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Interviews & News!

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Being A Metals Mining Company Has Given Bullion Monarch Mining An Edge Over Traditional Drilling Companies In Finding And Extracting Oil From Oil Shale



**Basic Materials : Precious Metals,
Minerals, Oil Shale
Industrial Metals & Minerals
(BULM-OTC: BB)**

Bullion Monarch Mining, Inc.

**216 E 1300 S
Orem, UT 84058
Phone: 801-221-9893**

**R. Don Morris
President and CEO**

BIO:

R. Don Morris has more than 40 years experience in most phases of natural resource development with broad emphasis in mining and extraction processes. He is a graduate geologist from Brigham Young University. He is also President and CEO of Bullion Monarch Mining and Chairman of the Board of EnShale Inc. (a subsidiary of Bullion Monarch Mining).

Company Profile:

Bullion Monarch Mining Inc. has been involved with precious metal exploration and mining since 1948. Bullion has dealt with many major mining companies as they are now with Newmont Mining, Rio Tinto, and Kennecott. Bullion owns 80% of EnShale, inc. activating its entry into oil shale mining and development. De-

veloping new technology with cooperation from Idaho National Laboratories and Emery Energy, LLC, EnShale is working to complete its preproduction plant and process oil for environmentally friendly and cost-effective removal of oil from underground-mined shale. Initially, Bullion plans to mine shale and process oil shale from lease interest acquired from the State of Utah.

**Interview conducted by:
Lynn Fosse, Senior Editor**

CEOCFO: Mr. Morris, what is the focus of Bullion Monarch?

Mr. Morris: "We are a natural resource company, basically in exploration development of good mining properties mainly in precious metals. We have pioneered the Carlin gold area in northeastern Nevada, which is probably the most prolific gold producing area in the United States. We have branched out and have acquired a large interest in oil shale in the state of Utah. We have been working closely with the Department of Energy and engineering companies on our technology and our technology we think is the best out there. We are in the process of building a demonstration plant to test and refine our process. I don't think much of the world knows how important oil shale could be. Our good Senator Orrin Hatch has recently stated that this could be the answer to the oil needs in the United States. There are two-times the world's known reserves of oil in the oil shale in Colorado, Utah and Wyoming. We have quite a large resource in Utah."

CEOCFO: Please tell us more about your technology; how did you come about it and what does it do?

Mr. Morris: "We bought a technology that had been patented, it was a rotary

kiln technology where coal was used; coal gasification was used to heat the shale. Coal is the best source of energy there is out there as far as BTUs are concerned outside of nuclear. We bought that technology a couple or three years ago and that got us into that part of the arena. We looked at everybody's technology and we came up with our own technology. Some of it is patent pending at the present time and some of it is proprietary. Basically we are using a clean coal method, coal gasification, to get energy from it to heat the oil shale. We heat the oil shale to about 950 to 1000 degrees, which releases the kerogen. One ton of coal will actually heat ten tons of oil shale. We believe it is a mining project because you have to mine it and then process it, so the processing is very important as to being successful in the oil shale business. We look at the oil tar sands and oil sands up in Canada and they have made great progress. However, we believe that our process is unique in because most of them burn the shale itself to extract the energy and burn up most of the oil. It is not a very energy efficient process, where we are using a coal gasification process, which is very energy efficient. According to our studies and the modeling that we have done through the Department of Energy, Idaho National Laboratories, we feel that our target price of producing oil from oil shale is around \$30.00 a barrel and it looks like we are going to be able to meet that target price."

CEOCFO: Where are you in the process of building the demonstration plant?

Mr. Morris: "The demonstration plant is currently being constructed outside of Salt Lake City, Utah. It will be completed this fall probably shortly before Christmas. We will then test-run it at the site

where it is and then move it to our project site, which is out in eastern Utah near Vernal, Utah, which is about 150 miles away from Salt Lake City. We will then start it up and do a 5000 ton test and demonstration on our process. We expect that to be that to be going by early spring. We know that we will learn quite from our demonstration plant. Once we have completed our demonstration plant and have our process. We will then start forward with a commercial production plan.”

CEOCFO: In spite of all the talk about alternative energy, are people really ready to embrace shale now?

Mr. Morris: “I think that we are as green as we can be. There is a lot of opposition in all of these things, and they don’t want to drill here, and they don’t want to drill there. The general population is coming around to the idea that we need our own source of oil and we are going to need fuels for a long time to come no matter what kind of field. I believe we need to develop all of them that we can. This is going to play an important part and could change the dynamics of the oil industry as far as our dependence on foreign oil, so this is critical. If we listen to what is being said as far as the political world, people want this and they know that they need it. Oil shale has to be demonstrated. We can do it and do it quite cleanly and environmentally-friendly and by using coal gasification where it is a much cleaner process and our limited use of water, ethanol for example, it takes 750 barrels of water to produce one barrel of oil, we use only a few gallons per barrel of oil. We believe in being as green as we can be and really satisfying the need that the country has, this is something that I think can change the economic situation as far as our dependence on foreign oil. There is so much oil there that we need to do it. Canada is producing oil from their oil sands project and they have been working on those for fifteen or twenty years. If our country had been concentrating on our own sources,

such as oil shale, we would be a long ways down the road by now as far as our own independent supply of oil.”

CEOCFO: Are you doing any metal mining projects or are you concentrating solely on the shale today?

Mr. Morris: “We are looking into projects, mines and opportunities. We recently returned from Brazil and we are looking into a few opportunities there. Everyday we are looking at different projects, so that has been our focus. Our stability has been in precious metals, Newmont Mining is currently producing on one of our properties, the Leevile Mine and that is going to be there for a long

“One thing that is something that may be hard for some people to grasp is this oil shale is a mining project. We studied what the oil companies have done, they have attacked it from their own paradigm, which is if you can’t drill it, and get it out, it is not there. This is definitely something that has to be mined and processed. It isn’t out of our field at all. We feel very strongly that we have the advantage because we are mineral miners, we have to mine shale and then process it, and the process is a heat process where it releases kerogen that makes up a good grade crude oil. We have compared it to a lot of our mining projects that we have been involved in and some that we are looking at for the future and the oil shale is a mining project that beats anything that we could be looking at. We are focusing on our oil shale mining project although we are continuing to look other potentially good mining projects.” - R. Don Morris

time. It is a good stable foundation so we can look at other projects and other minerals as far as mining is concerned. We feel we need to move strongly in those areas. One thing that is something that may be hard for some people to grasp is this oil shale is a mining project. We studied what the oil companies have done, they have attacked it from their own paradigm, which is if you can’t drill it, and get it out, it is not there. This is definitely something that has to be mined and processed. It isn’t out of our field at all. We feel very strongly that we have the advantage because we are mineral miners, we have to mine shale and then

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CEOCFO: Your forty-plus years of experience comes in handy!

Mr. Morris: “I guess it gets in your blood. My father was a geologist and mining all his life and his father before him; so I am kind of a third generation miner. I love the industry. It is an industry that you need to have, a strong mining industry in the United States keeps the country strong.”

CEOCFO: What is the financial picture for the company?

Mr. Morris: “We are profitable and completely debt-free. There are very few companies out there today that can say that. We could be more profitable, but we are financing all of our own projects through the company without raising any outside money and we believe that we are quite undervalued at the present time. Therefore, we are doing a couple of things to try to help that but the financial picture is strong. We are going to have nice revenues coming in for next eight to ten

years for sure without any further work or discovery. We think our future is very bright.”

CEOCFO: Please sum it up for potential investors; what should people remember most about Bullion Monarch Mining?

Mr. Morris: “Anybody that would take a hard look at us and compare us with a lot of the other companies out there, they would see that we have good management, we have been in the business a long time, and we are very solid and have a solid foundation under us. We are very progressive, and we pioneered the Carlin

gold area when most of the gold out there you needed a microscope to see. We built two plants before anybody else came into that area and it was the same in the oil

mining business, which is oil shale. We are very progressive and have a lot of experience, so we should be very, very successful. If they look hard at our com-

pany people will see that we are very undervalued.”



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