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Mr M Hodge
Australian Stock Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Marcus

Removal of Voluntary Suspension

Bullion Minerals Limited ("Bullion" or "the Company") advises that, in the opinion of the Company, it has agreed to acquire a 50% interest in the Mulga Rock Uranium-Polymetallic Project ("the Project") from interests associated with Mr Michael Fewster.

Mr Fewster has contended that no binding agreement was reached, however the Company has written legal advice that based on the discussions, conduct and dealings there is an agreement as between it and Mr Fewster to acquire the 50% interest in the Project.

Details of the Project are as per Annexure "A". In the view of the Company, the principle terms of the agreement are as per Annexure "B".

During the period of voluntary suspension, the Company has sought, on a without prejudice basis, to resolve the matter. This has not been achieved to date.

Bullion has lodged caveats over the subject tenements yesterday to protect its interests pursuant to the acquisition agreement. Bullion has invited further discussion with Mr Fewster to proceed with the agreement.

Bullion's uranium portfolio, which has been built up over the past 6 months, includes exploration projects in 3 Australian States as detailed in the Company's most recent quarterly report.

The largest of these is at Mount Evelyn in the Northern Territory, where Bullion's 4,900km² of tenements in the Alligator Rivers uranium field lie approximately 50-100 km southeast of the Koongarra, Ranger and Jabiluka uranium deposits. The Australian Federal Government has recently advised that it will assume responsibility for approval of uranium mining in the Northern Territory and has previously stated it is in favour of further development.

Yours faithfully

ANDREW BANTOCK
Managing Director

ANNEXURE 'A'

MULGA ROCK URANIUM – POLYMETALLIC PROJECT

The Mulga Rock Project covers 880km² and is situated approximately 240 km northeast of Kalgoorlie in Western Australia. The Project was discovered, evaluated and held by the Japanese Government's Power Reactor & Nuclear Fuel Development Corporation ("PNC") from 1979-2000 prior to abolition of the parent government department. Interests associated with Mr Michael Fewster have held the Project since that time.

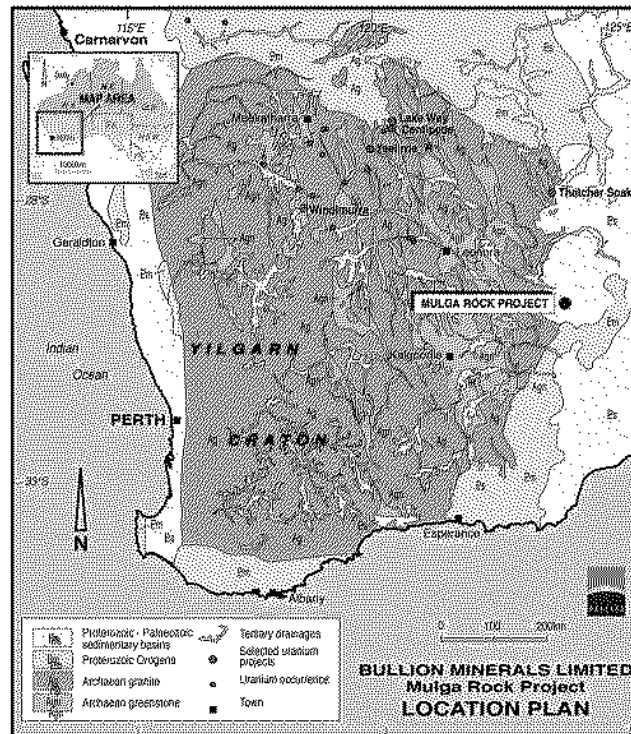


Figure 1 : Location of Mulga Rock Uranium-Polymetallic Project

The Mulga Rock Project has been the subject of substantial past investment, including over 2,100 drill holes, 481 of which were diamond drill holes, comprising over 114,000 metres of drilling.

Three principal uranium-polymetallic deposits have been delineated at the Project named Ambassador, Emperor and Shogun. In most cases uranium mineralisation is accompanied by nickel, cobalt, scandium and vanadium, with the potential for these to contribute significantly to future mining scenarios. Mr Fewster retains scandium rights under the agreement.

Further potential has been identified in a number of other areas, including a significant lignite resources.

Historical reference to the Mulga Rock deposits include:

- Fullwood, KE, and Barwick RE, (1990). Mulga Rocks Uranium Deposits, Officer Basin, in, Geology of the Mineral Deposits of Australia and Papua New Guinea, Australian Institute of Mining and Metallurgy, Monograph 14.
- Geological Survey of Western Australia WAMEX open file reports, Item 11694
- Western Australian Department of Industry and Resources MineDex database, site code S00980

The information in this report that relates to Exploration Results is based on information compiled by Mr John McIntyre, a full-time employee of Bullion Minerals Ltd, who is a Member of the Australian Institute of Geoscientists. Mr McIntyre has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

ANNEXURE 'B'

PRINCIPLE TERMS OF AGREEMENT

To acquire a 50% interest in all minerals rights of the Mulga Rock Project, other than scandium minerals rights, together with underlying intellectual property and data sets.

Principle consideration to comprise:

- \$1.1 million in cash of which \$0.15 million is to be paid on signing a Heads of Agreement and \$950,000 is payable within 2 business days of such consents and approvals as may be necessary being obtained, including the approval of Bullion's shareholders and requisite statutory consents ("Settlement");
- 1 million fully paid ordinary Bullion shares to be issued at Settlement;
- 1.6 million \$0.20 options to acquire Bullion shares, with a term of 5 years to be issued at Settlement;
- 25 million unlisted Convertible Performance Shares, which convert to 25 million fully paid ordinary Bullion shares upon Bullion's market capitalisation on ASX exceeding \$30 million on a 5 day volume weighted average price basis;

These Convertible Performance Shares are to be issued at Settlement, and will be subject to a voluntary 2 year escrow agreement commencing from the date of the HOA.

- deferred payments of a further \$1.2 million of cash, comprising 2 instalments of \$600,000 on each of 1 July 2006 and 1 July 2007.

Further consideration applies, similar in nature to an option agreement, should Bullion elect to retain rights to certain oily lignite and non-uranium sedimentary exhalative minerals ("lignite/sedex") beyond 31 December 2007.

Bullion will evaluate the lignite/sedex resources prior to 31 December 2007. If it elects to retain rights to these minerals, a further 20 million unlisted Convertible Performance Shares, to be issued concurrently with the other share consideration at Settlement, will convert to 20 million fully paid ordinary Bullion shares. These shares are also subject to the voluntary 2 year escrow agreement commencing from the date of the HOA.

The parties will execute Joint Venture Agreements whereby Bullion will fund all joint venture expenditure through to a Decision to Mine.

Minimum expenditure requirements comprise \$2 million per annum for the period until Bullion has completed a preliminary feasibility study for the Project, with an additional \$750,000 of expenditure required prior to 31 December 2007 in respect of lignite/sedex exploration.

Mr Fewster is invited to appoint two directors to the board of Bullion following completion of the acquisition.

Upon achievement of a Decision to Mine, Mr Fewster/Eaglefield must offer their 50% interest in the Project to Bullion, for purchase at a nominated market price payable in Bullion shares. If Bullion does not elect to purchase for this price, Mr Fewster/Eaglefield may purchase Bullion's interest for 95% of the nominated price, in cash.

A placement will be made to Mr Fewster, his family and others of 10 million Bullion fully paid ordinary shares at \$0.125 per share (subject to approval of the agreement at a general meeting).

The agreement to acquire the 50% interest in the Mulga Rock Project is subject to receipt of all necessary shareholder and Department of Industry & Resources approvals.