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ASX:CUL

24 August 2021

STRATEGIC ALLIANCE ON FINNISH PROJECTS

Highlights

- Cullen has signed a binding Letter of Intent (“LOI”) with **Capella Minerals Limited (TSXV:CMIL;FRA:N7D2) (“Capella”)** whereby Capella may earn an initial 70% interest in Cullen’s wholly-owned subsidiary, Cullen Finland Oy (“Cullen Oy”) via an incorporated JV.
- Cullen Oy holds an Exploration Permit Licence Application (“Katajavaara”) and an adjoining Reservation (“Aakenus”), about 200 square kilometres in total, in the highly-prospective, Central Lapland Greenstone Belt (CLGB) of northern Finland - (see Fig.1) (“the Projects”).
- The Katajavaara and Aakenus projects lie immediately adjacent to the productive Sirkka Thrust Zone, a regional structural corridor within the CLGB which is associated with numerous occurrences of both gold and base metals.
- Capella must spend a minimum of US\$250,000 within two years and may elect to spend a further US\$750,000 within a total 4.5 year period to earn an 80% interest in Cullen Oy. Cullen will receive an initial A\$50,000 and up to US\$225,000 in staged cash payments over 3 years, and will be free carried until a Pre-Feasibility Study is completed on either of these two projects.

Background

Cullen’s Katajavaara and Aakenus gold (-copper) projects are located within the emerging CLGB gold province which hosts the Kittila gold mine (Agnico Eagle) and significant new discoveries (see Fig.1). They surround Outokumpu Oy’s former gold-copper mining operation at Sattopora and the S2Resources/Kinross Joint Venture at Home, in addition to lying along strike from major recent exploration discoveries at Ikkari (Rupert Resources Ltd) and Aamurisko (Risti-Launi; Aurion Resources).

Agnico Eagle Mines Ltd's Kittila Gold Mine (2020 production - 208,125 oz Au; Reserves 30.4 Mt @ 4.1 grams per tonne Au for 4Moz Au; Agnico Eagle Mineral Reserves and Resources Statement December 31, 2020; <https://agnicoeagle.com>), lies directly to the NE of the Cullen projects.

Key Terms

Capella will acquire a 70% interest in Cullen Oy on the "Closing Date" - being the date that Capella receives all required regulatory approvals, including TSXV approval - and must spend a minimum of US\$250,000 within two years. Capella will also have the option to earn an additional 10% equity in Cullen Oy if it has spent a total of US\$1,000,000 within a 4.5 year period from the Closing Date.

Cullen will be free carried until such time as a Pre-Feasibility Study has been completed on at least one of the Projects. Thereafter each of Cullen and Capella (each a "JV Party") will have the right to contribute on an equity basis, or dilute.

Should a JV Party's equity fall below 10% ownership of Cullen Oy, the equity will convert to a 2% net smelter royalty ("NSR"). The JV Party that is a payer of the NSR will have the exclusive right to buy one half of the NSR, representing 1%, for a one-time cash payment of US\$1,000,000.

From the Closing Date, and during the currency of the Project joint venture, a JV Party must notify and offer the other JV Party any acquisition within ten kilometres of the Project's external boundaries. If such an offer is accepted, the acquisition will be made by Cullen Oy, be paid for by Cullen Oy, and therefore become a Project joint venture, property.

In addition to the expenditure commitments on the Projects, Cullen may receive staged cash payments as follows:

- A\$50,000 upon the Closing Date;
- US\$50,000 on or before the first anniversary of the Closing Date;
- US\$75,000 on or before the second anniversary of the Closing Date; and
- US\$100,000 on or before the third anniversary of the Closing Date

Commenting on the Agreement, Chris Ringrose Managing Director of Cullen said today,

"We are very pleased to be partnering with a very well-regarded technical team, with an exploration focus in Scandinavia. Cullen has a long-held view that the CLGB is prime exploration terrane, and recent results from active explorers there, and the presence of majors underlines this belief. We look forward to working with Capella on the Projects and will maintain project generation activities in Finland together".

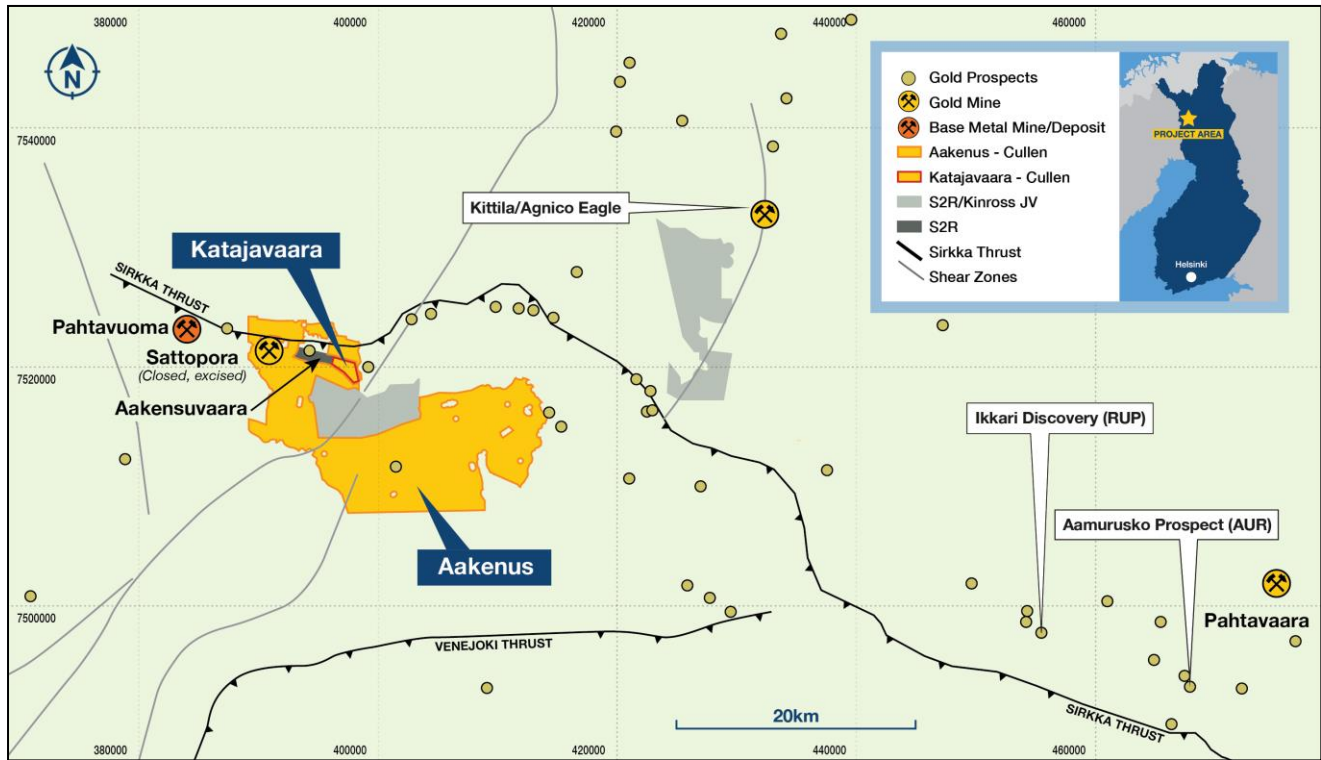


Fig. 1 Location of Cullen's Finnish Projects within the CLGB.
 (RUP: www.rupertresources.com; AUR: www.aurionresources.com;
 S2R: www.s2resources.com.au)

ABOUT CAPELLA: Capella is engaged in the acquisition, exploration, and development of quality mineral resource properties in favourable jurisdictions with a focus on high-grade gold and copper deposits. The Company's copper focus is currently on the discovery of high-grade VMS-type deposits within 100%-owned, district-scale land positions around the past-producing Løkken and Kjølvi copper mines in central Norway. The Company's precious metals focus is on the discovery of high-grade gold deposits on its 100%-owned Southern Gold Line Project in Sweden, in addition to its active Canadian Joint Ventures with Ethos Gold Corp. at Savant Lake (Ontario) and Yamana Gold Inc. at Domain (Manitoba). The Company also retains a residual interest (subject to an option to purchase agreement with Austral Gold Ltd) in the Sierra Blanca gold-silver project in Santa Cruz, Argentina. Field activities are ongoing on all projects, with the primary focus being to advance priority targets through the permitting process and onwards to drilling and discovery. The Company also holds marketable securities in Cerrado Gold Inc. (TSXV:CERT; 833,334 common shares) and Ethos Gold Corp. (TSXV:ECC; 2 million common shares), providing Capella shareholders with indirect exposure to both exploration and operational success by these Companies.

ABOUT CULLEN: Cullen is a Perth-based minerals explorer with a multi-commodity portfolio including projects managed through a number of JVs with key partners (Rox, Fortescue and Lachlan Star), and a number of projects in its own right. The Company's strategy is to identify and build targets based on data compilation, field reconnaissance and early-stage exploration, and to pursue further testing of targets itself or farm-out opportunities to larger companies. Projects are sought for most commodities mainly in Australia but with selected consideration of overseas opportunities. Cullen has a portfolio of projects in Western Australia for gold, base metals and NI-Cu-PGE. Its Projects are located in key prospective terranes with several at a drill testing stage. Cullen has a **1.5% F.O.B. royalty** up to 15 Mt of iron ore production from the Wyloo project tenements, part of Fortescue's Western Hub/Eliwana project; **a 1% F.O.B. royalty** on any iron ore production from the following former Mt Stuart Iron Ore Joint Venture (Baosteel/MinRes/Posco/AMCI) tenements – part of the proposed West Pilbara Iron Ore Project.

ATTRIBUTION: Competent Person Statement

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

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

FORWARD - LOOKING STATEMENTS

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.

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