across Australia with expertise in rail transportation.

Despite the drop in prices, all parties have pushed forward with the proposed major long life iron ore project. Work has progressed on a Feasibility Study ("FS") update (to JORC 2012 reporting standards) for the West Pilbara Iron Ore Project (WPIOP), to include the Mt Stuart Iron Ore Joint Venture's (MSIOJV) deposits (owned 30% by Cullen). During the year ~13,000m of drilling was completed by the MSIOJV at the Catho Well Channel Iron Deposit (CID) , and the resource estimate tonnage was increased by 64% to 161 Mt at 54.4% Fe (see Cullen's ASX announcement 10 March 2015). During the year the MSIOJV expended approximately $2.9 million (Cullen $900,000) to advance the project. A feasibility study relating to a port and rail solution for the WPIOP is being undertaken by Aurizon and a project progress decision is expected in December 2015. Cullen considers its iron ore interest to be of substantial value.

Cullen's 450 square kilometre Mt Eureka Project is a first class nickel and gold exploration project. It covers ultramafic rocks extending northward for ~40 kilometres from a group of new nickel sulphide discoveries by Rox Resources Limited immediately south of our property boundary in such rocks. The region may be a new nickel province. Cullen has completed ground EM surveying which has highlighted new bedrock conductors to be drill tested for nickel sulphides. Gold prospectivity at Mt Eureka has also been highlighted and targets advanced. A 6km long zone of favourable structures and geological settings for gold has been selected for drill testing. Our intentions are to advance the Mt Eureka Project as fast as our finances allow.

Cullen also has two newly-granted tenements in the Dundas and Fraser Range region of south east Western Australia, which is currently a "hot -spot" exploration target region for deposits of nickel-copper and gold. As reflected by such acquisition of new properties, we retain our project generation opportunism.

Despite the prolonged downturn in the exploration sector we have steadfastly persisted over the past several years remaining optimistic and committed to mineral deposit discovery. I thank shareholders for their continued support in providing $1.75 million of new capital over the year. Our dedicated team of fellow directors, staff, consultants and contractors are also thanked for their valuable contributions.

Dr. Denis Clarke, Chairman

Company Profile

Perth-based minerals explorer with:

- iron ore deposit, West Pilbara
- multi-commodity portfolio
- multiple JV partnerships
- innovative approaches
- motivated management
- experienced board
- new project in Dundas-Fraser Range

Highlights

2014/2015

Mt STUART JV, WA **IRON**	Mineral Resource Estimate for the Catho Well Channel Iron Deposit (CID) increased by 64% in tonnage to 161Mt @ 54.4% Fe, Baosteel's successful takeover of Aquila in July 2014 has increased project momentum.
MT EUREKA, WA **NICKEL & GOLD**	~450m^2 project area in North Eastern Goldfields - prospective for gold and nickel. New ground EM surveys completed, with drill testing planned of conductor plates for nickel sulphides, and shear zones with geochemical anomalies to be drill tested for gold.
WYLOO JV, WA **IRON**	Maiden Inferred Resource in Bedded Iron Deposit (BID) of 16.9Mt @ 57.11% Fe. Tenements now sold to FMG Pilbara Pty Ltd as of 31 July 2015.
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**	Targeting nickel sulphide and gold deposits. Project area located south side of Lake Cowan along strike from "Taipan" nickel and "Baloo" gold discoveries of Sirius Resources Limited.
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.
NEW PROJECTS **GOLD, COPPER-NICKEL**	New, approved tenements – Dundas/Fraser Range Region (nickel, copper, gold).

ASHBURTON/PILBARA, WA

MT STUART JV - IRON

The Mt Stuart Iron Ore Joint Venture (ELs 08/1135, 1292, 1330, 1341 and MLA's 08/481,482) is between Cullen Exploration Pty Ltd - 30% and contributing, and API Management Pty Ltd ("API") - 70%. The shareholders of API are the parties to the unincorporated joint venture known as the Australian Premium Iron Joint Venture (APIJV). The participants in the APIJV are: Aquila Steel Pty Ltd 50% (the ultimate owners of which are Baosteel Resources Australia Pty Ltd (85%) and Aurizon Operations Limited (15%)); and AMCI (IO) Pty Ltd 50% (the ultimate owners of which are AMCI Investments Pty Ltd (51%) and Posco WA Pty Ltd (49%)). Baosteel and Posco are subsidiaries of major steel producers in China and Korea respectively.

API is managing the proposed development of the 40 Mtpa WPIOP. A Feasibility Study ("FS") update (to JORC 2012 reporting standards) for the WPIOP, to include the MSIOJV deposits, was previously proposed for 2015. The Manager has now indicated that a "draft MSIOJV FS" is scheduled for delivery by May 2016 (and, subject to MSIOJV management committee approval, scheduled to be finalised in July 2016). A feasibility study relating to a port and rail solution for the WPIOP is being undertaken by project partner, Aurizon - a well-established logistics operator across Australia. The MSIOJV Feasibility Study is being completed on the basis that a mine gate sales arrangement will be entered in with Cullen.

The MSIOJV owns the Catho Well channel iron ore deposit (CID) -161 Mt @ 54.40% Fe (JORC 2012 compliant) and Cullen is contributing funds and maintaining its 30% participating interest.

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

Deposit	Classification	Mt	Fe %	SiO_2 %	Al_2O_3 %	Mn %	LOI %	MgO %	P %	S %
Catho Well	Measured	3	55.31	6.45	3.56	0.06	9.98	0.19	0.042	0.022
	Indicated	139	54.37	7.60	3.42	0.08	10.36	0.19	0.036	0.016
	Inferred	19	54.47	7.70	3.18	0.10	10.28	0.20	0.039	0.016
	TOTAL	161	54.40	7.59	3.40	0.08	10.35	0.19	0.037	0.016

The Catho Well Mineral Resource estimate is reported at a 52% 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, 2012 Edition).

An Ore Reserve Estimate will be generated from this new Resource Estimate, anticipated in September, 2015

TUNNEL CREEK JV

The Company has a Joint Venture agreement with Element 92 Pty Ltd, a wholly-owned subsidiary of Thundelarra Exploration Ltd (Thundelarra) and Lion One Metals Ltd (ASX: LLO). The last two joint venture tenements (ELs 52/1890, 1892) were surrendered during the year, and in due course it is anticipated that the Joint Venture will be formally terminated.

HARDEY JUNCTION JV - GOLD

Northern Star Resources Ltd completed regional targeting work, which included acquisition of airborne multispectral images and a University of WA/Centre for Exploration Targeting study, over a large area including the Hardey Junction JV tenement in 2103-2104, but no fieldwork was completed in 2014-2015.

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 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.

During the year, the Joint Venture Manager, Fortescue Metals Group Limited (Fortescue) reported a number of significant drill intersections including: 75m @ 61.3% Fe from 24m at the Wyloo South Prospect; and 66m @ 60.3% Fe from 0m at the Wyloo North Prospect.

Also during 2015, Cullen Exploration Pty Limited ("Cullen"), a wholly-owned subsidiary of Cullen Resources Limited, entered into an agreement to sell 100% of its interests in the Wyloo JV group of tenements, namely EL08/1393, EL47/1154, EL47/1649, EL47/1650, PL 08/556, MLA08/502 and MLA 47/1490, to FMG Pilbara Pty Ltd, a wholly-owned subsidiary of Fortescue. Completion of the sale took place on the date of execution of the agreement, being 31 July 2015.

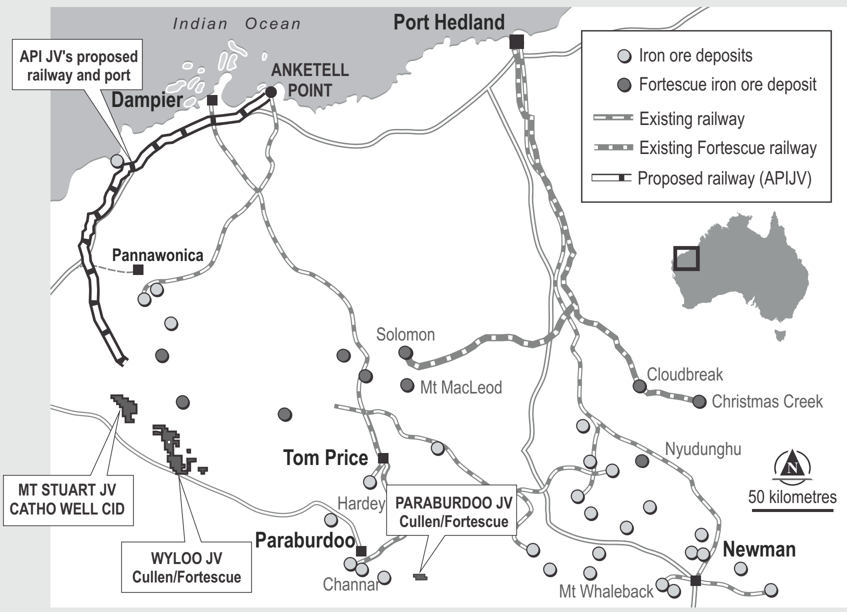
In consideration for the sale, Cullen received:

- $50,000 cash at completion;

- $900,000 cash, if and when a decision is made to commence extraction of ore on a commercial basis on any part of the land the subject of the Royalty Tenements being the sale tenements together with M47/1488 and M47/1489, which are held 100% by Fortescue and are contiguous with the sale tenement); and,

- A Royalty of 1.5% of Gross Revenue on up to 15Mt of any iron ore produced from the land the subject of the sale tenements.

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.



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 EASTERN GOLDFIELDS, WA

MT EUREKA - GOLD, NICKEL

Cullen holds 100% of ~450km^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 and at the AK47 prospect discovered by the WMC-Cullen Joint Venture in 2002.

PRIORITY TARGETS - 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.

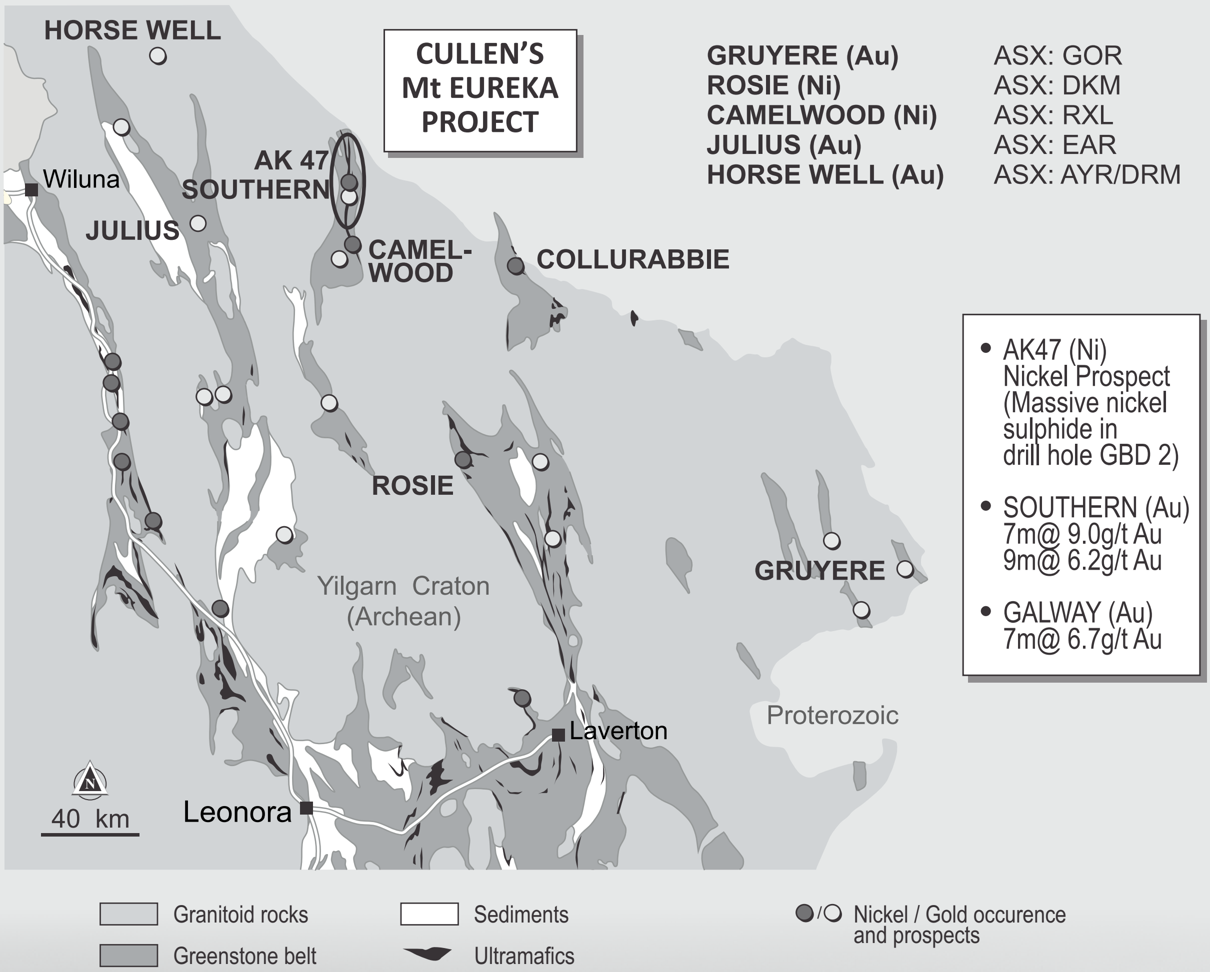
During 2013/2014 Cullen completed various phases of RC drilling to test EM conductors and geological/geochemical targets for nickel sulphide mineralisation, Other holes tested ultramafics and below anomalous geochemistry in ultramafics, and a magnetic anomaly.

On-going exploration in 2014/2015 included geological mapping and prospecting of nickel sulphide targets at Mt Eureka which 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.

In addition a ground EM survey was completed at the AK47 prospect druing the year, and two new bedrock conductors are now modelled and ready for drilling.

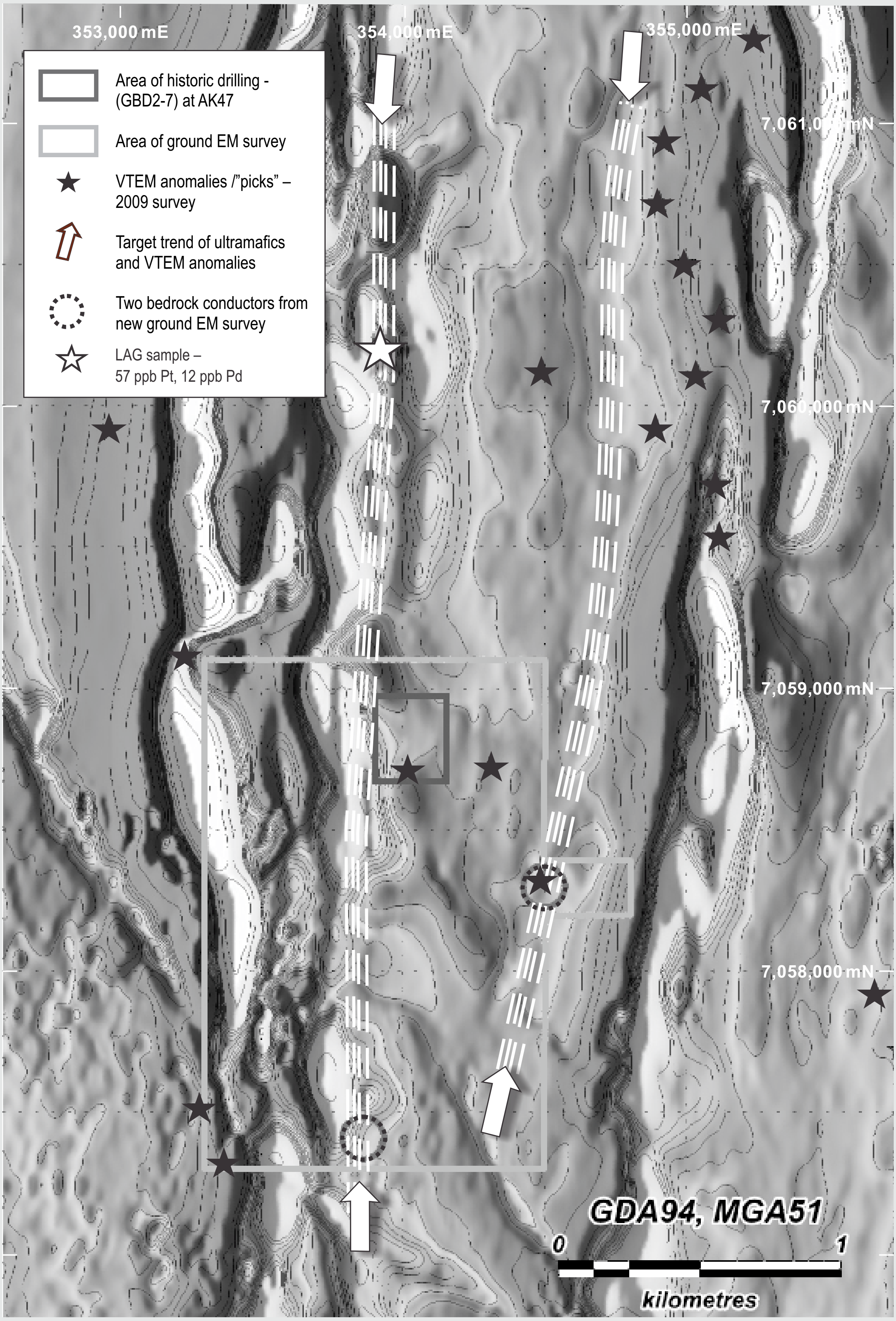
Exploration Review

MT EUREKA PROJECT AMONGST REGION OF ACTIVE EXPLORATION AND DISCOVERIES



For personal use only

MT EUREKA PROJECT, NICKEL:
Aeromagnetic Image of AK47 Prospect Area and Extension



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 semimassive 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 received a grant of $60,000 under the WA Department of Mines and Petroleum's Exploration Drilling Incentive Scheme for the year to June 2016 to test the gold mineralisation at the Southern Prospect at depth with two diamond drillholes.

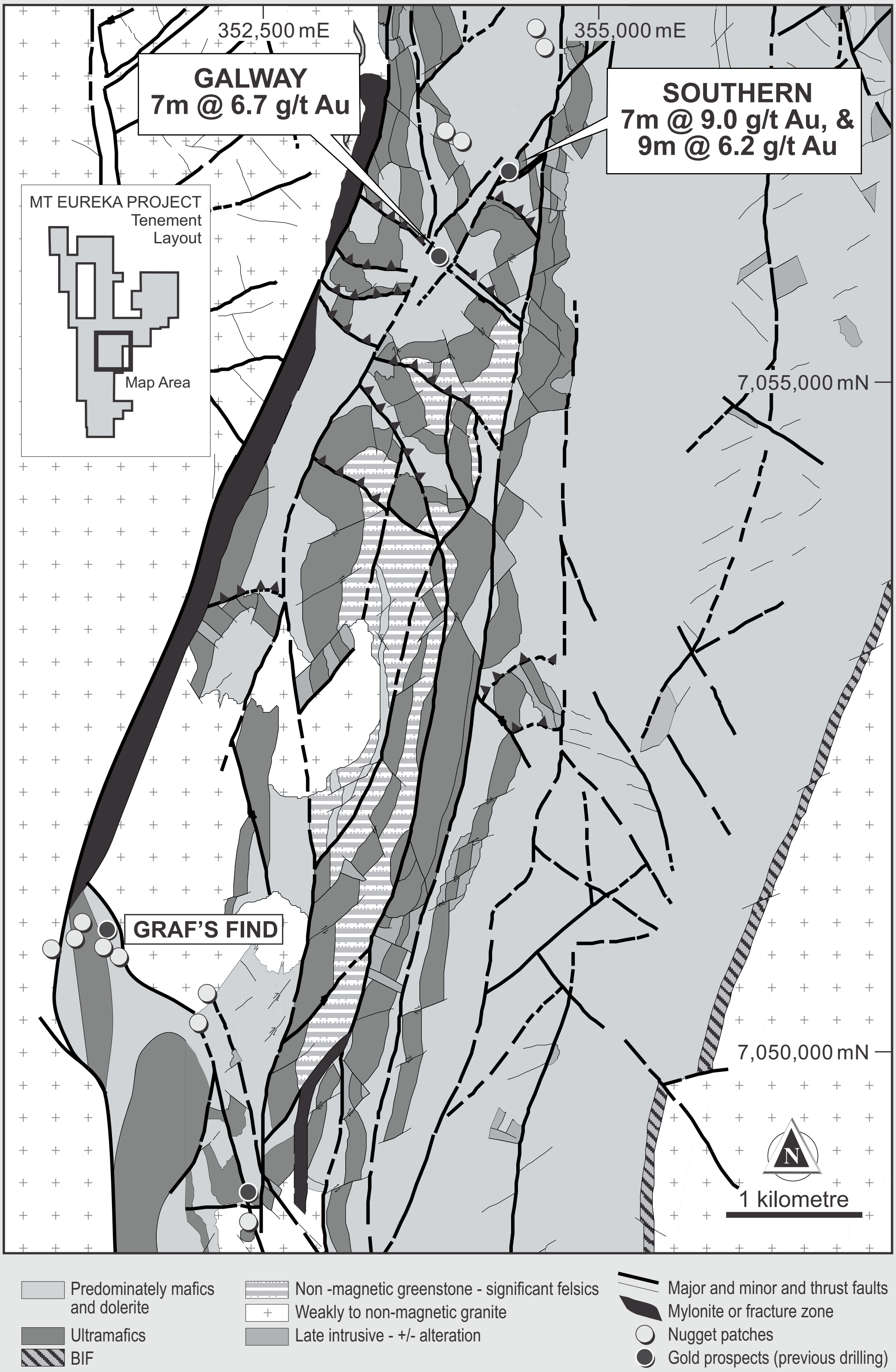
MT EUREKA - OTHER GOLD TARGETS

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, and/or reconnaissance air core drilling.

MT EUREKA PROJECT, GOLD:
Solid Geology - Interp From Airmag



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.

During the year Matsa conducting drilling to test the Hanging Wall Gossan (HWG) and intersected narrow zones of semi-massive, and disseminated sulphides in komatiite . Matsa is currently reviewing all aspects of the Western Ultramafic Belt including the HWG prospect.

Matsa has also reported that further gold exploration will be undertaken with soil sampling surveys, and reviewing data from a trend of gold prospects in the Eastern Ultramafic Belt, (in light of the gold discovery at “Baloo” by Sirius Resource located on Lake Cowan ~ 25 km to the north west of the Killaloe JV tenements).

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 - GOLD

Cullen is a 20% holder of the gold rights on M77/544 via the Forrestania Joint Venture with Hannans Reward Ltd, and has sold its 20% share to Mine Builder Pty Ltd. Cullen will receive $200,000 cash as consideration via four instalments to be paid before the end of 2015. Title to the gold rights will be transferred on receipt of the final instalment. No payment under this agreement has been received to date.

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.

SCHEDULE OF TENEMENTS (as at 30 June 2015)

REGION	TENEMENTS	TENEMENT APPLICATIONS	CULLEN INTEREST	COMMENTS
WESTERN AUSTRALIA ASHBURTON / PILBARA				
Mt Stuart JV	E08/1135, E08/1330, E08/1341, E08/1292	MLA08/481, MLA08/482	30 -100%	API has earned 70% of iron ore rights; Cullen 100% other mineral rights
Hardey Junction JV	E08/1145, 1166, 1189,1763, P08/546		20%	Northern Star Resources Limited
Wyloo JV	E08/1393, E47/1154 E47/1649, 1650 P08/556	MLA47/1490	49 -100%	Fortescue has earned 51%, can earn 80% of iron ore rights Cullen 100% other mineral rights
Paraburdoo JV	E52/1667		100%	Fortescue can earn up to 80% of iron ore rights; Cullen 100% other mineral rights
Wyloo SE	E08/2145		100%	
NE GOLDFIELDS				
Gunbarrel	E53/1299,1300 +/ * E53/1630,1635		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 Irwin Bore Wonganoo	E53/1637 E53/1209 E53/1611		100% 100% 100%	
DUNDAS				
	E63/1673		100%	
FRASER RANGE				
	E28/2470		100%	
MURCHISON				
Cue	E20/714		100%	
EASTERN GOLDFIELDS				
Killaloe	E63/1018, E63/1199, P63/1672 P63/1331		20%	Matsa Resources Limited 80%
FORRESTANIA				
Forrestania JV	M77/544		20%	Hannans Reward Ltd 80% Gold rights only
NEW SOUTH WALES				
Minter	EL6572		100%	

JOINT VENTURES - SUMMARY TABLE (as at 30 June 2015)

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%	
Mt. Stuart	Iron Ore	API JV	(70%) ∞	-	-	Cullen contributing at 30% in Mt Stuart JV.
Tunnel Creek	Uranium	Thundelarra/ Lion One Metals	70% or 80%	(20%)	2%	
Wyloo	Iron Ore	Fortescue Metals Group Ltd	80% (51%)	(20%)	-	1.5% FOB Royalty capped to 15Mt. Has earned 51% with Inferred Resource Estimate, can earn 80%
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

ATTRIBUTION: Competent Person Statement
The information in this report that relates to exploration activities is based on information compiled by Dr. Chris Ringrose, Managing Director, Cullen Resources Limited who is a Member of the Australasian Institute of Mining and Metallurgy. Dr. Ringrose is a full-time employee of Cullen Resources Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Ringrose consents to the report being issued in the form and context in which it appears.

Information in this report may also reflect past exploration results, and Cullen's assessment of exploration completed by past explorers, which has not been updated to comply with the JORC 2012 Code. The Company confirms it is not aware of any new information or data which materially affects the information included in this announcement.

MINERAL RESOURCES and ORE RESERVES (MROR) statement

The company's annual review of mineral resources and ore reserves is given below. There has been a change in the entity's Mineral Resources and Ore Reserves since last reported to June 30, 2014 as follows.

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

Deposit	Classification	Mt	Fe %	P %	SiO_2 %	Al_2O_3 %	S %	Mn %	MgO %	LOI %
Catho Well	Measured	3	55.31	0.042	6.45	3.56	0.022	0.06	0.19	9.98
	Indicated	139	54.37	0.036	7.60	3.42	0.016	0.08	0.19	10.36
	Inferred	19	54.47	0.039	7.70	3.18	0.016	0.10	0.20	10.28
	TOTAL	161	54.40	0.037	7.59	3.40	0.016	0.08	0.19	10.35

The Catho Well Mineral Resource estimate is reported at a 52% 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, 2012 Edition).

Competent Persons Statement Resource
The information in this report 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 2012 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.

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.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2015.

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)

- **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 24 April 2015)

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 $ 1,414,969 [2014: loss $1,880,593]. No income tax was attributable to this result [2014: 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 2015 focussed on programmes for nickel sulphide and gold deposits in the Mt Eureka project area, and for iron ore in the Wyloo Iron Ore JV and the Mt Stuart Iron Ore 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.

The Company has 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 $ 1,490,268 (2014: $1,530,372) 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 2015 available cash totalled $ 867,152 (2014: $1,073,739).

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 other than the following:

- The Group have sold its interest in the tenements which form the Wyloo Iron Ore Rights Joint Venture to its partner Fortescue Metals Limited for $50,000 together with a further $950,000 on a decision to mine and a royalty of 1.5% FOB for the first 15 million tonnes mined.

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 26,000,000 (2014: 6,000,000) options which were outstanding. During the year 20,000,000 (2014: 6,000,000) options were issued and nil (2014: 22,000,000) 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 (2014: Nil). Since the end of the financial year no shares have been issued by virtue of the exercise of options (2014: Nil).

Directors' Interest

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

2015	**Direct**		**Indirect**	
	Fully Paid Shares	Options	Fully Paid Shares	Options
D. Clarke	-	2,500,000	11,619,008	-
C. Ringrose	7,890,227	10,000,000	-	-
G. Hamilton	228,571	2,500,000	23,455,803	-
J. Horsburgh	3	2,500,000	25,337,144	-
W. Kernaghan	2,285,714	2,500,000	9,516,942	-

Directors' Meetings

During the year the Company held eleven 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	11	11
C. Ringrose	11	11
G. Hamilton	11	11
J. Horsburgh	9	11
W. Kernaghan	11	11

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 $10,892 (2014: $10,448) 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 2015 (2014: 2).

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 2015 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 $10,872(2014: $8,353).

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 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
30 June 2015	1,414,969	(0.13)	0.4

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 10,000,000 options on 1 December 2014 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 2017 ("the Expiry Date") with an exercise price of $0.016. This is contained in the notice of meeting which was approved by shareholders.

During the year the Board paid a discretionary bonus of Nil (2014: Nil) to Dr Ringrose.

Non Executive Directors
The non executive directors have been issued with 2,500,000 options each on 1 December 2014 with an exercise price of $0.016 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 2017 ("the Expiry Date"). This is contained in the notice of meeting which was approved by shareholders.

Directors' and Executives' Remuneration
Details of remuneration provided to directors for the year ended 30 June 2015 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	-	-	-	3,325	-	15,250	53,575	-
C. Ringrose	-	265,000	-	* 5,417	25,175	5,097	61,000	361,689	-
G. Hamilton	30,000	-	-	-	2,850	-	15,250	48,100	-
J. Horsburgh	30,000	-	-	-	2,850	-	15,250	48,100	-
W. Kernaghan	30,000	42,875	-	-	2,850	-	15,250	90,975	-
Total	**125,000**	**307,875**	**-**	**5,417**	**37,050**	**5,097**	**122,000**	**602,439**	-

* This relates to the provision of a motor vehicle.

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.

Shares issued on exercise of remunerated options

During the financial year nil (2014: Nil) remunerated options were exercised. During the financial year nil (2014: 16,000,000) options expired. The directors exercised nil (2014: Nil) options during the year.

Options granted as part of remuneration for the year ended 30 June 2015

There were 20,000,000 options granted as a part of remuneration for the year ended 30 June 2015.

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	15,250	-	-	15,250
C. Ringrose	61,000	-	-	61,000
G. Hamilton	15,250	-	-	15,250
J. Horsburgh	15,250	-	-	15,250
W. Kernaghan	15,250	-	-	15,250

Options granted as part of remuneration for the year ended 30 June 2014

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

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)

Option holdings of directors

Directors	Balance at beginning of year 1 July 2014 Number	Options issued Number	Options lapsed Number	Balance at end of year 30 June 2015 Number	Total Number	Vested and exercisable at 30 June 2015 Number
D Clarke	-	2,500,000	-	2,500,000	2,500,000	2,500,000
C Ringrose	-	10,000,000	-	10,000,000	10,000,000	10,000,000
G Hamilton	-	2,500,000	-	2,500,000	2,500,000	2,500,000
J Horsburgh	-	2,500,000	-	2,500,000	2,500,000	2,500,000
W Kernaghan	-	2,500,000	-	2,500,000	2,500,000	2,500,000
Total	-	20,000,000	-	20,000,000	20,000,000	20,000,000

The outstanding options are exercisable at $0.016 and have an expiry date of 30 November 2017.
These options had a weighted average exercise price of $0.016 and a weighted average remaining contractual life of 2.42 years.

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

Shareholdings of directors

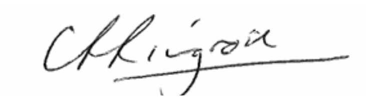
Directors	Balance 1 July 2014 Number	Options Exercised Number	Net Change Purchase Number	Balance 30 June 2015 Number
D Clarke	7,864,000	-	3,755,008	11,619,008
C Ringrose	3,450,000	-	4,440,227	7,890,227
G Hamilton	18,391,004	-	5,293,370	23,684,374
J Horsburgh	19,952,124	-	5,385,021	25,337,147
W Kernaghan	6,873,376	-	4,929,280	11,802,656
Total	56,530,504	-	23,802,908	80,333,412

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

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
18 September 2015

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Building a better working world

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 2015, 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

V L Hoang
Partner
18 September 2015

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 27 March 2014. 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, four of the current Board of five directors are considered to be independent directors. Dr Ringrose is the executive director and under the ASX guidelines deemed not to be independent by virtue of his position. 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 having regard to the size of the company and the nature of its business.

As at 30 June 2015, 50 % (2014: 0.0%) of the workforce is female with no females at board or senior management level. There are only two employees, one female and one 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 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Current Assets			
Cash and cash equivalents	21(i)	867,152	1,073,739
Receivables	5	93,804	89,020
Total Current Assets		960,956	1,162,759
Non Current Assets			
Other financial assets	6	10,000	12,400
Plant & Equipment	7	-	963
Exploration & Evaluation	8	5,329,287	4,483,886
Total Non Current Assets		5,339,287	4,497,249
Total Assets		6,300,243	5,660,008
Current Liabilities			
Trade and other payables	9	299,480	145,939
Provisions	10	111,171	121,829
Total Current Liabilities		410,651	267,768
Total Liabilities		410,651	267,768
Net Assets		5,889,592	5,392,240
Equity			
Issued Capital	11	42,276,087	40,521,766
Share based payment reserve	12	1,459,725	1,301,725
Accumulated Losses	13	(37,846,220)	(36,431,251)
Total Equity		5,889,592	5,392,240

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

Consolidated Statement of Changes in Equity for the year ended 30 June 2015

	Note	Issued Capital $	Share Based Payment 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

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total Equity $
At 1 July 2014		40,521,766	1,301,725	(36,431,251)	5,392,240
Loss for the year		-	-	(1,414,969)	(1,414,969)
Other comprehensive income		-	-	-	-
Total comprehensive income/(expense) for the year		-	-	(1,414,969)	(1,414,969)
Issue of share capital		1,793,201	-	-	1,793,201
Share issue costs		(38,880)	-	-	(38,880)
Share based payments	12	-	158,000	-	158,000
At 30 June 2015		42,276,087	1,459,725	(37,846,220)	5,889,592

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

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenues	3	130,816	116,211
Rent		(37,359)	(41,966)
Salaries and Consultants' fees		(409,590)	(387,822)
Compliance expenses		(156,633)	(147,392)
Impairment of exploration expenditure	8	(644,867)	(1,258,108)
Share based payments	12	(158,000)	(21,600)
Depreciation		(963)	(2,209)
Other expenses		(138,373)	(137,707)
Loss before income tax		(1,414,969)	(1,880,593)
Income tax	4	-	-
Net Loss attributable to members of Cullen Resources Limited after tax		(1,414,969)	(1,880,593)
Other Comprehensive Income:		-	-
Total comprehensive (loss) for the period		(1,414,969)	(1,880,593)
Basic (loss) per share (cents per share)	22	(0.13)	(0.21)
Diluted (loss) per share (cents per share)	22	(0.13)	(0.21)

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

Consolidated Statement of Cash Flows
for the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Research and development grant		99,529	83,527
Cash payments in the course of operations		(682,784)	(841,845)
GST refunded		81,328	108,668
Interest received		8,560	29,223
Net operating cash flows	21(ii)	(493,367)	(620,427)
Cash flows from investing activities			
Refund of security deposits		-	20,000
Proceeds from sale plant & equipment		22,727	-
Payments for exploration & evaluation		(1,490,268)	(1,530,372)
Net investing cash flows		(1,467,541)	(1,510,372)
Cash flows from financing activities			
Proceeds from issue of shares		1,793,201	1,320,500
Share issue costs		(38,880)	-
Net financing cash flows		1,754,321	1,320,500
Net decrease in cash and cash equivalents		(206,587)	(810,299)
Cash and cash equivalents at the beginning of the financial year		1,073,739	1,884,038
Cash and cash equivalents at the end of the financial year	21(i)	867,152	1,073,739

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.

(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 2014. 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 $867,112 at 30 June 2015. 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 capital raisings during the year to 30 June 2015, 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 Australian corporate 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.

<u>Subsequent measurement of available-for-sale financial assets</u>

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 2015. These are outlined in the table below.

Accounting Standard	*Title*	Summary	Application date of standard	Application date for Group
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 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 AASB 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. Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 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 simpler 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	1 January 2018	1 July 2018

Accounting Standard	*Title*	Summary	Application date of standard	Application date for Group
AASB 9 (continued)	*Financial Instruments*	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. 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 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.	1 January 2018	1 July 2018
AASB 14	*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
AASB 2014-3	*Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11*]	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016

Accounting Standard	*Title*	Summary	Application date of standard	Application date for Group
AASB 2014-4	*Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)*	AASB 116 and AASB 138 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 amendment 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
AASB 2014-6	*Amendments to Australian Accounting Standards – Agriculture: Bearer Plants [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]*	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 AASB 116 Property, Plant and Equipment, because their operation is similar to that of manufacturing. The produce growing on bearer plants will remain within the scope of AASB 141. This Standard also makes various editorial corrections to other Australian Accounting Standards.	1 January 2016	1 July 2016
AASB 15	*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. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.	1 January 2017	1 July 2017

Accounting Standard	*Title*	Summary	Application date of standard	Application date for Group
AASB 15 (continued)	*Revenue from Contracts with Customers*	The IASB has decided to defer the effective date of IFRS 15 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will mean that the application date of this standard for the Group will move from 1 July 2017 to 1 July 2018.		
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 July 2016

The adoption of these new and revised Standards and Interpretations will not be expected to have a material 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.

3. REVENUE AND EXPENSES

	Consolidated 2015 $	Consolidated 2014 $
(Loss) after crediting the following revenues:		
Other Revenues		
Interest received	8,560	29,223
Research and development grant	99,529	83,527
Sale of plant and equipment	22,727	-
Royalty	-	3,461
	130,816	116,211
Loss after charging the following expenses:		
Auditors remuneration in respect of the Audit of the financial statements	45,731	54,877
Operating lease payments	37,359	41,966
Superannuation	49,482	58,149

4. INCOME TAX

	2015 $	2014 $
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	(1,414,969)	(1,880,593)
Prima facie income tax (benefit) calculated at 30% (2014: 30%)	(424,491)	(564,178)
Non-deductible expenses	57,240	6,769
Non-assessable income	(29,859)	-
Income tax losses carried forward/(utilised)	397,110	557,409
Total income tax (expense)/benefit	-	-

Cullen Resources Limited and its 100% owned Australian 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	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Deferred Tax Liabilities				
Exploration	(1,598,786)	(1,345,166)	253,620	81,679
Deferred Tax Assets				
Provisions	33,351	36,549	(3,198)	(2,607)
Accruals	9,150	10,500	(1,350)	-
Deferred tax assets used to offset deferred tax liabilities (i)	1,556,285	1,298,117	(258,168)	(84,286)
Net Deferred Tax Recognised in the Statement of Financial Position	-	-	-	-

(i) As at 30 June 2015 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 2015 in respect of tax losses not brought to account is $9,286,534 (2014: $8,871,883) 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	
	2015	**2014**
	$	**$**
5. RECEIVABLES		
Current		
Other debtors	93,804	89,020

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

6. OTHER FINANCIAL ASSETS

Non current		
Security deposits	10,000	12,400
	10,000	12,400

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

	Consolidated 2015 $	Consolidated 2014 $
7. PLANT & EQUIPMENT		
Plant & Equipment at cost		
Opening balance	164,153	164,153
Disposals	(55,791)	-
Closing balance	108,362	164,153
Plant & Equipment – Accumulated depreciation		
Opening balance	(163,190)	(160,981)
Depreciation	(963)	(2,209)
Disposals	55,791	-
Closing balance	(108,362)	(163,190)
Total written down amount	-	963
(a) Reconciliation		
Plant & Equipment		
Carrying amount at beginning	963	3,172
Disposals	-	-
Depreciation expense	(963)	(2,209)
	-	963

8. EXPLORATION & EVALUATION

	2015 $	2014 $
Costs carried forward in respect of areas of interest in the exploration and evaluation phase		
Opening balance	4,483,886	4,211,622
Expenditure incurred during the year	1,490,268	1,530,372
	5,974,154	5,741,994
Less		
Impairment (a)	(644,867)	(1,258,108)
Closing balance net of impairment	5,329,287	4,483,886

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 cost of disposal 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

Current		
Trade creditors - unsecured	299,480	145,939

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

	Consolidated	
	2015	2014
	$	$

10. PROVISIONS

Current		
Employee benefits	111,171	121,829

11. CONTRIBUTED EQUITY

Issued capital

1,378,469,841 ordinary shares (2014: 1,038,472,843)	42,276,087	40,521,766

Movement in issued shares for the year:

	2015		2014	
	Number of Shares	$	Number of Shares	$
Beginning of the financial year:	1,038,472,843	40,521,766	818,389,431	39,201,266
Issued at 0.6 cents each (iii)	-	-	220,083,412	1,320,500
Issued at 1.2 cents each (i)	44,891,671	538,701	-	-
Issued at 0.6 cents each (ii)	60,500,000	363,000	-	-
Issued at 0.38 cents each(ii)	75,000,000	285,000	-	-
Issued at 0.38 cents each(iii)	159,605,327	606,500	-	-
Less share issue expenses	-	(38,880)	-	-
End of financial year:	1,378,469,841	42,276,087	1,038,472,843	40,521,766

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

Options

As at 30 June 2015 there are 26,000,000 (2014: 6,000,000) 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
20,000,000	1/12/14	Nil	0.016	30 November 2017
26,000,000				

The options have no rights until they are exercised and become ordinary shares.
During the year Nil (2014: 22,000,000) options lapsed.
During the year 20,000,000 options were issued to Directors 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	
	2015	**2014**
	$	**$**
Beginning of the year	1,301,725	1,280,125
Share based payments	158,000	21,600
End of the year	1,459,725	1,301,725

13. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	(36,431,251)	(34,550,658)
Net loss	(1,414,969)	(1,880,593)
Accumulated losses at the end of the year	(37,846,220)	(36,431,251)

14. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The consolidated financial statements at 30 June 2015 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 2015**	**June 2014**	**June 2015**	**June 2014**
Cullen Minerals Pty Limited	Australia	100	100	-	-
Cullen Exploration Pty Ltd	Australia	100	100	-	-
Montrose Resources Pty Limited*	Australia	100	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
ARCTEX OY	Finland	100	100	4,072	4,072
ARCTEX AB	Sweden	100	100	7,975	7,975

*During the year this company was de-registered.

15. KEY MANAGEMENT PERSONNEL

Compensation for key management personnel

	Consolidated 2015 $	Consolidated 2014 $
Short-term employee benefits	438,292	434,586
Post-employment benefits	37,050	36,074
Other long-term benefits	5,097	4,988
Termination benefits	-	-
Share-based payments	122,000	-
Total compensation	602,439	475,648

16. SHARE BASED PAYMENTS

(a) Recognised share based payment expenses

	2015 $	2014 $
Director options	122,000	-
Employee options	36,000	21,600
	158,000	21,660

(b) Employee Options

For details/movements around the director options, please refer to the Remuneration Report.

(i) Options held at the beginning of the reporting period – 1 July 2014

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

(ii)(a) Options lapsed during the year - 2015

Number	Grant Date	Vest Date	Expiry Date	Weighted Average Exercise Price
-	-	-	-	-

(ii)(b) Options lapsed during the previous year - 2014

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)(a) Options issued during the year - 2015

Number	Grant Date	Vest Date	Expiry Date	Weighted Average Exercise Price	Weighted Average Share Price
-	-	-	-	-	-

(iii)(b) Options issued during the previous year - 2014

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 -30 June 2015

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 vested on 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 1.92 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.

(c) Weighted average remaining contractual life	**2015 Years**	**2014 Years**
Options - Employee	1.92	2.92
Options - Directors	2.42	-

(d) Range of exercise prices	**2015 cents**	**2014 cents**
Options - Employee	2.3	2.3
Options - Directors	1.6	-

(e) Weighted average fair value at date of issue	**2015 cents**	**2014 cents**
Options - Employee	-	0.96
Options - Directors	0.61	-

(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 and directors' options:

	2015	**2014**
Expected volatility	155.19%	145.31%
Risk free interest rate	2.135%	2.855%
Exercise price	$0.016	0.023
Share price at measurement date	$0.008	0.013

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 (2014: $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	
	2015	**2014**
	$	**$**
Current Assets		
Receivables	75,610	44,124
Non-Current Assets		
Exploration and expenditure	5,329,287	4,457,944
Current Liabilities		
Trade and other payables	85,132	-

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 $1,569,260 (2014: $1,857,838) over the next year to keep its current tenements in good standing. Approximately 61% (2014: 64%) 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 $684,000.

(c) Lease expenditure commitments

	Consolidated	
	2015	**2014**
	$	**$**
Lease expenditure commitment		
Operating leases (non-cancellable) for premises		
Minimum lease payments		
- not later than one year	30,969	36,598
- later than one year and not later than five years	-	31,508
Aggregate lease expenditure contracted for at reporting date but not provided for	30,969	68,106

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. Consultancy payments were made to Mosman Corporate Services Pty Ltd totalling $42,875(2014:$37,750) which is a company controlled by Mr W Kernaghan. There was $3,125 (2014: $3,000) outstanding at 30 June 2015.

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	
	2015	**2014**
	$	**$**
Non Current Assets by Geographical regions:		
Australia	5,339,287	4,494,849
Canada	-	2,400
	5,339,287	4,497,249

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	
	2015	**2014**
	$	**$**
Cash on hand	867,152	1,073,739

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

Operating (loss) after income tax	(1,414,969)	(1,880,593)
Add/(less) non cash items		
Profit on sale of plant & equipment	(22,727)	-
Depreciation	963	2,209
Security deposit written off	2,400	-
Share based payments	158,000	21,600
Provisions for employee benefits	(10,658)	(8,690)
Impairment exploration expenditure	644,867	1,258,108
(Decrease) / Increase in trade and other payables	153,541	37,673
Decrease / (Increase) in receivables	(4,784)	(50,734)
Net operating cashflows	(493,367)	(620,427)

Share based payments
During the year the Consolidated Entity made share based payments of $158,000 (2014: $21,600) to directors and an employee of the Consolidated Entity.

22. EARNINGS/(LOSS)PER SHARE

	Consolidated 2015	Consolidated 2014
Basic (loss) per share (cents per share)	(0.13)	(0.21)
Diluted (loss) per share (cents per share)	(0.13)	(0.21)
The following reflects the income and share data used in the calculations of basic and diluted (loss) per share		
Net (loss)	(1,414,969)	(1,880,593)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	1,111,569,227	880,495,161
Options on issue at year end are not dilutive and hence not used in the calculation of diluted EPS	26,000,000	6,000,000

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.

Financial Instruments	**Consolidated** Floating interest rate	Floating interest rate
	2015	**2014**
	$	**$**
Financial Assets		
Cash and cash equivalents	867,152	1,073,739
Total Financial Assets	867,152	1,073,739

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 (Decrease)/Increase in loss/equity	
	2015	**2014**
	$	**$**
Interest rate +1%	(8,671)	(10,737)
Interest rate -1%	8,671	10,737

The selection of 1% sensitivity check was based on recent interest rate adjustments. The same basis was adopted in 2014.

(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	
	2015	**2014**
	$	**$**
Shareholders equity	5,889,592	5,392,240

24. AUDITOR'S REMUNERATION

	Consolidated	
Amounts received or due and receivable by Ernst and Young	**2015**	**2014**
	$	**$**
- an audit or review of the financial report of the entity and any other entity in the Consolidated Entity	45,731	54,877
- taxation services provided to the Consolidated Entity	10,872	8,353
	56,603	63,230

25. PARENT ENTITY INFORMATION

Information relating to Cullen Resources Limited.

	2015	**2014**
	$	**$**
Current assets	794,431	1,053,435
Total assets	5,956,773	5,480,120
Current liabilities	55,119	75,818
Total liabilities	55,119	75,818
Issued capital	42,276,087	40,521,766
Accumulated losses	37,834,148	36,419,189
Share based payment reserve	1,459,725	1,301,725
Total shareholders' equity	5,901,654	5,404,302
Loss of the parent entity	1,414,969	1,880,418
Total comprehensive income of the parent entity	1,414,969	1,880,418

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 other than the following:

- The Group have sold its interest in the tenements which form the Wyloo Iron Ore Rights Joint Venture to its partner Fortescue Metals Limited for $50,000 together with a further $950,000 on a decision to mine and a royalty of 1.5% FOB for the first 15 million tonnes mined.

27. CORPORATE INFORMATION

The financial report of Cullen Resources Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 18 September 2015.

Cullen Resources Limited is a for profit 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 2015 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 ended 30 June 2015.

On behalf of the Board

C. Ringrose
Director
Perth, WA
18 September 2015

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

We have audited the accompanying financial report of Cullen Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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.

Building a better working world

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 2015 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.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the *Corporations Act 2001*.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate 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.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
18 September 2015

SHAREHOLDER INFORMATION

CAPITAL STRUCTURE

As at 16 September 2015, the company had the following securities on issue:

	Fully paid Ordinary shares
Issued Capital	1,378,469,841
Top 20 Shareholders	
Total holding of twenty largest shareholders	609,300,538
% of total shares on issue	44.2%
Distribution of shareholders	
1 - 1,000 shares	168
1,001 - 5,000 shares	174
5,001 - 10,000 shares	345
10,001 - 100,000 shares	1,484
100,001 and over	840
Total	**3,011**
Unmarketable Parcels as at 16 September 2015 Minimum $500.00	2,237

OPTIONS

As at 16 September 2015, 26,000,000 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
20,000,000	$0.016	30 November 2017

SUBSTANTIAL SHAREHOLDERS

The company has two Substantial Shareholders as at 16 September 2015

Name	%	No. of shares
Perth Capital Pty Ltd, Wythenshawe Pty Ltd & Associates	20.84	282,246,839
Baosteel Group Corporation & Aurizon Holdings Limited	7.4	102,343,426

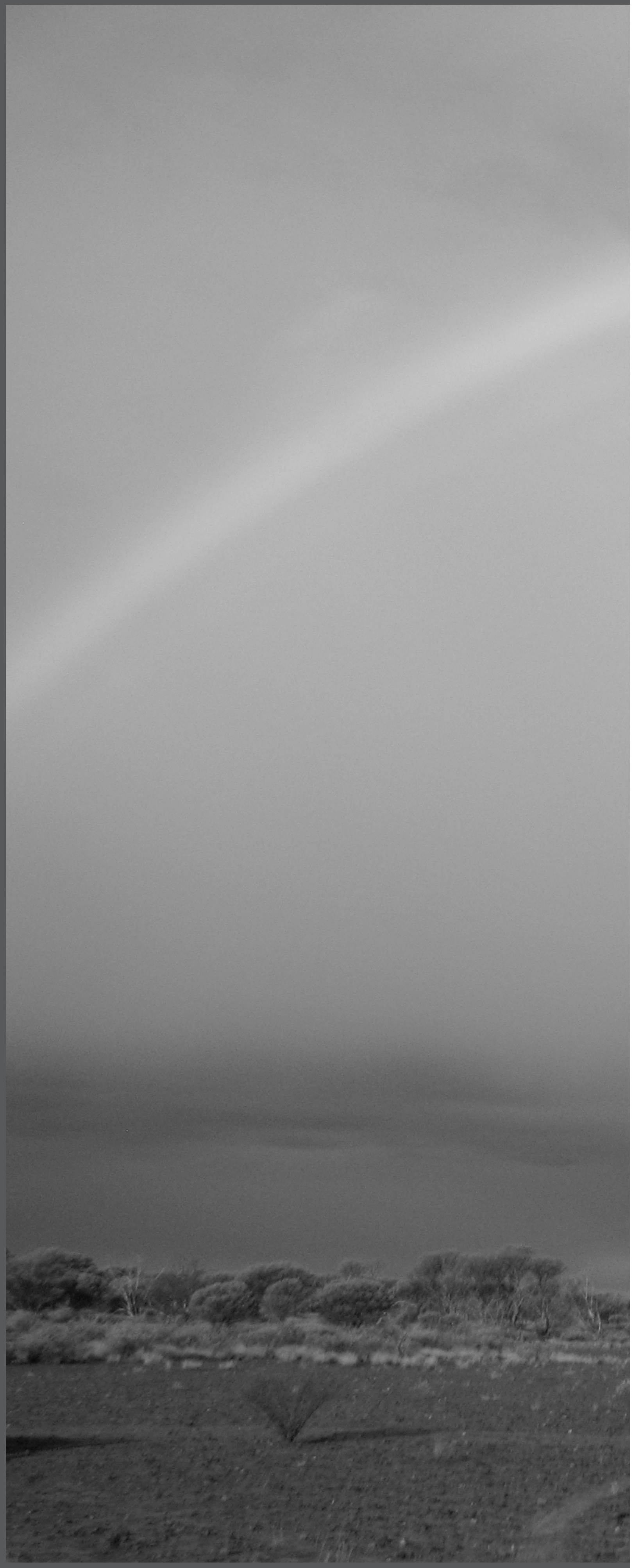
TWENTY LARGEST SHAREHOLDERS

The names of the twenty holders of the fully paid shares at 16 September 2015 are listed below:

Name	No. of Shares	% Held	Rank
Perth Capital Pty Ltd	118,440,797	8.59	1
Penoir Pty Ltd	72,000,000	5.22	2
Glyde Street Nominees Pty Ltd	41,661,655	3.02	3
Perth Capital Pty Ltd	41,465,084	3.01	4
Warramboo Holdings Pty Ltd	38,955,385	2.83	5
Rojo Nero Capital Pty Ltd	30,063,898	2.18	6
Brisbane Investments I Ltd	25,411,350	1.84	7
Brisbane Investments II Ltd	25,411,349	1.84	8
Mr Nan Ze Xu	24,395,377	1.77	9
Kitchsmith Pty Ltd	23,166,658	1.68	10
Innerleithen Pty Ltd	21,662,499	1.57	11
Warramboo Holdings Pty Ltd	21,606,395	1.57	12
Chiatta Pty Ltd	20,947,370	1.52	13
CM Super Fund Pty Ltd	20,000,000	1.45	14
Bellarine Gold Pty Ltd	19,805,000	1.44	15
A N Superannuation Pty Ltd	17,947,370	1.30	16
Wythenshawe Pty Ltd	11,947,370	0.87	17
Aquila Resources Limited	11,846,603	0.86	18
Lindglade Enterprises Pty Ltd	11,619,008	0.84	19
W L Houghton Pty Ltd	10,947,370	0.79	20
Total	609,300,538	44.20	

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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