



# ANNUAL REPORT 2020





## CORPORATE DIRECTORY

**ABN: 46 006 045 790**

### Directors

John Horsburgh (Non-executive Chairman)  
Chris Ringrose (Managing Director)  
Wayne Kernaghan (Non-executive)

### Secretary

Wayne Kernaghan

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South Perth WA 6151  
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### Solicitors

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Level 11 Westralia Plaza  
167 St Georges Terrace  
Perth WA 6000

### Auditors

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000

### Bankers

Westpac  
Sydney NSW 2000

### Securities Quoted

Australian Stock Exchange  
Limited  
Home Exchange - Sydney  
ASX Code: CUL

### Share Registry

Computershare Investor  
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Level 3, 60 Carrington Street  
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## BARLEE PROJECT | SOIL SAMPLE TRAVERSING COVER | ROAD TO BARLEE





# Chairman's Report

## ► DEAR FELLOW SHAREHOLDER

I am pleased to report some very positive outcomes for shareholders on a number of fronts.

At Wongan Hills (90% Cullen), exploration during the year has moved ahead strongly following completion of the first diamond drill hole at the Wongan Prospect, which intersected copper and zinc sulphides. In addition, a successful ground EM survey confirmed a significant new conductor target at the Rupert Prospect, interpreted to be massive sulphide. These prospects are now the focus of planned follow-up RC and diamond drilling in the coming months and especially after the wheat harvest months, January to March, 2021. In summary, the prospectivity for VHMS basemetal Copper-Gold deposits has been further enhanced.

The farm-out of Cullen's Mt Eureka Gold-Nickel Project in the NE Goldfields in 2019, to its neighbour Rox Resources Limited, has also facilitated steady exploration progress during the year. Work by Rox has included airborne EM surveying and air core drilling for nickel sulphides. This has identified five new targets, as well as prioritising some of Cullen's gold prospects for follow-up exploration. The latter involved renewing and developing heritage protocols for the project area and newly-granted tenure. The deal gives Rox the right to earn up to 75% interest by spending \$2million, with Cullen's 25% interest free-carried to a PFS.

As Cullen's new partner, Rox is well placed to take the project to the next stage, having discovered both nickel (Camelwood) and gold deposits (Mt Fisher) on its adjacent properties. We can look forward to some exciting exploration ahead, funded by the new partner, while Cullen is able to focus on its new projects.

I am also pleased to report that Cullen's new Barlee Project will be the subject of the first ever drilling test of highly prospective shear zones, for gold lodes of the Penny West type. The ~50km trend includes aeromagnetic low corridors, interpreted shear/fold zones and unexplored/underexplored greenstones in schistose granitoids. Later in 2020, Cullen also plans to drill at its wholly-owned Bromus Project for gold along another significant but untested, sheared, granite-greenstone contact, highlighted by a gold geochemical anomaly. Cullen is also revisiting its North Tuckabianna project area for a further test of structural settings along the "Tuckabianna Gold Trend", having regard for the geological setting and controls of gold mineralisation at Musgrave's (ASX:MGV) Break of Day gold discovery.

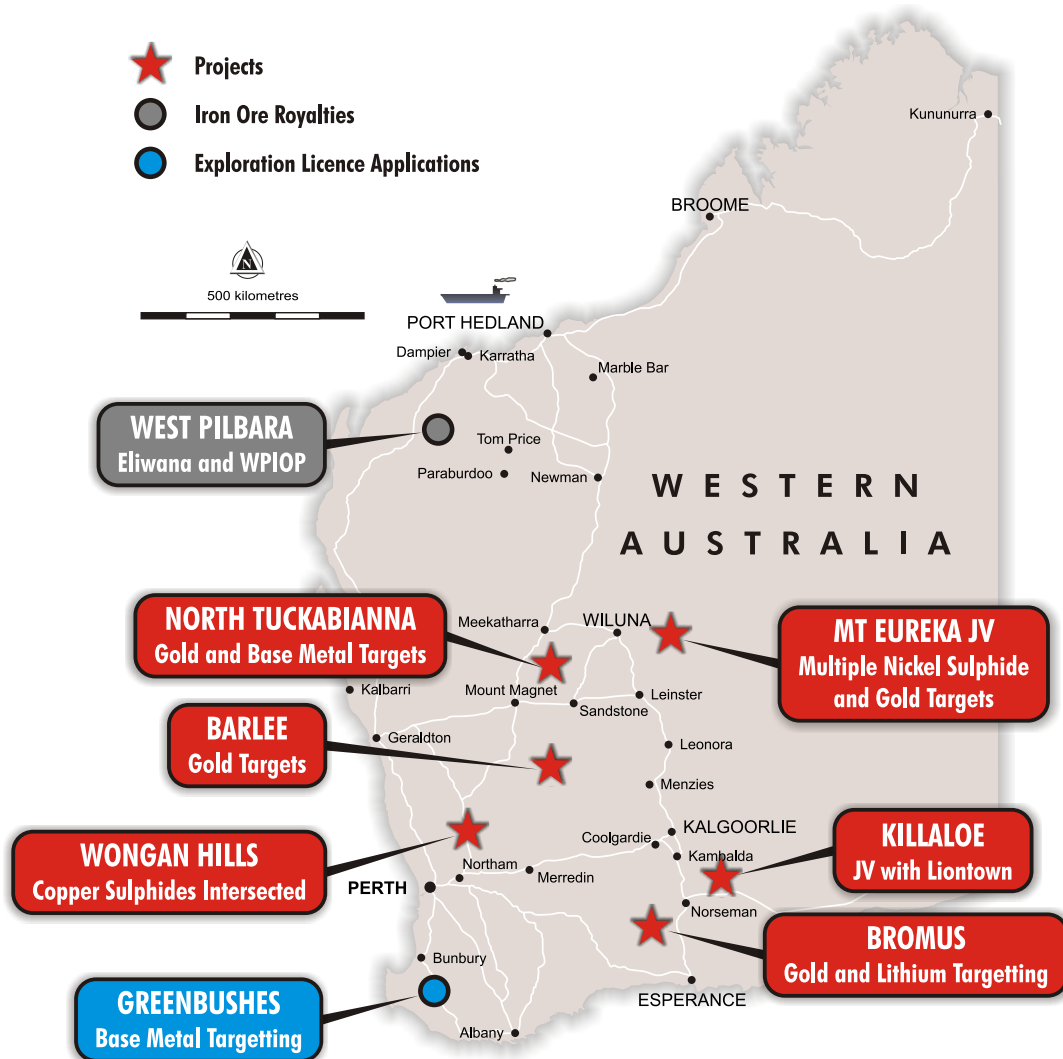
Your Board continues to monitor any developments in the West Pilbara that may impact on the Company's royalty interest in two iron ore projects: at Wyloo North (part of Fortescue's Western Hub resource inventory) and at Catho Well (integral part of the West Pilbara Iron Ore Project, owned by the API JV - Aquila/Baosteel, AMCI and Posco). Although we have no information if and when a royalty stream can be expected from Wyloo North, Fortescue has reported that development of its Western Hub is proceeding on schedule, with railway and process plant construction in progress. It should be borne in mind that the royalties are in place and as such, do not incur ongoing costs to Cullen.

In summary, the platform established by last year's share consolidation has enabled the Company to advance selected projects to the next level. In particular, Wongan Hills, Mt Eureka JV, Barlee, Cue and Bromus present real opportunities for gold and base metal discoveries. At the same time, we maintain a watching brief for further project generation opportunities in the greenfields space in Australia. In closing I would like to acknowledge the work of my fellow directors, consultants and contractors for their valuable contributions throughout the year.

John Horsburgh, Chairman

# Company Assets and Key Projects

## WESTERN AUSTRALIA | Project Location Map



## FINLAND | Project Location Map





## WONGAN HILLS WA | GOLD AND BASE METALS

Cullen, together with Tregor Pty Ltd (10%), holds two approved exploration licences and one application in the Wongan Hills area. The current focus is a the large laterite geochemical anomaly that Cullen has defined which closely resembles the geochemical signature in laterite on the Golden Grove Volcanic-Hosted Massive Sulphide (VHMS) deposit (from regional published datasets).

Since 1975, several companies including Otter, Shell/Billiton, BHPG and Sipa, have explored the Wongan Hills greenstone belt for VHMS deposits as a possible continuation of the Yalgoo-Warridar greenstone belt which hosts the Golden Grove Cu-Pb-Zn deposits (WAMEX, Reports A6281 and A8879). Most of this historical exploration was focused on the southern half of the greenstone belt and south of where Cullen is currently exploring. Cullen completed a helicopter-borne VTEM survey in 2018, designed to detect conductors in possible VHMS settings (ASX:CUL 18-7-2018).

During the current financial year, Cullen's exploration has focused on two prospect areas and completed: historical data compilation, ground EM surveying, and two RC and one diamond drill hole.

### Wongan Prospect

A single "Slimline RC" drill hole was completed in early January 2020 on-section west of 19WAC48 (6593100mN) and to allow for follow-up Down Hole Electro Magnetic surveying (DHEM). A second, follow-up "Slimline RC" drill hole (20WHRC002) was completed in May but was abandoned at 113m depth due to caving near the top of the hole. Thereafter the failed RC hole was essentially twinned by a diamond drill hole to 144.7m depth and was successfully prepared for DHEM surveying.

The diamond dill section section comprised mainly mafic metavolcaniclastics with foliation-parallel hydrothermal alteration, and some brecciation and sulphide mineralisation. This geology fits with existing maps and aeromagnetic interpretation.

DHEM surveying and further drilling will proceed progressively, subject to heritage surveying, to further test on section 6593100mN and south along the target trend.

### Rupert Prospect

A line of VTEM anomalies from Cullen's 2018 survey located on the eastern flank of Wongan Hills lies close to anomalous gold and silver in soils outlined from Bulk Leach Extractable Gold (BLEG\*) soil surveying by Shell/Billiton (WAMEX, A17145 and A26695). The soil anomaly was never followed up nor drill tested because an access agreement could not be obtained at the time. The line of conductors defines the Rupert Prospect and is parallel to local stratigraphy in the area over a strike length of over 1.2 km.

A ground EM survey (fixed loop TEM) completed to cover two sections of this VTEM line, detected strong bedrock conductors and defined model plates for drill testing. Field inspection confirmed no outcrop over the conductors except for some float of banded chert and felsic metasediments dumped along nearby paddock boundaries as a result of wheat farming over the years.

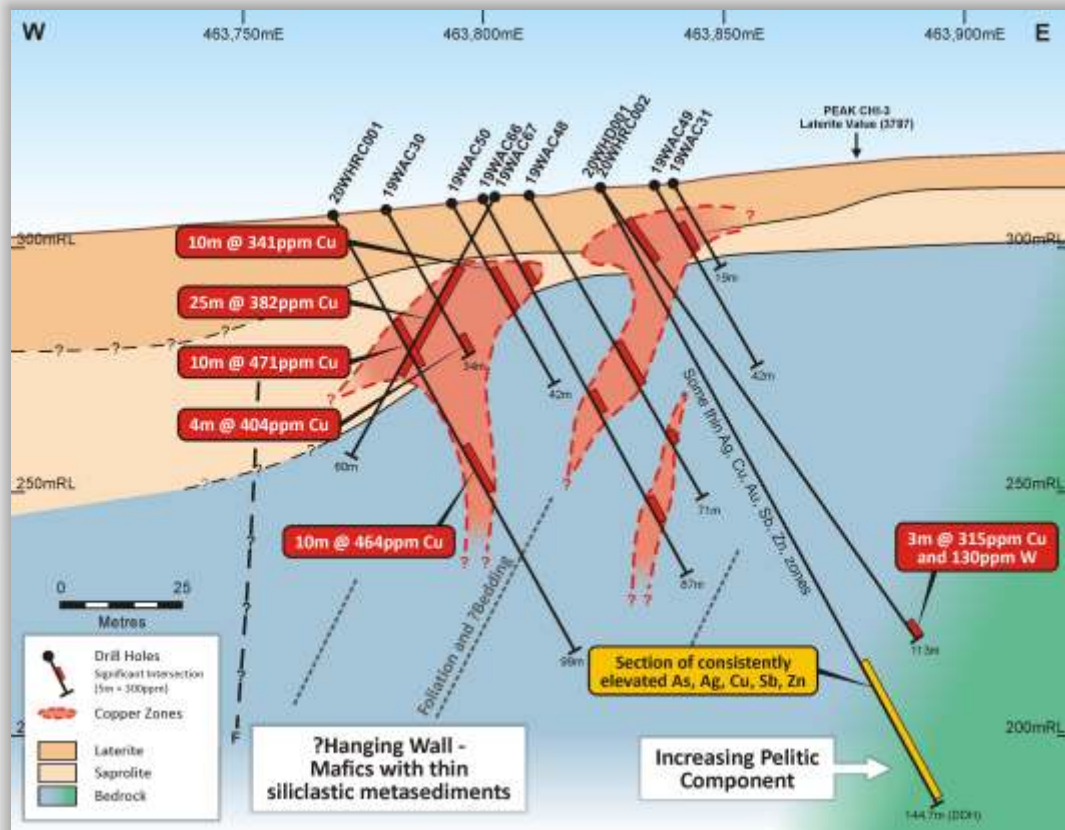
Eight rock chip (mainly float) and fourteen soil samples were collected in the vicinity of the ground EM surveying, where access was available during farming activities. The assay data show that the higher, anomalous levels of gold and copper in this suite of reconnaissance samples are most closely associated with the surface projection of the two ground EM conductor plates.

This is encouraging support for VHMS deposit prospectivity in the Rupert area.

*NOTE : Shell/Billiton's BLEG\* surveying : 5kg soil samples collected over each 100m interval at 400 or 100m spacing along strike; analysed for Au, Cu and Ag by cyanide leach technique at Perth Metallurgical Laboratories.*

# Exploration Review

## WONGAN PROSPECT | East - West X-section 6,593,100mN



## WONGAN PROSPECT | Core from 20WHD001, 131-135.15m (sphalerite at 131.6m)



## REFERENCES

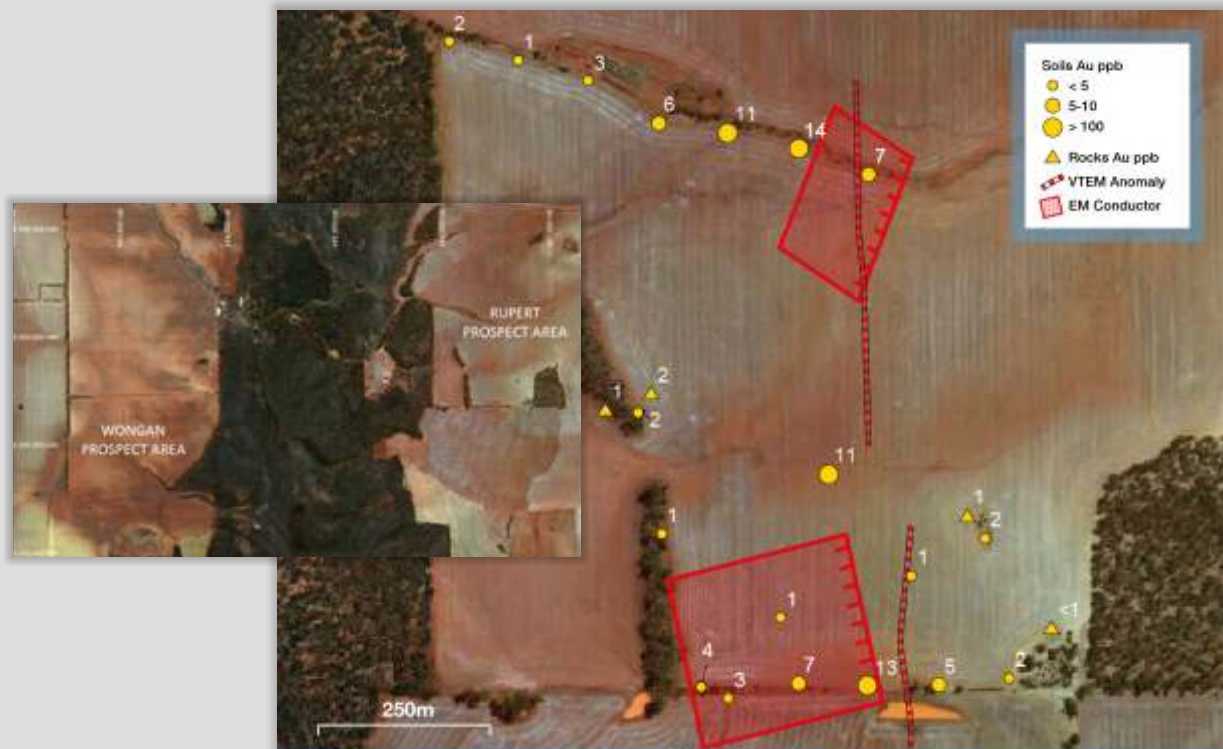
- WAMEX Report A70056** | Karajas, J., 2005: Swancove Enterprises Pty Ltd, Combined annual mineral exploration report, E70-2437 and E/70-2443, Wongan Hills
- WAMEX Report A74956** | Red River Resources Ltd, 2007: Partial Surrender Report E70/2437 and E70/2443
- WAMEX Report A17145** | Chaku, S.K., and Hungerford, N., 1985: Annual Exploration Report, Wongan Hills prospect, Billiton
- WAMEX Report A8879** | Lee, S.D., 1979: Annual Exploration progress Report, Wongan Hills prospect, Shell
- WAMEX Report A47022** | Belford, S.M., 1996: Wongan Hills Project, Annual Report 1995, Sipa Exploration NL
- WAMEX Report A6281** | Blackburn, G., 1975: Progress Report, Wongan Hills, W.A. Otter Exploration NL
- WAMEX Report A26695** | Smit, R., 1989: Wongan Hills project, BHPG-Otter Joint Venture, 1988 Annual report, Regional BLEG Soil Sampling



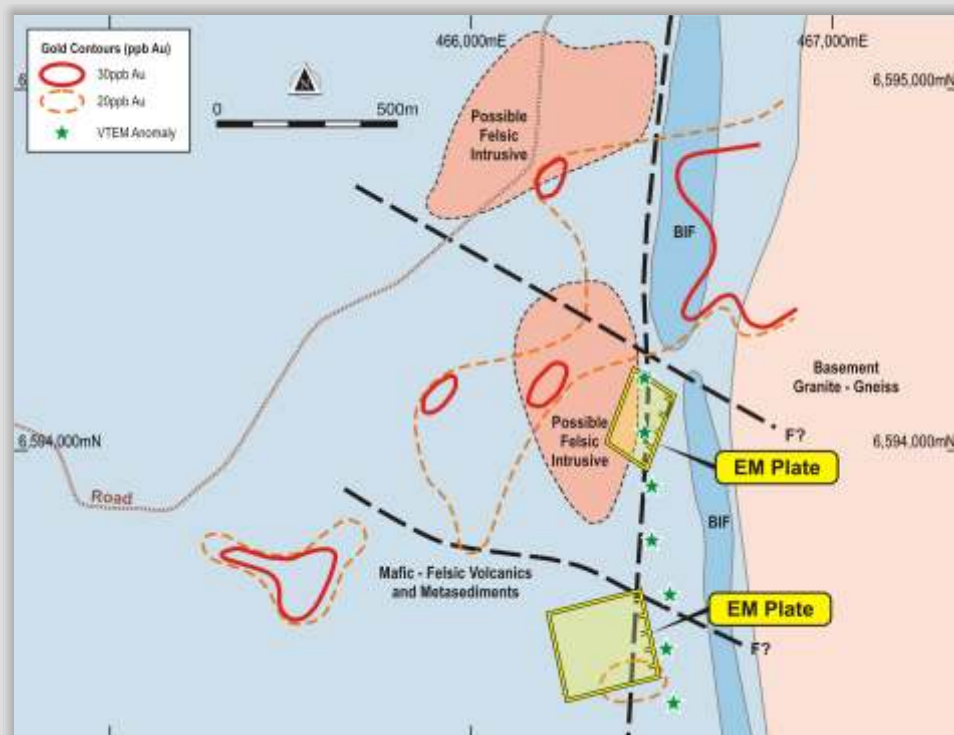
# Exploration Review

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## RUPERT PROSPECT | Reconnaissance Soil and Rock Sampling



## RUPERT PROSPECT | Interpreted Geology, Au Contours and Ground EM Plates



Geological interpretation from Peters in WAMEX A47022 (Note slope and drainage mainly to north east – see aerial photo images)

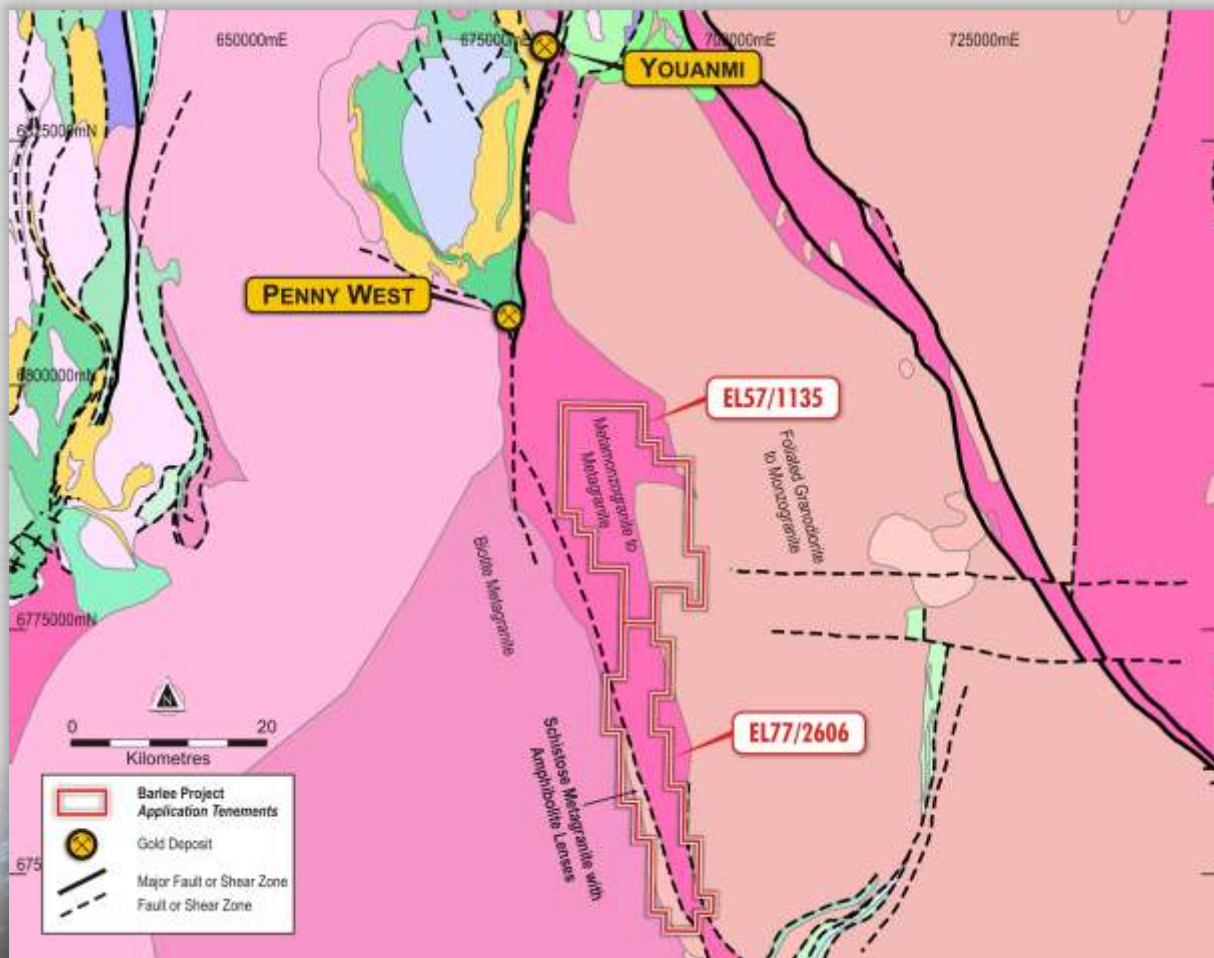


# Exploration Review

## BARLEE PROJECT | GOLD

The project area extends from 10 - 55 km SSE of the Penny West Gold deposit and the Youanmi greenstone belt, towards the NW tip of the Marda - Diemals greenstone belt. It covers significant strike of underexplored shear zones and numerous elongate and/or folded aeromagnetic anomalies (highs), which are interpreted to be intercalated greenstone within the granite terrane. A target zone of at least 10km within the central part of E77/2606 and elsewhere to the east of the granite contact have been identified as being prospective (ASX: CUL, 28-4-2020). Publically available aeromagnetic data have been compiled, processed and interpreted by Southern Geoscience Consultants (SGC) and underlines numerous priority target in sheared, mixed granite-greenstone sequences.

**BARLEE PROJECT | Geological setting of granted tenure south east of the Youanmi greenstone belt (base map and geological descriptions from “Geoview”).**

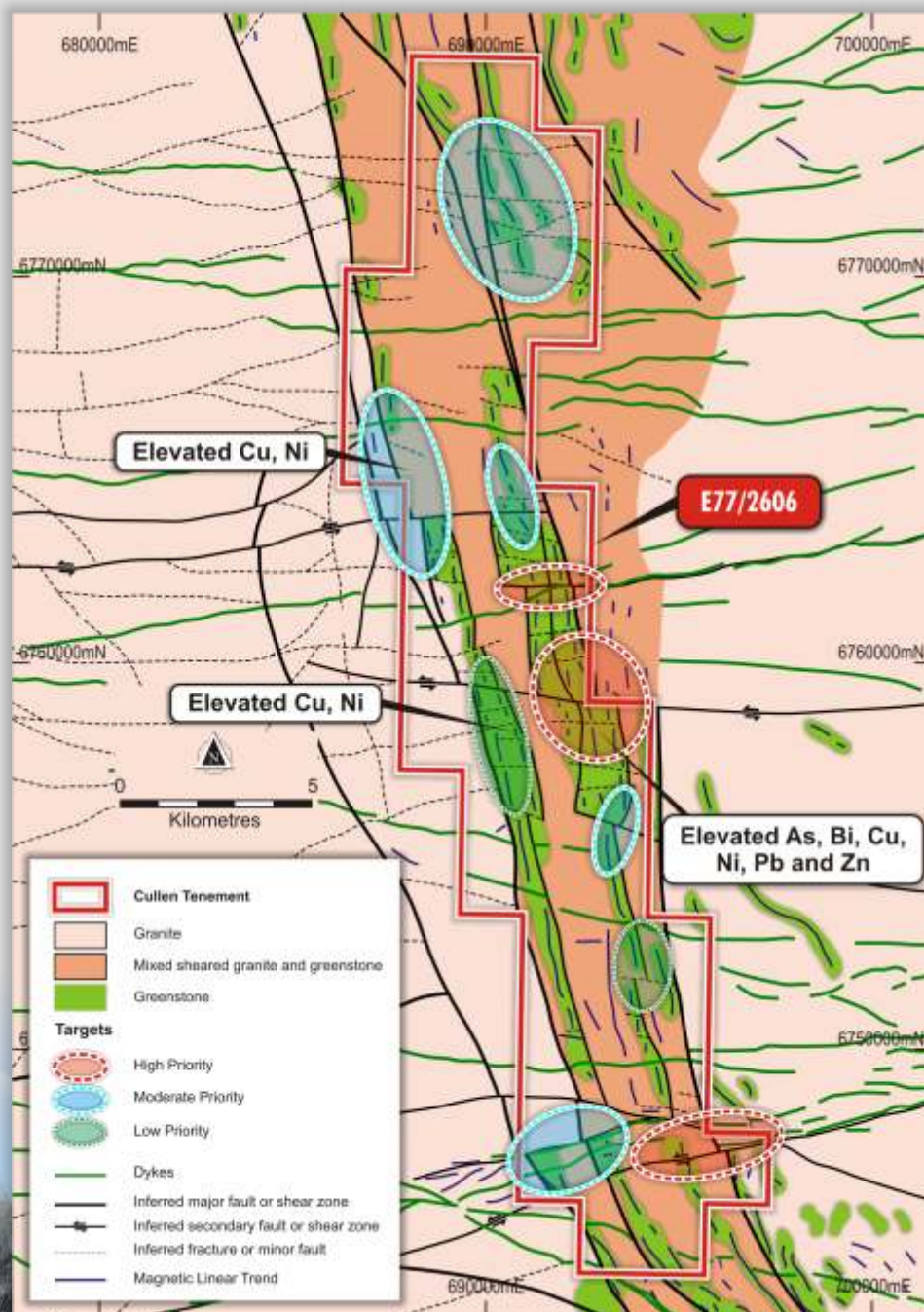


# Exploration Review

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Soil samples collected at ~100m spacing along access tracks and fence lines during first pass reconnaissance within the Lake Barlee project showed some elevated pathfinder levels (As,Bi,Cu,Ni,Zn,and Pb) in the general area of magnetic anomalies interpreted as greenstone although gold and silver assays were below detection. First pass, air core drilling traverses are planned along some accessible fencelines.

## BARLEE PROJECT | Aeromagnetic Interpretation



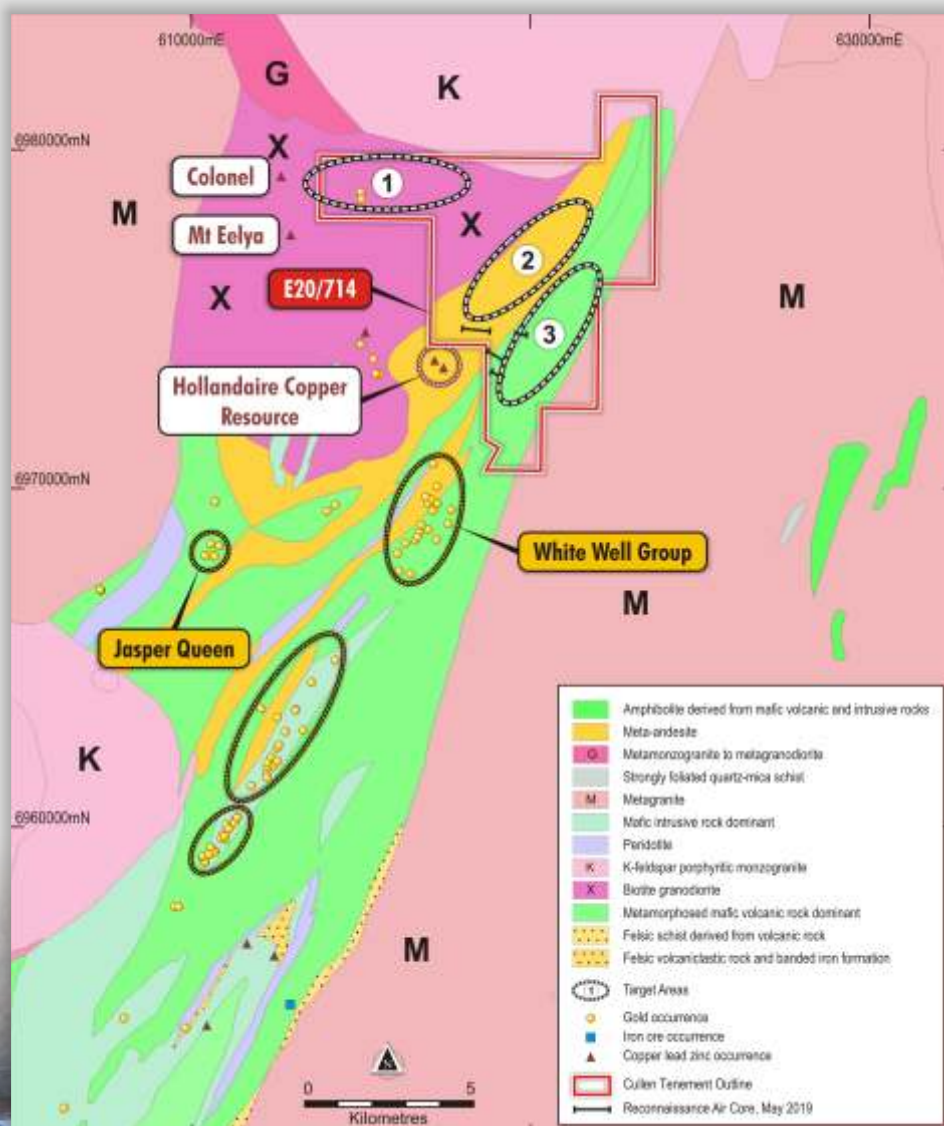


# Exploration Review

## NORTH TUCKABIANNA WA | GOLD AND BASE METALS

Cullen holds E20/714 centered ~30km east of Cue, in the Murchison Region of Western Australia. The tenement lies north along strike of historical gold deposits that make up the “Tuckabianna Gold Trend”, and is on-strike from the Hollandaire copper resource (see ASX:CYM, 18-7-2019). Despite several historical air core drilling campaigns by Cullen and others, in Cullen's opinion, large tracts of prospective stratigraphy and strike extensive shear zones remain to be fully tested.

### NORTH TUCKABIANNA PROJECT | Interpreted Geology



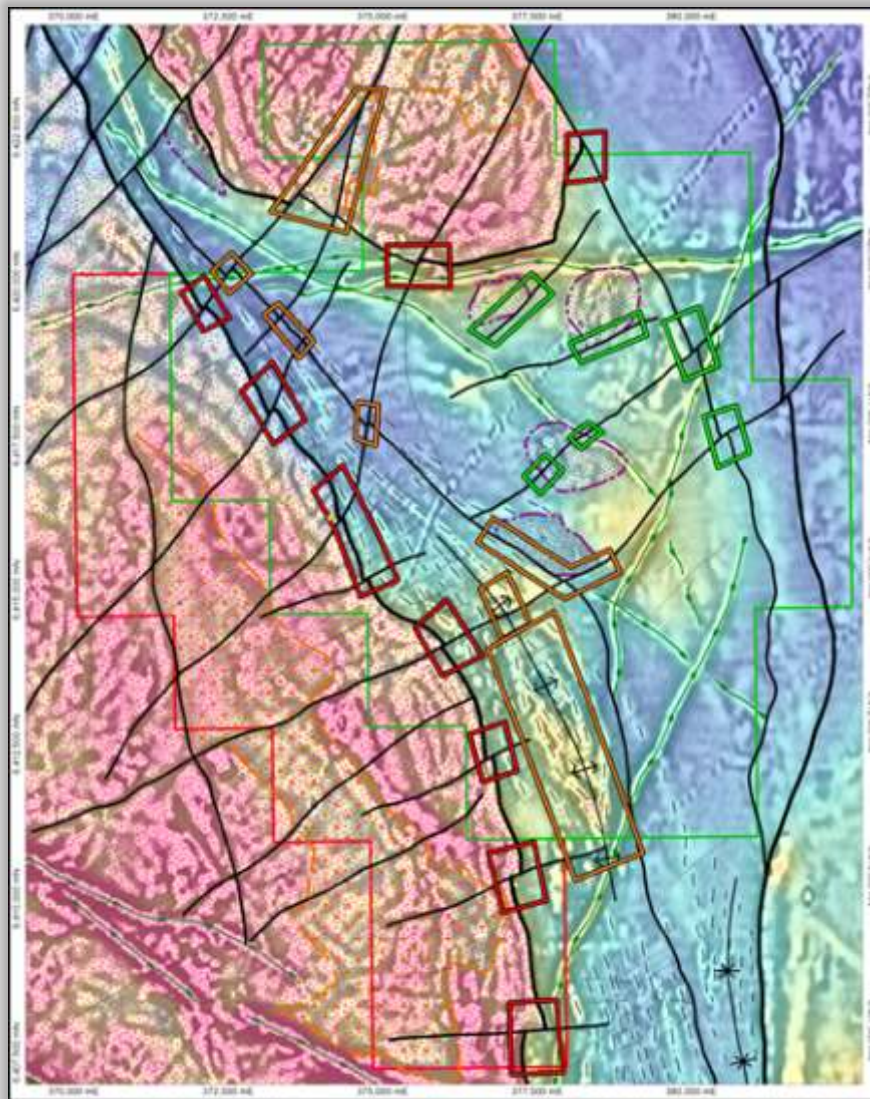


## BROMUS SOUTH | GOLD AND BASE METALS

Cullen holds E63/1894 located approximately 25km south-west of Norseman in the Eastern Goldfields, W.A. The tenement includes an untested low-level, gold-in-auger anomaly (to 8.4ppb), ~ 4.6km long and up to 600m wide (mainly sandplain regolith), which lies parallel with a major granite-greenstone contact.

Cullen has outlined several priority structural settings along this contact for first pass air core drill testing. A Programme of Work (POW) has been granted to allow exploration drilling to commence following access checking and heritage surveying.

### BROMUS SOUTH PROJECT | Prioritised Target Areas for Gold Red (1); Orange (2); Green (3).



## REFERENCES

**WAMEX Report - A103452** | BAXTER, C., 2014: Annual Report for EL63/1368 Bromus South for the Period 3 August 2013 to 2 August 2014

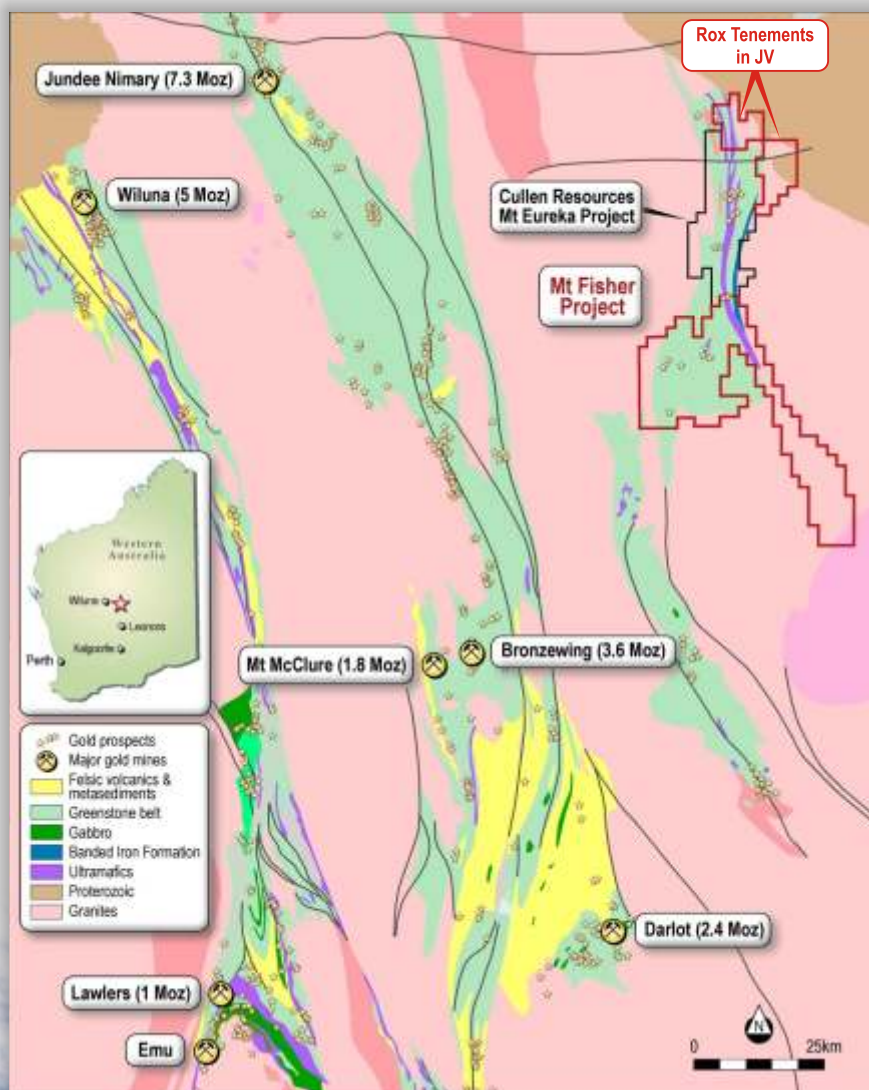
**WAMEX Report - A107016** | CRYAN, G., 2015: Final Surrender Report for EL63/1368 Bromus South Project for the period 3 August 2010 to 2 August 2015

# Exploration Review

## MT EUREKA JOINT VENTURE WA | GOLD AND NICKEL

In August 2019, Cullen signed a Binding Term Sheet with Rox Resources Limited (ASX: RXL – “Rox”) under which Rox has been granted the right to earn up to a 75% interest in Cullen's Mt Eureka Project tenements and applications. Since initiating their exploration on Cullen's Mt Eureka tenure, Rox has reviewed the databases and completed a VTEM survey and carried out air core drilling. Exploration is ongoing with periodic reporting to follow.

### MT EUREKA JV | Location of the Mt Fisher (Rox) and Mt Eureka (Cullen) Project Tenements



TRACK-MOUNTED AIRCORE DRILL RIG



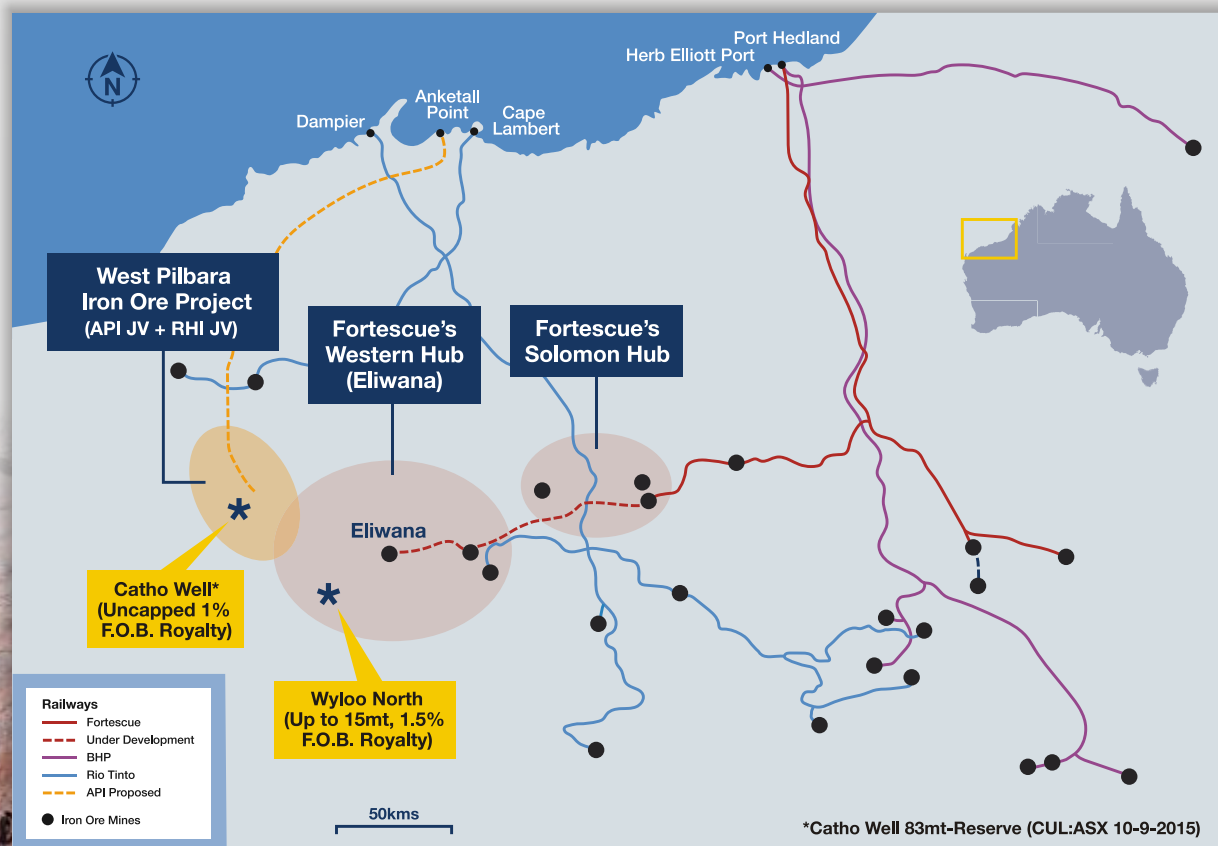
## WEST PILBARA WA | IRON ORE ROYALTIES

In July 2019, Fortescue Metals Group confirmed (ASX: FMG, 5 July 2019) construction of their Eliwana rail and mine development project in the West Pilbara had commenced. In the current climate of increased iron ore prices this new Fortescue project brings Cullen's potentially lucrative Wyloo North iron ore royalty and the West Pilbara Region in general, back into focus.

Cullen holds a 1.5% F.O.B. royalty up to 15 Mt of any iron ore production from the Wyloo project tenements, part of Fortescue's Western Hub/Eliwana project, and will receive \$900,000 cash if and when a decision is made to commence mining on a commercial basis – E47/1649, 1650, ML 47/1488-1490, and ML 08/502.

Cullen also holds a 1% F.O.B. royalty on any iron ore production from the former Mt Stuart Iron Ore Joint Venture – E08/1135, E08/1330, E08/1341, E08/1292, ML08/481, and ML08/482 – part of the West Pilbara Iron Ore Project owned by the APIJV (Aquila/Baosteel, Posco, AMCI) and the RHIJV (Red Hill Iron Limited –APIJV). Cullen will receive \$1M cash upon any Final Investment Decision. The Catho Well Channel Iron Deposit (CID) has a published in situ Mineral Resources estimate of 161Mt @ 54.40% Fe (ASX :CUL 10-3-2015), and a Reserve of 83Mt @ 55.1% Fe (ASX:CUL 16-9-2015) - ML08/481.

### WEST PILBARA | Location of Cullen's Iron Ore Royalties, West Pilbara WA





# Exploration Review

## EASTERN GOLDFIELDS WA - KILLALOE JV | LITHIUM

On 20 August 2018, JV Manager Matsa Resources Limited announced the sale of its 80% interest in the Killaloe JV to Lontown Resources Limited (ASX: LTR). By this purchase, Lontown has expanded its footprint beyond their Buldania lithium pegmatite discovery, which is located just south east of the southern margin of E63/1018 of the Killaloe JV. Cullen retains its 20% free carried interest in the JV and is thus partnered with an experienced and committed lithium explorer.

## PIPELINE PROJECT - FINLAND | GOLD

Cullen has made an application for an Exploration Permit ("Katajavaara"), in the Central Lapland Greenstone Belt of northern Finland. Cullen's application, estimated to be processed over the coming 6-12 months, adjoins S2 Resources Ltd's (S2R) Aakenusvaara Exploration Permit to the east along strike, from where S2R has reported a potential gold discovery (ASX:S2R,19-8-2019) and an intersection of 2.11m @ 86 g/t Au from its drilling (ASX:S2R, 26-9-2019).

## PIPELINE PROJECT YORNUP - SW YILGARN | Ni-Cu-PGE

The Company has retained its Exploration Licence application (ELA 70/5405) for Ni-Cu-PGE exploration which adjoins Cullen's existing application E70/4802. The new application covers the Yornup Northeast chromium prospect from where an intersection of 2m at 7.4% Cr has been reported by West Coast Holdings (Chadwick, 1986). Yornup Northeast is part of a trend of nickel and chromium occurrences including Palgarup (Ni) and Yornup South (Ni and Cr) trending NE-SW in the Balingup Complex of south west WA. The ultramafic-mafic complex at Yornup consists of olivine gabbro-norite, harzburgite, lherzolite, and dunite that have been extensively serpentinized (Hassan, 1998). A review of open file exploration reports will be undertaken as a first pass.

### REFERENCES

CHADWICK, R. C., 1986, Yornup prospect, Annual Exploration Report, 1986: West Coast Holdings Limited: Western Australia Geological Survey, M-series, A 18173 (unpublished).

HASSAN, L. Y., 1998, Mineral occurrences and exploration potential of southwest Western Australia: Western Australia Geological Survey, Report 65, 38p



# Exploration Review

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## SCHEDULE OF TENEMENTS (as at 30 June 2020)

REGION	TENEMENTS	TENEMENT APPLICATIONS	CULLEN INTEREST	COMMENTS
<b>WESTERN AUSTRALIA</b>				
<b>PILBARA</b>				
Paraburdoo JV	E52/1667		100%	Fortescue can earn up to 80% of iron ore rights; Cullen 100% other mineral rights
<b>NE GOLDFIELDS - Mt Eureka JV</b>				
Gunbarrel	E52/1299+/* E53/1893, E53/1957, E53/1958, E53/1959, E53/1961	ELA53/2052 ELA53/2063 ELA53/2101	100%	+2.5% NPI Royalty to Pegasus on Cullen's interest (parts of E53/1299); *1.5% NSR Royalty to Aurora (other parts of E53/1299, E53/1893, E53/1957, E53/1958, E53/1959 and E53/1961)
Irwin Well	E53/1637		100%	
Irwin Bore	E53/1209		100%	
<b>MURCHISON</b>				
	E20/714, E77/2606, E57/1135	ELA77/2688	100%	
<b>WONGAN HILLS</b>				
	E70/4882, E70/5162	ELA70/5414	90%	
<b>YORNUP</b>				
		ELA70/4802, ELA70/5405		
<b>EASTERN GOLDFIELDS / SW WESTERN AUSTRALIA</b>				
Killaloe	E63/1018		20%	Sale of Matsa's 80% interest to Liontown Resources Limited announced 20 August 2018 <b>Cullen retains 20% FCI to DTM</b>
Bromus South	E63/1894	ELA63/2006	100%	
<b>FINLAND</b>				
Katajavaara		Exploration Permit Application		





# Exploration Review

## JOINT VENTURES - SUMMARY TABLE (as at 30 June 2020)

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% Royalty capped to 20Mt. May earn 51% by defining Inferred Resource, 80% by defining Indicated Resource.
Killaloe	Lithium	Liontown Resources	(80%)	20%	2%	FCI to DTM

DTM = Decision to Mine    FCI = Free Carried Interest    NSR = Net Smelter Return

### Competent Person Statement

The information in this report that relates to Exploration Results 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. The information in this report may also include review and interpretation of historical and previous exploration by Cullen. The Company confirms that it is not aware of any new information or data which materially affects the information included in this report.

This document may contain certain **forward-looking statements** which have not been based solely on historical facts but rather on Cullen's expectations about future events and on a number of assumptions which are subject to significant risks, uncertainties and contingencies many of which are outside the control of Cullen and its directors, officers and advisers. Forward-looking statements include, but are not necessarily limited to, statements concerning Cullen's planned exploration program, strategies and objectives of management, anticipated dates and expected costs or outputs. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Due care and attention has been taken in the preparation of this document and although Cullen believes that its expectations reflected in any forward looking statements made in this document are reasonable, no assurance can be given that actual results will be consistent with these forward-looking statements. This document should not be relied upon as providing any recommendation or forecast by Cullen or its directors, officers or advisers. To the fullest extent permitted by law, no liability, however arising, will be accepted by Cullen or its directors, officers or advisers, as a result of any reliance upon any forward looking statement contained in this document.





## DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2020.

### 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.

### Current Directors

- **John Horsburgh BSc, MSc, FAIMM (Non-Executive Chairman) (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 was a co-founder and Non-Executive Chairman of AIM and TSX listed public company Mariana Resources Limited, prior to its takeover by Sandstorm Gold Ltd. Mr Horsburgh has had no other directorships of ASX listed companies in the last three years.

- **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.

- **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:

- Cassius Mining Limited (from 30 June 2005 to present)

### Principal Activities

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

### Results

The loss attributable to the Consolidated Entity for the financial year was \$ 773,710 (2019: loss \$1,082,812). No income tax was attributable to this result (2019: \$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 currently focused on a search for gold and base metals deposits, either in its own right, or in Joint Ventures managed by other partners.

During the year under review, the Company's mineral exploration has included: project generation; database reviews; field mapping; geochemical and geophysical surveying; and drilling programmes. Most field activities were focused on exploration for gold and base metals at Wongan Hills, W.A., and preparations were made for drilling programmes to commence at the Barlee and Bromus Projects. The Company also continued to market projects as potential farm-out opportunities.

Exploration, including joint operations, was exclusively in Western Australia with a watching brief in Finland (due to COVID-19 restrictions).

Current Key Projects are:

- Wongan Hills, WA (gold and base metals)
- Murchison, WA (North Tuckabianna, copper and gold)
- Barlee, WA (gold)
- Bromus, WA (gold)
- North Eastern Goldfields, WA (Gunbarrel/Mt Eureka JV, gold and nickel)
- Eastern Goldfields, WA (Killaloe JV, lithium)
- Finland (Project Generation for gold)

A total of \$495,523 (2019: \$678,274) 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. 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 2020 available cash totalled \$271,035 (2019: \$384,846). Refer note 1 (c) for discussion on going concern basis of preparation.

### **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 a 1 for 3 Non Renounceable Rights Issue at \$0.013 which raised \$974,741 with the issue of 74,980,073 new shares on 3 August 2020.

### **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 1,363,635 (2019: 1,363,635) options which were outstanding. During the year nil (2019: 454,545) options were issued and Nil (2019: Nil) options expired. Refer to Note 11 of the financial statements for further details of the options outstanding.

During the year no fully paid ordinary shares were issued by virtue of the exercise of options (2019: Nil). Since the end of the financial year no shares have been issued by virtue of the exercise of options (2019: Nil).

**Directors' Interest**

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

2020	Direct			Indirect	
	Fully Paid Shares	Options		Fully Paid Shares	Options
J. Horsburgh	-	-		11,682,933	-
C. Ringrose	3,878,788	909,090		-	-
W. Kernaghan	-	-		10,969,698	-

**Directors' Meetings**

During the year the Company held seven meetings of directors. The attendance of the directors at meetings of the Board were:

	No. of meetings attended	Maximum possible eligible to attend*
J. Horsburgh	7	7
C. Ringrose	7	7
W. Kernaghan	7	7

\*Number of meetings eligible to attend while a director.

**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 \$17,157 (2019: \$13,291) 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 one employee as at 30 June 2020 (2019: one).

**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 25.

**Auditor Independence**

The directors have received the auditor's independence declaration for the year ended 30 June 2020 which is on page 24 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 \$Nil (2019: \$Nil).

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.

**Rounding**

The amounts contained in this report and in the financial report have been rounded to the nearest Australian Dollar (unless otherwise stated) under the option available to the Company under the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the instrument applies.

## 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 exploration 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

J. Horsburgh	Chairman (Non-Executive)
C. Ringrose	Managing Director
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. No remuneration consultants have been engaged during the current and prior years.

### 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 2016	955,336	(0.06)*	0.3*
30 June 2017	918,042	(0.05)*	0.1*
30 June 2018	918,006	(0.04)*	0.1*
30 June 2019	1,082,812	(0.74)	1.0
30 June 2020	773,710	(0.40)	1.4

\* The comparative EPS and share prices have not been adjusted for the 1:22 share consolidation on 26 October 2018.

**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 2018 Dr Ringrose's salary is \$180,000 pa. 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 909,090 post-consolidation options (20,000,000 options on the pre-consolidation basis) on 1 December 2017 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 2020 ("the Expiry Date") with an post-consolidation exercise price of \$0.066 which vested on issue. No options were issued to Dr Ringrose in the current financial year.

During the year the Board paid a discretionary bonus of Nil (2019: Nil) to Dr Ringrose.

**Non-Executive Directors**

The non-executive directors have been issued with no options as at 30 June 2020.

**Directors' and Executives' Remuneration**

Details of remuneration provided to directors for the year ended 30 June 2020 are as follows:

Directors	Director Fees \$	Short Term			Post Employment	Long Term	Share Based Payments	Total \$	Performance Related %
		Salary/ Consulting \$	Bonus \$	Non Monetary Benefits \$	Super-annuation \$	Long Service Leave \$	Options \$		
J.Horsburgh	23,333	-	-	-	2,217	-	-	25,550	-
C. Ringrose	-	180,000	-	* 5,417	17,100	3,243	-	205,760	-
W. Kernaghan	20,000	**23,500	-	-	1,900	-	-	45,400	-
Total	43,333	203,500	-	5,417	21,217	3,243	-	276,710	-

\* This relates to the provision of a motor vehicle.

\*\*Consultancy payments were made to Mosman Corporate Services Pty Ltd totalling \$23,500 which is a company controlled by Mr W Kernaghan. There was \$2,750 outstanding at 30 June 2020.

Details of remuneration provided to directors for the year ended 30 June 2019 are as follows:

Directors	Director Fees \$	Short Term			Post Employment	Long Term	Share Based Payments	Total \$	Performance Related %
		Salary/ Consulting \$	Bonus \$	Non Monetary Benefits \$	Super-annuation \$	Long Service Leave \$	Options \$		
J.Horsburgh	23,333	-	-	-	2,217	-	-	25,550	
C. Ringrose	-	180,000	-	* 5,417	17,100	3,948	-	206,465	-
W. Kernaghan	20,000	**29,750	-	-	1,900	-	-	51,650	-
Total	43,333	209,750	-	5,417	21,217	3,948	-	283,665	-

\* This relates to the provision of a motor vehicle.

\*\*Consultancy payments were made to Mosman Corporate Services Pty Ltd totalling \$29,750 which is a company controlled by Mr W Kernaghan. There was \$1,375 outstanding at 30 June 2019.

#### Shares issued on exercise of remunerated options

During the financial year nil (2019: Nil) remunerated options were exercised. During the financial year nil (2019: Nil) options expired. The directors exercised nil (2019: Nil) options during the year.

#### Options granted as part of remuneration for the year ended 30 June 2020

There were no options granted as a part of remuneration for the year ended 30 June 2020.

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 \$
J. Horsburgh	-	-	-	-
C. Ringrose	-	-	-	-
W. Kernaghan	-	-	-	-

#### Options granted as part of remuneration for the year ended 30 June 2019

There were no options granted as a part of remuneration for the year ended 30 June 2019.

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 \$
J. Horsburgh	-	-	-	-
C. Ringrose	-	-	-	-
W. Kernaghan	-	-	-	-

#### Option holdings of directors

Directors	Balance at beginning of year 1 July 2019 Number	Options issued Number	Options lapsed Number	Balance at end of year 30 June 2020 Number	Total Number	Vested and exercisable at 30 June 2020 Number
J Horsburgh	-	-	-	-	-	-
C Ringrose	909,090	-	-	909,090	909,090	909,090
W Kernaghan	-	-	-	-	-	-
Total	909,090	-	-	909,090	909,090	909,090

The outstanding options are exercisable at \$0.066 and have an expiry date of 30 November 2020.



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These options had a weighted average exercise price of \$0.066 and a weighted average remaining contractual life of 0.42 years.

	Balance at beginning of year 1 July 2018 Number	Options issued Number	Options lapsed Number	Balance at end of year 30 June 2019 Number	Total Number	Vested and exercisable at 30 June 2019 Number
Directors						
J Horsburgh	-	-	-	-	-	-
C Ringrose	909,090	-	-	909,090	909,090	909,090
W Kernaghan	-	-	-	-	-	-
<b>Total</b>	<b>909,090</b>	<b>-</b>	<b>-</b>	<b>909,090</b>	<b>909,090</b>	<b>909,090</b>

These were consolidated into 909,090 post-consolidation options after the 1:22 share consolidation on 26 October 2018. Outstanding options (post consolidation) were exercisable at \$0.066 and have an expiry date of 30 November 2020.

These options (post consolidation) had a weighted average exercise price of \$0.066 and a weighted average remaining contractual life of 1.42 years. These options were outstanding as at 30 June 2019.

## Shareholdings of directors

Directors	Balance 1 July 2019 Number	Options Exercised Number	Net Change Purchase Number	Balance 30 June 2020 Number
J Horsburgh	5,284,926	-	2,727,273	8,012,199
C Ringrose	1,829,682	-	1,079,409	2,909,091
W Kernaghan	5,000,000	-	3,227,273	8,227,273
<b>Total</b>	<b>12,114,608</b>	<b>-</b>	<b>7,033,955</b>	<b>19,148,563</b>

Directors	Balance 1 July 2018 Number ##	Options Exercised Number	Net Change Purchase Number	Balance 30 June 2019 Number ##
J Horsburgh	2,792,598#	-	2,492,328	5,284,926
C Ringrose	1,219,788#	-	609,894	1,829,682
W Kernaghan	1,486,545#	-	3,513,455	5,000,000
<b>Total</b>	<b>5,498,931#</b>	<b>-</b>	<b>6,615,677</b>	<b>12,114,608</b>

# Shares are post 1:22 share consolidation on 26 October 2018.

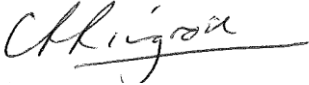
The directors' shareholdings are held directly and indirectly.

There were no loans to KMP's and their related parties.

Other 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 \$23,500(2019: \$29,750) which is a company controlled by Mr W Kernaghan. There was \$2,750 (2019: \$1,375) outstanding at 30 June 2020.

End of Remuneration Report

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'C. Ringrose', with a horizontal line drawn underneath the name.


**C. Ringrose**  
**Director**  
**Perth, WA**  
**30 September 2020**

## Auditor's independence declaration to the directors of Cullen Resources Limited

As lead auditor for the audit of the financial report of Cullen Resources Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cullen Resources Limited and the entities it controlled during the financial year.



Ernst & Young



Mark Cunningham  
Partner  
30 September 2020



## 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 the fourth edition of Corporate Governance Principles and Recommendations in March 2020 which has not been early adopted by the Company. 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:

John Horsburgh  
Dr Chris Ringrose  
Wayne Kernaghan

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

### **Independent Directors**

Under ASX guidelines, two of the current Board of three 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 2020, 100 % (2019: 100%) of the workforce is male with no females at board or senior management level. There is only one employee who is 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](http://www.cullenresources.com.au).



**Consolidated Statement of Financial Position**  
**as at 30 June 2020**

	<b>Note</b>	<b>Consolidated</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	21(i)	271,035	384,846
Receivables	5	40,076	22,821
<b>Total Current Assets</b>		<b>311,111</b>	<b>407,667</b>
<b>Non Current Assets</b>			
Plant & equipment	6	-	-
Exploration & evaluation	7	23,075	15,042
Intangible assets	8	4,747,995	4,747,995
<b>Total Non Current Assets</b>		<b>4,771,070</b>	<b>4,763,037</b>
<b>Total Assets</b>		<b>5,082,181</b>	<b>5,170,704</b>
<b>Current Liabilities</b>			
Trade and other payables	9	79,692	70,551
Provisions	10	83,146	79,300
<b>Total Current Liabilities</b>		<b>162,838</b>	<b>149,851</b>
<b>Total Liabilities</b>		<b>162,838</b>	<b>149,851</b>
<b>Net Assets</b>		<b>4,919,343</b>	<b>5,020,853</b>
<b>Equity</b>			
Issued capital	11	45,933,453	45,261,253
Share based payment reserve	12	1,480,016	1,480,016
Accumulated losses	13	(42,494,126)	(41,720,416)
<b>Total Equity</b>		<b>4,919,343</b>	<b>5,020,853</b>

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

**Consolidated Statement of Changes in Equity  
for the year ended 30 June 2020**

	<b>Note</b>	<b>Issued Capital</b>	<b>Share Based Payment Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2018</b>		<b>44,265,213</b>	<b>1,470,925</b>	<b>(40,637,604)</b>	<b>5,098,534</b>
Loss for the year		-	-	(1,082,812)	(1,082,812)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		-	-	(1,082,812)	(1,082,812)
Issue of share capital		1,026,997	-	-	1,026,997
Share issue costs		(30,957)	-	-	(30,957)
Share based payments	12	-	9,091	-	9,091
<b>At 30 June 2019</b>		<b>45,261,253</b>	<b>1,480,016</b>	<b>(41,720,416)</b>	<b>5,020,853</b>

	<b>Note</b>	<b>Issued Capital</b>	<b>Share Based Payment Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2019</b>		<b>45,261,253</b>	<b>1,480,016</b>	<b>(41,720,416)</b>	<b>5,020,853</b>
Loss for the year		-	-	(773,710)	(773,710)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		-	-	(773,710)	(773,710)
Issue of share capital		690,200	-	-	690,200
Share issue costs		(18,000)	-	-	(18,000)
<b>At 30 June 2020</b>		<b>45,933,453</b>	<b>1,480,016</b>	<b>(42,494,126)</b>	<b>4,919,343</b>

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

**Consolidated Statement of Comprehensive Income  
for the year ended 30 June 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Revenues	3	78,553	4,487
Rent		(36,817)	(36,278)
Salaries and consultants' fees		(135,838)	(161,940)
Compliance expenses		(117,671)	(124,631)
Share based payments		-	(9,091)
Impairment of exploration expenditure	7	(487,490)	(676,581)
Depreciation		-	(484)
Other expenses		(74,447)	(78,294)
Loss before income tax		(773,710)	(1,082,812)
Income tax	4	-	-
Net loss attributable to members of Cullen Resources Limited after tax		(773,710)	(1,082,812)
<u>Other Comprehensive Income:</u>		-	-
Total comprehensive loss for the period		(773,710)	(1,082,812)
Basic (loss) per share (cents per share)	22	(0.40)	(0.74)
Diluted (loss) per share (cents per share)	22	(0.40)	(0.74)

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



**Consolidated Statement of Cash Flows  
for the year ended 30 June 2020**

	Note	Consolidated	
		2020	2019(i)
		\$	\$
<b>Cash flows from operating activities</b>			
Sale of tenements		40,000	-
Cash payments in the course of operations		(379,960)	(440,998)
GST refunded and ATO cash flow boost		49,196	72,094
Sundry income		-	2,704
Interest received		277	1,783
		<hr/>	<hr/>
<b>Net operating cash outflows</b>	21(ii)	(290,487)	(364,417)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Payment for exploration and evaluation		(495,524)	(678,274)
<b>Net investing cash inflows</b>		(495,524)	(678,274)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		690,200	1,026,997
Share issue costs		(18,000)	(30,957)
		<hr/>	<hr/>
<b>Net financing cash inflows</b>		672,200	996,040
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(113,811)	(46,651)
Cash and cash equivalents at the beginning of the financial year		384,846	431,497
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	21(i)	271,035	384,846
		<hr/>	<hr/>

(i) Prior year comparatives have been reclassified, refer to Note 1(c) for further details.

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 of Cullen Resources Limited ("Consolidated Entity" or "The Company") 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 (including AASB 16 Leases as further discussed below), which were applicable as of 1 July 2019. 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.

#### Comparative amounts

The Group has in previous years disclosed its payments for exploration and evaluation as cash flows from operating activities. For the year ended 30 June 2020 amounts relating to payments for exploration and evaluation have been classified and presented as cash flows from investing activities. Similarly, in its Cash Flow Statement for the Company has reclassified the prior year payments for exploration and evaluation of \$678,274 from cash flows from operating activities to cash flows from investing activities. The reclassification has been made to reflect the nature of the Company's exploration and evaluation activities and has aligned cash flows to the Company's capitalisation accounting policy.

**AASB 16 Leases** - The Company has adopted AASB 16 with the date of initial application being 1 July 2019. This standard has no impact to the Company on transition on 1 July 2019 or for the year ended 30 June 2020. The Company has short-term lease for office space and has applied the recognition exemption to these leases. The short term lease is accounted for as operating expenses and included in rent expense within the statement of changes in comprehensive income.

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 and cash equivalents of \$271,035 at 30 June 2020. The directors acknowledge that continued exploration and development of the consolidated group's mineral exploration projects will necessitate further capital raisings. Since the end of the financial year the company has conducted a 1 for 3 non Renounceable Rights at \$0.013 which raised \$974,741 with the issue of 74,980,073 new shares.

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 Consolidated Entity has successfully completed a capital raising during the year to 30 June 2020, 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.

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.

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.

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 cost less impairment. 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 (or in the process of being re-applied for) 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) Intangible Asset**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised over their useful life and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year-end.

The Consolidated Entity's intangible assets represent the deferred consideration payable by the acquirer on the unconditional

final investment decision to proceed and royalties on all iron ore extracted from the area of the tenements of the Mt Stuart Iron Ore Joint Venture.

These, although entitling the Consolidated Entity to cash upon the unconditional final investment decision to proceed and the commencement of production, are not considered to fall within the definition of financial assets in accordance with AASB 9 *Financial Instruments* ("AASB 9"). The Consolidated Entity considers, amongst the characteristics listed in AASB 9 that they do not contain an absolute right to receive cash as the Consolidated Entity cannot force the owner to make the investment decision to proceed and to produce and, furthermore, the counterparty can avoid the payment of cash by deciding not to proceed.

The useful life of the intangible assets will be determined by reference to planned development schedule and mine life on commencement of mining and the cost of the royalty contract will be amortised on a systematic basis over the life of the mine. Amortisation rates are adjusted on a prospective basis for all changes to estimates of the life of mine. At 30 June 2020, the decision to proceed has not been made and hence the assets remain unamortised.

**(l) Revenue**

Other revenue includes interest revenue on short term deposit received. 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.

Refundable research and development tax offset is brought to account when the funds are received.

**(m) Joint Operations**

The Consolidated Entity undertakes a number of activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. The Consolidated Entity's joint arrangements are in the form of joint operations.

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

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

**(n) 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.

**(o) 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 two working days.

**(p) 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.

**(q) 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.

**(r) Earnings / (losses) per share**

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;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares, adjusted for the effects of all dilutive potential ordinary shares.

**(s) Change in accounting policies**

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

**(t) 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.

**(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**

*New accounting standards and interpretations issued but not yet effective*

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020. The Company's assessment of the impact of relevant new or amended Accounting Standards and Interpretations, most relevant to the Company is not material and have minimal impact on the financial statements.

**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 assumptions 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.

**(c) Intangibles**

The recoverable amount of intangible assets is estimated on the basis of the discounted value of future cash flows. The estimates of future cash flows are based on significant assumptions including:

- timing of the unconditional investment decision to proceed;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and resources;
- future iron ore prices and exchange rates based on forecasts by a range of recognized economic forecasters as well as recent spot prices and rates;
- construction and production timetable and production rates; and
- the discount rate used.

Refer to notes 1(k) and 8 for more information.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>3. REVENUE AND EXPENSES</b>		
<i>Other Revenues</i>		
Interest received	277	1,783
Sale of tenements	40,000	-
ATO Cash Flow Boost	38,276	-
Sundry income	-	2,704
	<u>78,553</u>	<u>4,487</u>
<i>Expenses</i>		
(Loss) before tax was after crediting the following expenses:		
Auditors remuneration in respect of the Audit or review of the financial statements	<u>46,000</u>	<u>28,532</u>
Rent payments	<u>36,817</u>	<u>36,278</u>
Superannuation	<u>25,534</u>	<u>25,534</u>
<b>4. INCOME TAX</b>		
The major components of income tax expenses are:		
<b>Income Statement</b>		
<i>Current Income Tax</i>		
Current income tax charge/(benefit)	-	-
<i>Deferred Income Tax</i>		
Relating to origination and reversal of temporary differences	-	-
Income tax expense/(benefit) reported in the statement of comprehensive income	<u>-</u>	<u>-</u>
Operating loss before income tax	<u>(773,710)</u>	<u>(1,082,812)</u>
Prima facie income tax (benefit) calculated at 27.5% (2019: 27.5%)	<u>(212,770)</u>	<u>(297,773)</u>
Non-deductible expenses	-	-
Non-assessable income	-	-
Income tax losses recognised	<u>212,770</u>	<u>297,773</u>
Total income tax (expense)/benefit	<u>-</u>	<u>-</u>

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	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Deferred Tax Liabilities</b>				
Exploration	(6,346)	(4,137)	2,209	466
<b>Deferred Tax Assets</b>				
Provisions	22,865	21,807	1,058	2,791
Accruals	9,914	4,812	5,101	-
Deferred tax assets used to offset deferred tax liabilities/(not recognised) (i)	(26,433)	(22,482)	8,368	3,257
Net Deferred Tax Recognised in the Statement of Financial Position	-	-	-	-

- (i) As at 30 June 2020 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 2020 in respect of tax losses not brought to account is \$9,876,515 (2019: \$9,663,745) 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	
	2020 \$	2019 \$
<b>5. RECEIVABLES</b>		
Current		
Other debtors	40,076	22,821

Other debtors includes GST receivable which is non-interest bearing. All other debtors are not past due and are not credit impaired. Considering the size and the credit quality of other debtors, the expected credit loss on the balance at 30 June 2020 is considered insignificant.

The carrying amount of other debtors is a reasonable approximation of fair value.

	Consolidated	
	2020 \$	2019 \$
<b>6. PLANT &amp; EQUIPMENT</b>		
Plant & Equipment at cost		
Opening balance	115,812	115,812
Additions	-	-
Disposals	-	-
Closing balance	115,812	115,812

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Plant & Equipment – Accumulated depreciation		
Opening balance	(115,812)	(115,328)
Depreciation	-	(484)
Disposals	-	-
Closing balance	<u>(115,812)</u>	<u>(115,812)</u>
Total written down amount	=	=
(a) Reconciliation		
Plant & Equipment		
Carrying amount at beginning	-	484
Additions	-	-
Disposals	-	-
Depreciation expense	-	(484)
	<u>-</u>	<u>-</u>

### 7. EXPLORATION & EVALUATION

Costs carried forward in respect of areas of interest in the exploration and evaluation phase

Opening balance	15,042	13,349
Expenditure incurred during the year	<u>495,523</u>	<u>678,274</u>
	510,565	691,623
Less		
Write off (refer to below)	<u>(487,490)</u>	<u>(676,581)</u>
Closing balance net of write off	<u>23,075</u>	<u>15,042</u>

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

As discussed in the Directors Report, during the financial year, the Company continued its mineral exploration activities including: project generation, database reviews, field mapping, geochemical surveying, and drilling programmes. Company exploration activities, including joint operations, were focused in Western Australia with additional activities in Finland.

A total of \$495,524 (2019: \$678,274) of exploration expenditure was capitalised by Cullen during the year. 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 dispose. 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 (Level 3 fair value hierarchy). Where no such evidence was available, areas of interest were written down to nil pending the outcome of any future farm-out arrangement. This resulted in a write off of \$487,490 (2019: 676,581). The Company will continue to look to attract farm-in partners and/or recommence exploration should circumstances change.

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.

## 8. INTANGIBLE ASSETS

	Consolidated	
	2020	2019
	\$	\$
Deferred consideration (a) and royalty stream(b)	4,747,995	4,747,995
	<u>4,747,995</u>	<u>4,747,995</u>

On 12 April 2017, the consolidated entity sold its 30% contributing interest in the Mt Stuart Iron Ore Joint Venture and all of its other rights and interests in the Joint Venture tenements. Part of the consideration includes:

- (a) A deferred consideration of \$1 million payable on the making of an unconditional final investment decision to proceed with the development of an iron ore mine on the tenements which were previously the Mt Stuart Joint Venture.
- (b) An uncapped 1% FOB royalty on all iron ore extracted from the area of the Joint Venture tenements.

At the disposal date, the above consideration was recognised as an intangible asset. Its carrying value was determined based on a Net Present Value calculation using a discounted cash flow model with a number of assumptions including timing of unconditional investment decisions to proceed, future iron ore prices, exchange rate, timing for the development and production, future product volumes and discount rates (Level 3 fair value hierarchy).

As at 30 June 2020, the directors have adopted a similar Net Present Value calculation with the updated key assumptions to reflect changes in the market environment to determine the recoverable amount of the intangible asset as part of their impairment assessment of the carrying value of the asset. In their opinion, this assessment supports the carrying value of the assets and supports the conclusion that no impairment of the intangible asset is required as at 30 June 2020.

In July 2015 the Consolidated Entity sold its interest in the Wyloo project tenements to its partner Fortescue Metals Group Limited and the deferred consideration is a 1.5 % F.O.B. royalty up to 15 Mt of iron ore production from Wyloo project tenements, and will receive \$900,000 cash if and when a decision is made to commence mining on a commercial basis – E47/1649, 1650, ML 47/1490, and ML 08/502.

## 9. TRADE AND OTHER PAYABLES

Current		
Trade creditors - unsecured	<u>79,692</u>	<u>70,551</u>

Trade creditors are non-interest bearing and are normally settled on 30 day terms. The carrying amount of trade creditors is a reasonable approximation of fair value.

## 10. PROVISIONS

	Consolidated	
	2020	2019
	\$	\$
Current		
Employee benefits	<u>83,146</u>	<u>79,300</u>

## 11. CONTRIBUTED EQUITY

### Issued capital

224,937,584 ordinary shares (2019: 169,464,828)	45,933,453	45,261,253
-------------------------------------------------	------------	------------

Movement in issued shares for the year:

	2020		2019	
	Number of Shares	\$	Number of Shares	\$
Beginning of the financial year:	169,464,828	45,261,253	2,598,560,131	44,265,213
Share consolidation (22:1) (i)	-	-	(2,480,445,152)	-
Issued at 2 cents each(iii)	-	-	17,500,000	350,000
Issued at 2 cents each(ii)	-	-	25,551,983	511,040
Issued at 2 cents each(ii)	-	-	8,297,866	165,957
Issued at 1.5 cents each(iii)	20,000,000	300,000		
Issued at 1.1 cents each(iv)	35,472,756	390,200		
Less share issue expenses	-	(18,000)	-	(30,957)
End of financial year:	224,937,584	45,933,453	169,464,828	45,261,253

(i) On 26 October 2018 the company undertook a share consolidation on the basis of one (1) new share for every twenty two (22) old shares. As such, the loss per share for the prior year has been restated to reflect the share consolidation.

(i) Issued under a rights issue

(iii) Issued under a placement

(iv) Issued under a Shareholder Share Purchase Plan.

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.

### Options

As at 30 June 2020 there are 1,363,635 (2019: 1,363,635) 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	Fair Value at Grant Date
909,090	1/12/17	Nil Vesting Conditions	\$0.066	30 November 2020	0.01232
454,545	19/12/18	Nil Vesting Conditions	\$0.066	1 November 2021	0.02

The options have no rights until they are exercised and become ordinary shares.

During the year nil (2019: nil) options lapsed.

During the year nil (2019:454,545) options were issued to a third party for exploration.

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.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Beginning of the year	1,480,016	1,470,925
Share based payments (Note 16)	-	9,091
End of the year	<u>1,480,016</u>	<u>1,480,016</u>

## 13. ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	(41,720,416)	(40,637,604)
Net loss	(773,710)	(1,082,812)
Accumulated losses at the end of the year	<u>(42,494,126)</u>	<u>(41,720,416)</u>

## 14. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The consolidated financial statements at 30 June 2020 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

Name	Place of Incorporation	Interest %		Investment \$	
		June 2020	June 2019	June 2020	June 2019
Cullen Minerals Pty Limited	Australia	100	100	-	-
Cullen Exploration Pty Ltd	Australia	100	100	-	-
Bearmark Investments Pty Ltd	Botswana	100	100	-	-
Cullen Finland OY	Finland	100	100	-	-

## 15. KEY MANAGEMENT PERSONNEL

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Compensation for key management personnel</b>		
Short-term employee benefits	252,250	258,500
Post-employment benefits	21,217	21,217
Other long-term benefits	3,243	3,948
Share-based payments	-	-
Total compensation	<u>276,710</u>	<u>283,665</u>



**16. SHARE BASED PAYMENTS**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Recognised share based payment expenses</b>		
Director options	-	-
Third party options	<u>-</u>	<u>9,091</u>
	<u>-</u>	<u>9,091</u>

**(b) Employee Options**

For details/movements around the director options, please refer to note 11.

No employee or director options were issued or lapsed during the year. (2019: Nil)

<b>(c) Weighted average remaining contractual life</b>	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
Options - Third party	1.33	2.33
Options - Directors	0.42	1.42

<b>(d) Range of exercise prices</b>	<b>2020</b>	<b>2019</b>
	<b>cents</b>	<b>cents</b>
Options - Third party	6.6	6.6
Options - Directors	6.6	6.6

<b>(e) Weighted average fair value at date of issue</b>	<b>2020</b>	<b>2019</b>
	<b>cents</b>	<b>cents</b>
Options - Third party	-	2.0
Options - Directors	-	-

**(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:

	<b>2020</b>	<b>2019</b>
Expected volatility (i)	-	334%
Risk free interest rate	-	1.9%
Exercise price	-	\$0.066
Share price at measurement date	-	\$0.02
Expected dividend yield	-	0.00%

- (i) The expected volatility was based on the historical volatility of the underlying shares over a period equivalent to the expected life of the option.

**17. JOINT OPERATIONS**

The Consolidated Entity has interests in the following joint operations as at 30 June 2020:

	<b>Principal Activity</b>	<b>Other Participant</b>
(a) Paraburdoo	Exploration	Fortescue Mining Group Limited (Fortescue)
(b) Killaloe	Exploration	Liontown Resources Limited (Liontown)
(c) Mt Eureka	Exploration	Rox Resources Limited (Rox)

- a) Fortescue can earn up to 80% in the iron ore rights, Cullen has a 100% interest.
- b) Lione town has an 80% interest; Cullen is 20% free carried to decision to mine.
- c) Rox can earn up to a 75% interest.

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 joint operations to the operating profit before income tax is \$nil (2019: \$nil). The Consolidated Entity's assets employed in the jointly controlled assets, are included in the balance sheet of the Consolidated Entity as follows:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Receivables	-	-
<b>Non-Current Assets</b>		
Exploration and expenditure	-	-
<b>Current Liabilities</b>		
Trade and other payables	-	-

## 18. COMMITMENTS

### 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 is required to expend a minimum of \$318,500 over the next year to keep its current tenements in good standing.

## 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 \$23,500(2019: \$29,750) which is a company controlled by Mr W Kernaghan. There was \$2,750 (2019: \$1,375) outstanding at 30 June 2020.

## 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.

**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:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	271,035	384,846

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

Operating (loss) after income tax	(773,710)	(1,082,812)
Add/(less) non cash items		
Impairment of exploration	487,490	676,581
Depreciation	-	484
Share based payments	-	9,091
(Decrease) / Increase in provisions for employee benefits	3,846	10,151
(Decrease) / Increase in trade and other payables	9,141	25,365
Decrease / (Increase) in receivables	(17,255)	(3,277)
Net operating cashflows	(290,487)	(364,417)

**22. EARNINGS/(LOSS)PER SHARE**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
Basic (loss) per share (cents per share)	(0.40)	(0.74)
Diluted (loss) per share (cents per share)	(0.40)	(0.74)
The following reflects the income and share data used in the calculations of basic and diluted (loss) per share		
Net (loss)	(773,710)	(1,082,812)
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	193,422,744	145,467,671
Options on issue at year end are not dilutive and hence not used in the calculation of diluted EPS	1,363,635	1,363,635

**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
	2020 \$	2019 \$
<b>Financial Assets</b>		
Cash and cash equivalents	271,035	384,846
<b>Total Financial Assets</b>	<u>271,035</u>	<u>384,846</u>

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 0.5% movement in interest rates, with all other variables remaining constant.

	Consolidated (Decrease)/Increase in loss/equity	
	2020 \$	2019 \$
	2020 \$	2019 \$
Interest rate +0.5%	(1,355)	(1,924)
Interest rate -0.5%	1,355	1,942

The selection of 0.5% sensitivity check was based on recent interest rate adjustments. The same basis was adopted in 2019.

#### (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 cash at bank, 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.

Cash at bank and 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 while bank balances are with reputable Australian banks 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 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 Consolidated 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.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Shareholders equity	4,919,343	5,020,853

**24. AUDITOR'S REMUNERATION**

Amounts received or due and receivable by Ernst and Young

- an audit or review of the financial report of the entity and any other entity in the Consolidated Entity
- taxation services provided to the Consolidated Entity

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
	46,000	28,532
	-	-
	46,000	28,532

**25. PARENT ENTITY INFORMATION**

Information relating to Cullen Resources Limited:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current assets	258,112	377,520
Total assets	4,961,865	5,043,454
Current liabilities	42,522	22,601
Total liabilities	42,522	22,601
Issued capital	45,933,453	45,261,253
Accumulated losses	42,494,126	41,720,416
Share based payment reserve	1,480,016	1,480,016
Total shareholders' equity	4,919,343	5,020,853
Loss of the parent entity	773,710	1,082,812
Total comprehensive income of the parent entity	773,710	1,082,812

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 a 1 for 3 Non Renounceable Rights Issue at \$0.013 which raised \$974,741 with the issue of 74,980,073 new shares on 3 August 2020.

**27. CORPORATE INFORMATION**

The financial report of Cullen Resources Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

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 2020 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 Company 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 2020.

On behalf of the Board



**C. Ringrose**

**Director**

**Perth, WA**

**30 September 2020**

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

### Report on the audit of the financial report

#### Qualified opinion

We have audited the financial report of Cullen Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for qualified opinion

As detailed in Note 8 to the financial statements, on 12 April 2017, the Group sold its 30% contributing interest in the Mt Stuart Iron Ore Joint Venture ('MSIOJV') and recognised a royalty intangible asset of \$4,747,995 being the estimated fair value of the consideration receivable at the disposal date. In estimating the fair value of the consideration receivable, the Directors used a discounted cash flow model with a number of assumptions as to the timing, quantum and discounting of cash flows. At 30 June 2020, the Directors have adopted a similar net present value calculation with updated market assumptions to determine the recoverable amount of the intangible asset as part of their impairment assessment of the carrying value of the royalty intangible asset. Management have determined that the net present value calculation supports the intangible assets carrying value.

For the audit of the Group's financial report for the year ended 30 June 2020, we have been unable to obtain sufficient appropriate audit evidence to assess the reasonableness of the Directors' assumptions adopted in determining the recoverable value of the intangible asset as part of the asset's impairment assessment. Consequently, we are unable to determine the accuracy and appropriateness of the carrying value of the intangible asset and related disclosures within the financial report.

Our audit report on the financial statements for the year ended 30 June 2019, dated 19 September 2019, was qualified on a similar basis. The consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for then ended and associated notes are shown as comparatives in the Group's financial report.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Materiality uncertainty related to going concern

We draw attention to Note 1(c) in the financial report, which describes the principal events and conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. Except for the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections of our report, we have determined that there are no other key audit matters to be communicated in our report.

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors 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 control as the directors determine is necessary to enable the preparation of the

financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the audit of the remuneration report**

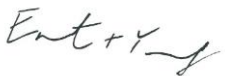
### **Opinion on the remuneration report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cullen Resources Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

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.



Ernst & Young



M P Cunningham  
Partner  
Perth  
30 September 2020



## SHAREHOLDER INFORMATION

### CAPITAL STRUCTURE

As at 23 September 2020, the company had the following securities on issue:

	Fully paid Ordinary shares
Issued Capital	299,917,657
<b>Top 20 Shareholders</b>	
Total holding of twenty largest shareholders	154,738,434
% of total shares on issue	51.59%
<b>Distribution of shareholders</b>	
1 - 1,000 shares	1,028
1,001 - 5,000 shares	818
5,001 - 10,000 shares	209
10,001 - 100,000 shares	607
100,001 and over	267
<b>Total</b>	<b>2,929</b>
Unmarketable Parcels as at 23 September 2020 Minimum \$500.00	2,210

### OPTIONS

As at 23 September 2020, 1,363,635 unissued shares in respect of options were outstanding. These are as follows:

Number	Exercise Price	Expiry Date
909,090	\$0.066	30 November 2020
454,545	\$0.066	1 November 2021

### SUBSTANTIAL SHAREHOLDERS

The company has one Substantial Shareholder as at 23 September 2020

Name	%	No. of shares
Perth Capital Pty Ltd, Wythenshawe Pty Ltd & Associates	20.61	61,817,643

**TWENTY LARGEST SHAREHOLDERS**

The names of the twenty holders of the fully paid shares at 23 September 2020 are listed below:

<b>Name</b>	<b>No. of Shares</b>	<b>% Held</b>	<b>Rank</b>
Perth Capital Pty Ltd	25,454,544	8.49	1
Perth Capital Pty Ltd	15,182,127	5.06	2
WJK Investments Pty Ltd	10,969,698	3.66	3
Innerleithen Pty Ltd	10,787,500	3.60	4
Chiatta Pty Ltd	10,000,000	3.33	5
Bellarine Gold Pty Ltd	9,900,000	3.30	6
Australian Investors Pty Ltd	8,846,155	2.95	7
W L Houghton Pty Ltd	8,000,000	2.67	8
Glyde Street Nominees Pty Ltd	7,070,403	2.36	9
Ms Chunyan Niu	6,488,339	2.16	10
Warrambo Holdings Pty Ltd	6,029,528	2.01	11
Aquila Resources Ltd	4,651,973	1.55	12
Denkey Pty Ltd	4,400,000	1.47	13
Mr Herbert Choy	4,384,500	1.46	14
Croesus Mining Pty Ltd	4,000,000	1.33	15
Wythenshawe Pty Ltd	4,000,000	1.33	16
Mr Christopher Robert Ringrose	3,878,788	1.29	17
Farrington Corporate Services Pty Ltd	3,817,458	1.27	18
Bikini Atoll Investments Pty Limited	3,666,667	1.22	19
Treble Sum Pty Limited	3,210,754	1.07	20
<b>Total</b>	<b>154,738,434</b>	<b>51.59</b>	

**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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