

BULLION MINERALS LIMITED

HIGHLIGHTS

Quarterly Report – 31 March 2006

Uranium

- Corporate re-organisation to create Uranium Equities Limited
- Appointment of industry-leading uranium professionals
- Laramide Resources Ltd of Canada to become cornerstone investor and enter into strategic advisory relationship
- Further advancement of a large Australian uranium exploration project portfolio

Gold

- IPO of Chalice Gold Mines Limited (ASX:CHN) completed raising the maximum of \$7.5 million
- Drilling commenced at Higginsville and Chalice Gold Mine
- Forthcoming in-specie distribution of 35 million Chalice Gold Mines Ltd shares to Bullion shareholders

Base Metals

- Base Resources Limited established, as yet unlisted
- Business Plan being prepared, including an exploration program for the Cowan Nickel and Mount Windsor Base Metals Projects
- Forthcoming in-specie distribution of Bullion's interest in Base Resources. Format and timing to be determined

Capital Structure

Issued Capital
shares 96,010,801
options 10,550,000

Bullion Minerals Limited

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1. URANIUM EQUITIES LIMITED

1.1 Corporate Re-organisation for Uranium Focus

During the quarter, Bullion Minerals Limited (Bullion or Company) initiated a corporate re-organisation to become Uranium Equities Limited.

Key aspects are:

- The Company is to be renamed Uranium Equities Limited and will establish its head office in Adelaide.
- Mark Chalmers and David Brunt are to be appointed Managing Director and Executive Director respectively to lead the Company in its uranium focused business plan.

Mark and David previously led Heathgate Resources Pty Ltd in Australia, owner and operator of Australia's third uranium mine and the world's most advanced in-situ leach uranium mine at Beverley in South Australia.

Tim Clifton will also be appointed Chairman.

As part of the securing Mark, David and Tim's services, Bullion will acquire a company part-owned by them in return for the issue of 12.35 million ordinary shares (subject to varying escrow provisions) and 14.35 million performance shares. (Full details of these share issues are provided in the relevant notice of general meeting, previously announced to ASX and circulated to Bullion shareholders.)

- Canadian uranium company Laramide Resources Limited (Laramide) (TSX:LAM, market capitalisation of over C\$375) to take an 18% (fully diluted) interest in the Company and enter into a strategic advisory relationship receiving services from the Company in relation to its large Westmoreland deposit in Queensland, subscribing \$3 million for 20 million shares and 10 million unlisted options, with an exercise price of \$0.35 per share.
- The Company's gold and base metals interests are to be distributed in-specie to its shareholders, with entitlements for this distribution to be set on the record date of 15 May 2006. Neither Laramide nor Messrs Chalmers, Brunt and Clifton are to participate in these distributions by virtue of the above share issues.

The Company has proceeded to implement the corporate re-organisation, with a general meeting of shareholders to seek the requisite shareholder approvals, scheduled for Monday 8 May 2006 at the Company's West Perth offices.

In addition to the appointment of Mark Chalmers and David Brunt, the Company has secured the services of an experienced uranium chemical/metallurgical engineer and two experienced uranium geologists who collectively have over 20 years of recent combined experience with major producing uranium companies. This experience provides a depth of knowledge in exploration, production geology, resource calculations, metallurgical testing, plant design and due diligence on uranium projects.

Mr James Davidson will join as Chief Metallurgist and Manager UEL Services. James was previously Manager of Technical Services at Heathgate Resources.

Dr Andrea Marsland-Smith and Mr Jerome Randabel will join as Chief Geologist – Exploration and Chief Geologist – Resources, respectively.

Dr Marsland-Smith was previously Chief Geologist for Cogema Australia. Mr Randabel was previously Chief Resource Geologist for Heathgate Resources.

The Company, under Mark and David's leadership, has also established a relationship with International Nuclear Inc (iNi), a company based in Golden Colorado, which provides uranium market evaluation, analysis of uranium production costs, and evaluation of potential uranium development projects services to clients including nuclear utilities, uranium producers, governments and intermediaries.

The addition of this team of experienced uranium professionals, complemented with the knowledge base of iNi's market presence positions Uranium Equities Limited as a hub of technical excellence in a market where proven uranium skills and experience are in short supply.

1.2 Uranium Exploration Portfolio

Bullion has previously announced that it has made application for over 20 uranium exploration projects.

Details of these applications and projects have been published in previous quarterly reports and are available in the "Projects" section of the Company's website at www.bullionminerals.com.

Significant progress and additions to this portfolio during the quarter include:

1.2.1 Moorarie Project

The Moorarie Project was added during the quarter pursuant to a joint venture between Bullion Minerals and Independence Group Limited (IGO), comprising three tenements located around 100km north west of Meekatharra, WA (Figure 1).

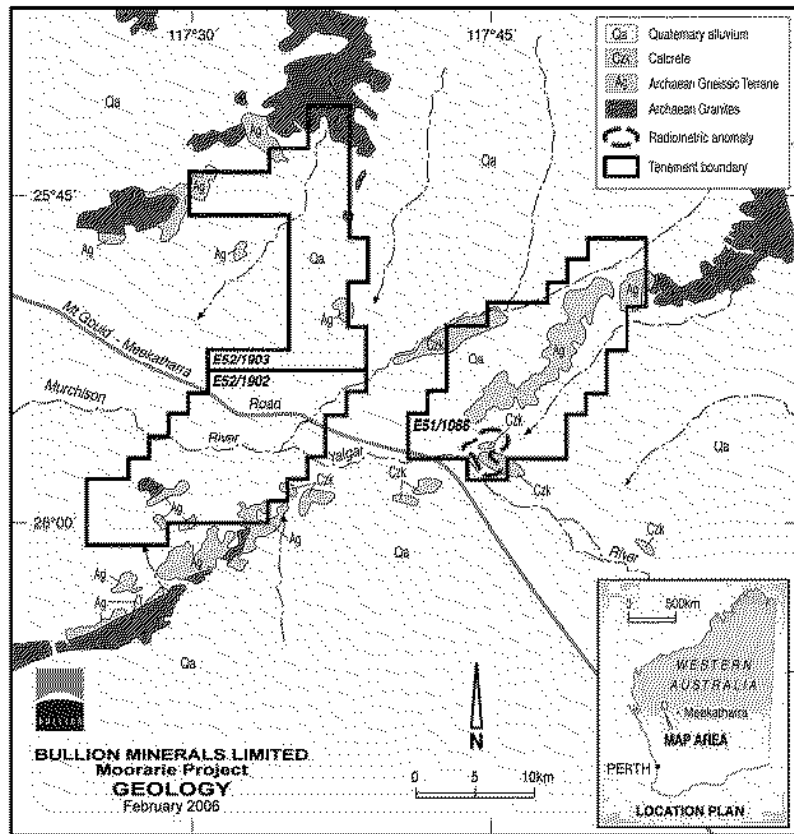


Figure 1 : Moorarie Project – location and regional geology

The project includes several large airborne radiometric uranium anomalies in drainage with mapped calcrete (Figure 2). There is no reported uranium exploration in open file data, nor is there any record of historical exploration. The ground is considered to be prospective for calcrete hosted uranium mineralisation.

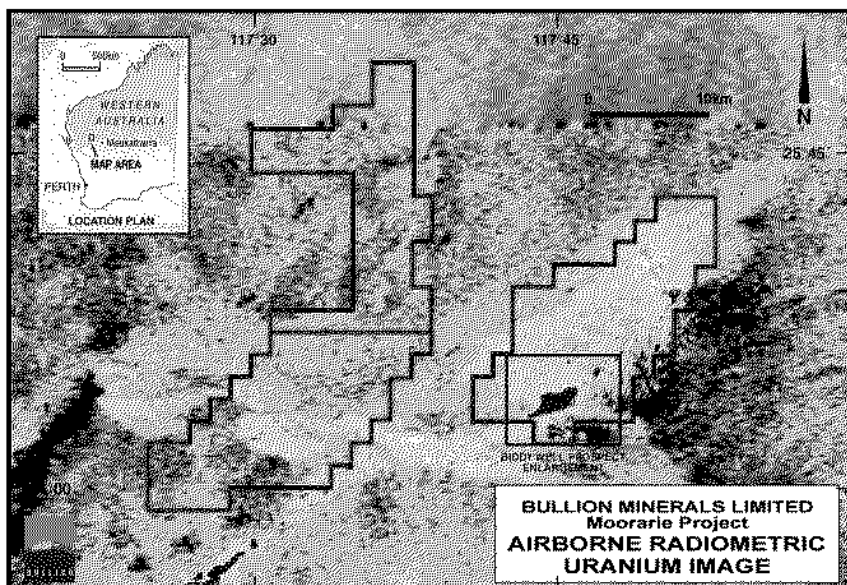


Figure 2 : Moorarie Project - airborne radiometric uranium image

Under the joint venture Bullion can earn a 60% interest in the project by spending \$1 million in 3 years, with IGO having a once-only right to elect to contribute at that point. Should IGO not make such an election, BLN can earn a further 10% interest by spending an additional \$1 million in a further 2 years.

During the quarter, Bullion completed a soil sampling program targeting a significant airborne radiometric uranium anomaly now known as the Biddy Well Prospect (Figure 3). A number of other single point radiometric uranium anomalies were also sampled.

Results have been received with anomalous uranium in soil values (samples reporting >20ppm uranium against a background value of around 4ppm) defining a large linear zone approximately 3.2 km long, located within the core of the Biddy Well airborne radiometric anomaly.

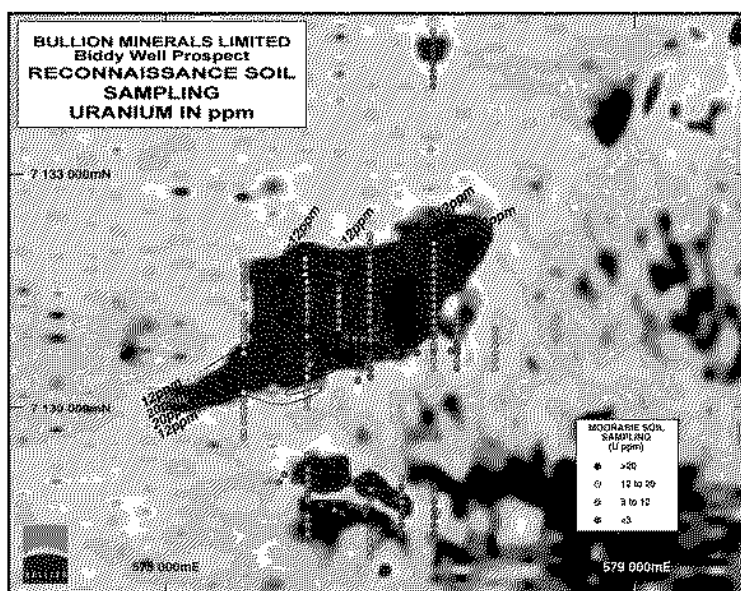


Figure 3 : Moorarie Biddy Well Prospect - reconnaissance soil sampling

1.2.2 Mount Evelyn Project

An additional exploration licence application was made in West Arnhem Land adjoining the Mount Evelyn tenement group, which comprises approximately 4,900 km² in a ground position lying approximately 50-100km south and east of the significant Ranger, Jabiluka, Koongarra and Coronation Hill uranium deposits.

The new application, EL25220, comprises 134 blocks or 449km² (the most north-easterly section of Bullion's mapped tenement area in Figure 4).

An exploration proposal has been submitted to the Northern Land Council in relation to the overall Mount Evelyn Project, with the aim of commencing negotiations with the traditional owners to obtain land access as soon as possible. No timetable has yet been defined for this process.

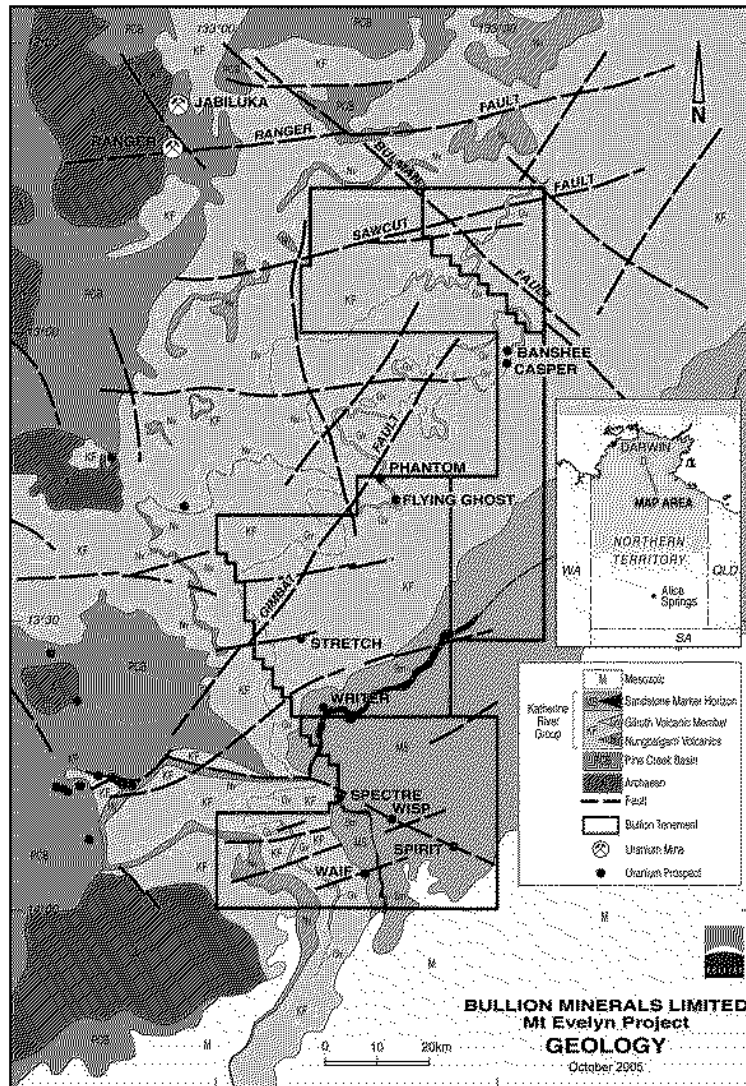


Figure 4 : Mount Evelyn Project – location and regional geology

1.2.3 Western Australian Exploration Projects

The following uranium exploration licence applications were granted during March.

Project/State	Tenement	Target Style	Granted
Nichols/WA	E38/1809	Surficial/Calcrete	22/03/2006
Lake Wells/WA	E38/1810	Surficial/Calcrete	22/03/2006
Injnu Hills/WA	E09/1221	Surficial/Calcrete	22/03/2006
Mt James/WA	E09/1222	Surficial/Calcrete	22/03/2006
White Cliffs/WA	E38/1811	Palaeochannel	22/03/2006
White Cliffs/WA	E38/1812	Palaeochannel	22/03/2006

Bullion awaits the grant of a further 14 applications in WA.

1.2.4 Ben Lomond Project

Bullion's Ben Lomond uranium exploration tenement, located in Queensland, was granted during the period.

1.3 New Applications

1.3.1 Three Rivers

Two new EL applications (of 70 and 42 blocks) were made during the quarter, targeting calcrete style mineralisation in the Peak Hill Mineral Field north of Meekatharra. These applications comprise the Three Rivers uranium project.

Significant radiometric anomalism associated with subcropping calcrete was found from an examination of open file data for the Three Rivers Project (Figure 6).

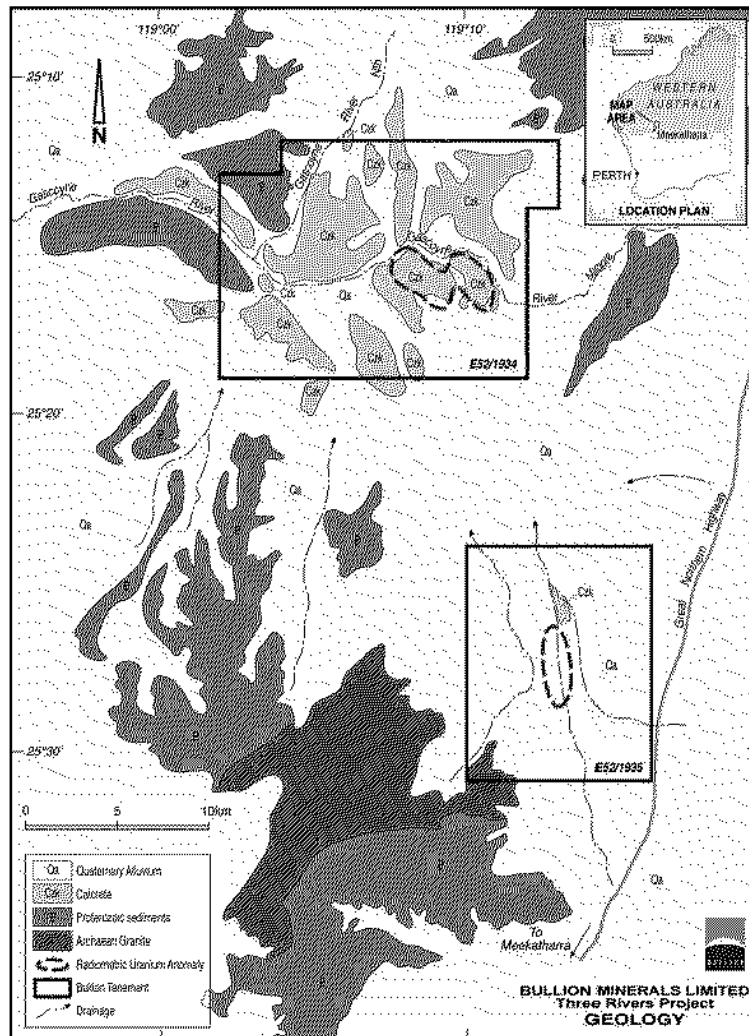


Figure 6 : Three Rivers Project – location and regional geology

▪ **Boolardy Project**

A single oversize EL application (134 blocks) was made during the quarter, targeting calcrete style mineralisation downstream from the Moorarie Project. This has been named the Boolardy uranium project.

GSWA data revealed anomalous uranium geochemistry associated with sheetwash around subcropping calcrete (Figure 6). This is interpreted as a similar mineralisation target to Moorarie, although there is no open file airborne radiometric data to confirm the exploration targets.

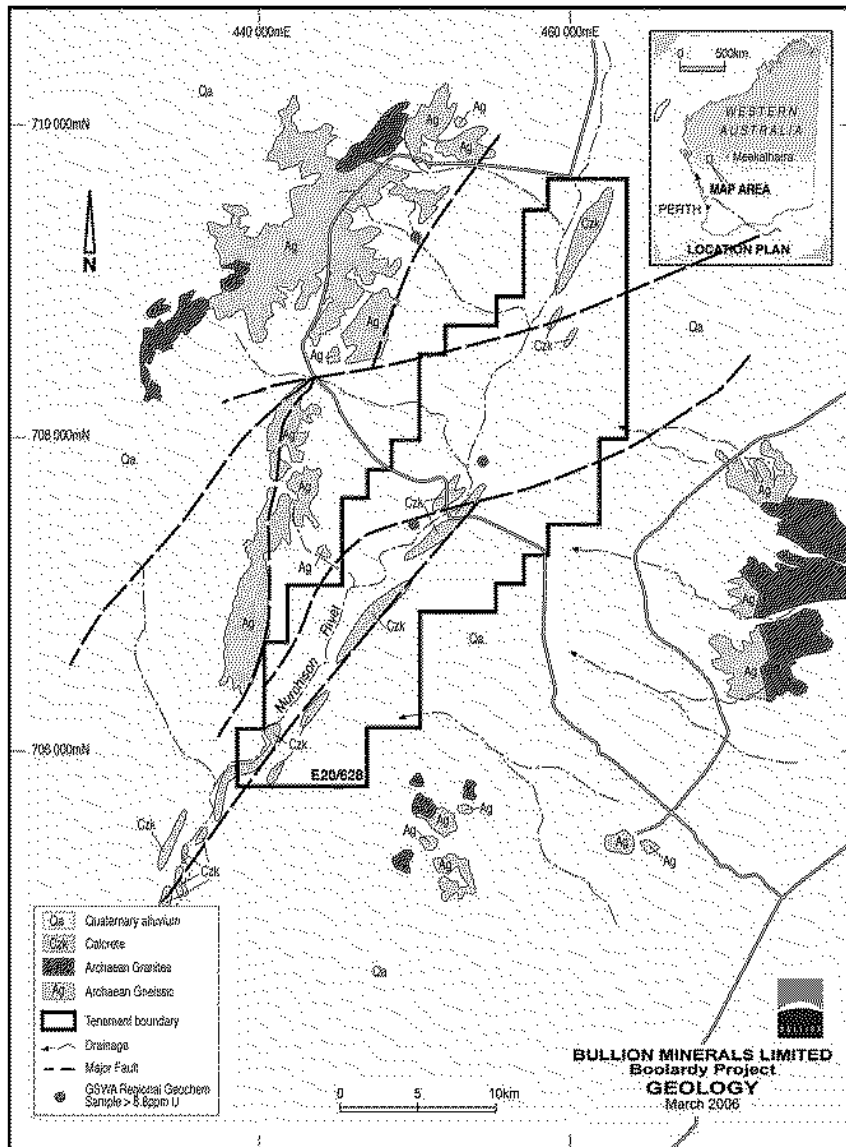


Figure 6 : Boolardy Project – location and regional geology

1.4 Mulga Rock Project Litigation

The Company continues to pursue legal remedies to confirm an Acquisition Agreement to acquire 50% of the Mulga Rock Uranium-Polymetallic Project ("Project"). The Company is seeking the award of specific performance of the Agreement, as well as equitable damages arising from delay in implementation of the Agreement.

A favourable ruling by the Court would confirm the Company's rights to acquire a 50% interest in the project pursuant to the Acquisition Agreement and would require the Company to pay the following consideration, subject to approval by shareholders at a general meeting:

- \$1.1 million of cash on settlement;
- \$1.2 million of deferred cash payments
- The issue, on settlement, of the following securities:
 - 1 million fully paid ordinary shares in the Company;
 - 1.6 million options to acquire fully paid ordinary shares in the Company at \$0.20 per share exercisable within 5 years of the date of issue;
 - 25 million convertible preference performance shares, each converting to one fully paid ordinary share upon the Company's ASX market capitalisation exceeding \$30 million on a 5 day volume weighted average price basis; and
 - 20 million convertible preference performance shares each converting to one fully paid ordinary share should the Company elect to retain certain lignite and non-uranium sedimentary exhalative mineral rights beyond 31 December 2007.

In addition, the Company has agreed subject to the Acquisition Agreement proceeding to offer parties nominated by the vendor the opportunity to participate in a placement of 8 million out of a total of 10 million shares in the Company at \$0.125 per share.

The Company would also be responsible to manage and fund the project exploration, evaluation and development joint venture through to a decision to mine, with a minimum expenditure requirement prior to the Company having the right to withdraw being the cost of progressing to delivery of a preliminary feasibility study.

The matter has been admitted to the Expedited List of the Western Australian Supreme Court. It is expected that Court hearing dates will be set in the next quarter.

The Company paid \$72,000 of costs in preparation of the matter during the quarter. A total of \$150,000 has been paid to date.

2. CHALICE GOLD MINES LIMITED

Bullion's gold interests have been acquired by Chalice Gold Mines Limited, which commenced ASX listing on 24 March 2006 upon completion of its IPO, achieving the maximum capital raising of \$7.5 million.

Chalice Gold Mines Ltd has commenced drilling at Higginsville and the Chalice Gold Mine projects in the Eastern Goldfields of Western Australia, including on approximately 150km² of tenements adjacent Avoca Resources Limited's recent high grade Trident gold discovery.

Overall, 31,000 metres of drilling is planned in the first year post IPO, with 11,500 metres of this planned in the first quarter post IPO.

As discussed in Section 1.1 above, Bullion has announced that, subject to shareholder approval, it intends to distribute its 35 million Chalice Gold Mines Ltd shares in-specie to its shareholders. Key details of the intended distribution are:

- Date of shareholder approval : 8 May 2006
- Record date to determine shareholder entitlements to distribution : 15 May 2006
- Expected distribution ratio : 4 Chalice Gold Mines shares for every 11 Bullion shares held on the record date (ie approximately 1 for 3)
- Distribution dates : 50% distributed in late June 2006, 50% distributed in late September 2006

3. BASE RESOURCES LIMITED

3.1 Development and In-specie Distribution

Base Resources Limited was incorporated on 2 February 2006 and has entered into an agreement to acquire Bullion's base metals projects including Bullion's interests in:

- the Cowan Nickel Joint Venture in Western Australia;
- the Mount Windsor Base Metals Project in Queensland;
- the Strelley Base Metals Project in Western Australia; and
- the Logan's Find Nickel project in Western Australia.

As for Bullion's interest in Chalice Gold Mines Limited, subject to shareholder approval being confirmed at the general meeting of Bullion to be held on 8 May 2006, Bullion's interest in Base Resources Limited is to be the subject of an in-specie distribution to Bullion shareholders registered on the record date of 15 May 2006. Specific detail of this distribution entitlement is outlined in the Notice of General Meeting, previously lodged with ASX and circulated to Bullion shareholders.

Individual dates for distribution of Base Resources shares have not as yet been determined.

Instead, a period of up to a year from the record date of 15 May 2006 will be provided in which Bullion may effect the distribution. In the meantime, Bullion will hold the Base Resources shares in trust for the future recipients of the distribution.

A business plan is being prepared for Base Resources Limited, to develop appropriate exploration and funding programs for the future development of the base metals assets. This is expected to be completed during the June quarter.

3.2 Cowan Nickel Joint Venture

The Cowan Nickel Project now includes over 430km² of tenements south of the nickel mining town of Kambalda (Figure 7), containing 203 strike kilometers of komatiite ultramafic stratigraphy considered by Bullion to be prospective for nickel sulphide accumulations.

The project is considered by Bullion to represent prime nickel exploration ground in one of Australia's pre-eminent nickel belts.

Subject to Equinox Minerals Limited's (Equinox) earn-in, Bullion holds 100% of the nickel interests over the majority of the project area and has the right to earn or purchase 50-80% of the remainder.

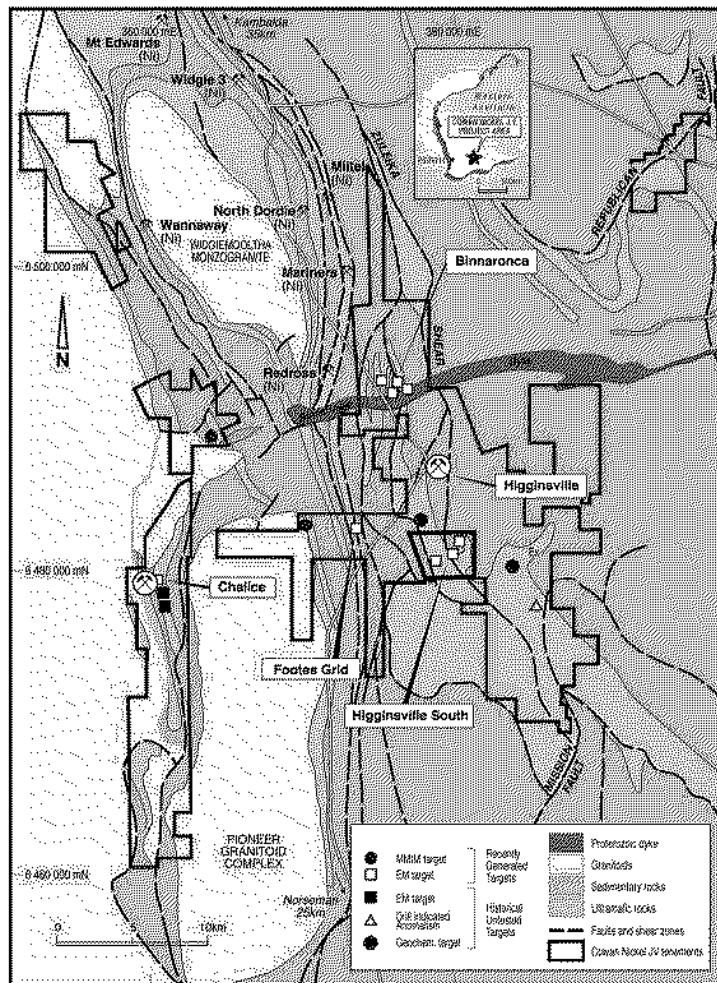


Figure 7 : Cowan Nickel Project showing new conductors at Binnaronca

Equinox is earning a 50% interest in the project by spending \$5M over 3 years. Thereafter, Bullion can elect to either joint fund further work to retain a 50% interest, or Equinox can earn a further 10% interest by spending a further \$5M. Equinox has expended approximately \$2.2M to date, with approximately \$3M remaining to spend by March 2007 to complete the 50% earn-in.

Exploration work to date has identified 12 discrete targets at Cowan (comprising either TEM conductors, anomalous nickel-copper values in historical drilling, or nickel-copper anomalies in soils) with a further 14 provisional conductors delineated at Higginsville South and 4 conductors at Binnaronca in the previous two Quarters.

3.3 Mount Windsor Base Metals Project

Bullion's landholding in the Mt Windsor Volcanics area, located south of Charters Towers, comprises over 1300km², including a Mining Lease over the historical copper-zinc-lead-gold-silver workings at Liontown (Figure 8).

This region is a world-class gold producing area with a combined historical production of over 12 million ounces of gold, including Charters Towers (>6Moz), Mount Leyshon (>3Moz) and Pajingo-Vera Nancy (>3Moz production and reserves).

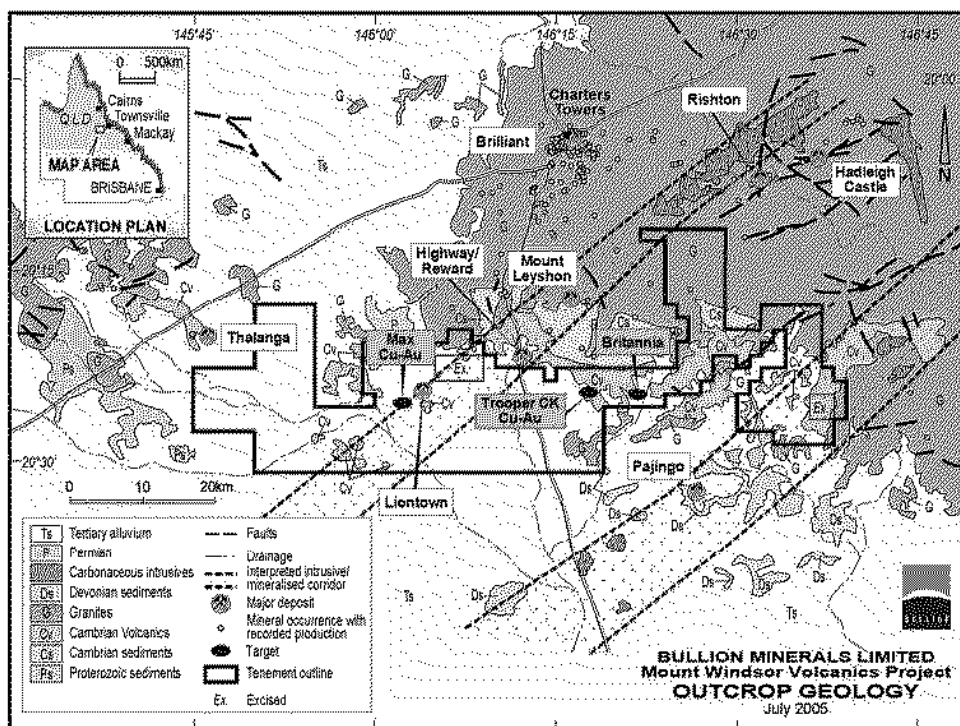


Figure 8 : Mount Windsor Volcanics Project – regional geology and exploration targets

The region also hosts a number of base metal mines and prospects, most situated within the belt of volcano-sedimentary lithologies of the Mount Windsor Volcanics, including the Highway-Reward copper-gold mines and the Thalanga base metal mine (historical production of >4Mt 9.3% zinc, 1.6% copper, 3.0% lead, 77g/t silver and 0.4g/t gold).

Priority exploration targets have been delineated, as shown in Figure 8.

A handwritten signature in black ink, appearing to read "A. Bantock".

ANDREW BANTOCK
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Mr John McIntyre, a former 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.