Gold Bullion Development Corporation

TSX-V: GBB
OTC_PK: GBBFF FRANKFURT: B6D

http://goldbulliondevelopmentcorp.com

July 11th, 2013
Initiation of Coverage

Equity Research

Analyst: KDR Morgan Research Team
212 470 8082
research@kdrmorgan.com
www.kdrmorgan.com

A Canadian Junior Resource Company

Gold Bullion Development Corp. is a Canadian Junior Resource Company focused on exploration and development of its properties in the province of Québec and Ontario.

The current focus of Gold Bullion is on becoming, in early 2014, a gold producer with its Granada Property. The objective is to generate cash and reinvest to further exploration on this extensive 42.47sq. miles property. This property is located 3 miles south of -Rouyn-Noranda (QC), approximately 390 miles north-west of Montreal (QC). The Granada gold deposit in situ resource estimates are 1.605 million ounces of Measured and Indicated and an additional 1.033 million ounces of Inferred. A compliant NI 43-101 preliminary economic analysis indicates the mining viability of this project even if only part of the resource is to be considered. A compliant NI 43-101 pre-feasibility study has been commissioned in February 2013 and in May 2013 the Company confirmed that several independent consultants were already working on the on-going program to produce a Preliminary Feasibility Study (PFS) as early as possible this year.

This is a pure Canadian and precious metal play strategically located along the prolific Cadillac Fault in the Abitibi Greenstone Belt. This region that extends from Ontario to Quebec is home to 100 mines and has produced 170 million ounces of gold since 1901. Many massive deposits have been found in this Belt and the exploration results to date on the Granada Property show such potential.

Key Information

As of July 11th, 2013

Price (C$)	
July 11th, 2013	$ 0.030
Price Target *	$ 0.66
52 week high	$ 0.15
52 week low	$ 0.025

Shares Outstanding	
Shares issued	228,486,974
Options	18,790,000
Warrants	31,306,595
Fully Diluted	278,583,569

Capitalization (C$)	
Current Market Cap (fd)	8,357,507
Target Market Cap *	$149,931,007

Key Financial Ratios	
Price/Equity (201XE)	N.A.
Price/Sales (201XE)	N.A.
Price/Cash flow (201XE)	N.A.
Price/Book value(201XE)	N.A.

* Target Price and Target Market Cap are aiming at a 12–24 month investment period. For details, please see the Financial Forecasts And Analysis section.

Investment Summary

We are initiating coverage on Gold Bullion and expect the Company's market capitalization to reach C$149.93 million over a 12–24 month horizon, with a corresponding target price of C$0.66 per share.

Gold Bullion set out many years ago to find promising mining locations and test an old saying in the mining business - "The best place to find a new mine is near an old mine". This, they have done successfully with their properties. The first property the Company acquired is the Granada Property. They did acquire additional promising properties such as Castle Silver but the main focus thus far has been on Granada.

Currently, there is a NI-43-101 compliant gold resource for the Granada property and most of it, 1.605 million ounces, are in the Measured and Indicated category and the remainder, 1.033 million ounces, in the Inferred category.

Based on the resource estimate information and the deep hole program interpretation, the next exploration program will target two mineralized zones. One zone is on the west and east side of the deep hole program area and under highly drilled surface mineralization. Based on projections within the mineralized plan of two and three mineralized zones of 3 meters true width, this zone could yield an additional 1.0 – 2.0 million oz of mineral resource with grades ranging from 3.2 to 4.7 g/t. This potential resource and grade is conceptual in nature as there has been insufficient exploration to define it as a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Based on this information, the Company is now targeting 3.6 to 4.6 million ounces of gold from the next phase of the exploration program at Granada.

An important point is that the Granada property has historically yielded more gold than expected based on the compliant resources calculations because of the "free gold" associated with its quartz veins. This historical premium during production has been reported by previous operators to have averaged 1.30-1.35 times over and above calculated expectations.

The current NI-43-101 compliant gold resource is in an area that accounts for less than 20% of the identified mineralization zone on and near the Cadillac Trend section of the property. There is a strong possibility of additional resources in all directions and at depth based on the geological model from exploration drill results. The known in situ resource area also account for less than 10% of the entire owned land and mining claim package. The potential upside going forward is promising.

A compliant NI 43-101 Preliminary Economic Analysis (PEA) indicates the mining viability of this project even when only 1.166 million oz. of the resource is considered. A compliant NI 43-101 pre-feasibility study (PFS) is underway now with the goal of showing the viability of open pit based production targeting high-grade (3 g/t and more) ore over a mining horizon of 3-4 years. The PFS should confirm the economic viability of this mineral resource in that context and once this is done, they would become mineral reserves. Most companies make a decision to commence production (or not), after the completion of a PFS.

Given that the current detailed PEA indicates viability, the Company is confident that the PFS will also be positive. In anticipation of that eventuality, the Company has started due diligence in regard to the acquisition of a mill, permitting, and financing. With respect to the mill, due diligence is almost complete: the required technical specifications have been identified and tested by the mill manufacturer, acquisition and set up costs, mill delivery and the actual operation of the mill has been cost estimated. The permits are also being addressed and no issues are foreseen at this time given the initial production planned.

Most junior mining companies fail to reach the production stage but Gold Bullion is taking the steps to reach that stage by the end of this year or early next year. The production stage is currently being within Gold Bullion's reach.

Gold Bullion value is based on the Net Asset Value (NAV) and Market Capitalization methods. The NAV valuation is based on the assumption that the Company will be able to commence production from its Granada property as planned early next year and implement its medium to long term business strategy. The Market Capitalization (M-cap) valuation is based on the existing NI 43-101 resources of Granada and on comparable industry average ratio of Market-Capitalization per Resource (oz. Au).

The NAV method yielded a fair value of C$ 0.68 per share issued and M-cap method yielded a fair value of C$ 0.63 per share issued. Based on the average of the values derived from the two methods, we arrived at a target price of C$ 0.66 per share. As the stock is currently trading at C$ 0.030 this investment represents an attractive investment opportunity in a very advanced stage resource company.

Industry & Market – Review and Outlook

This section barely "scratches the surface" of this complex industry – market combination. The intent is to highlight key information about the industry – market gyrations that could influence a decision to invest in Gold Bullion Development Corp.

The influence of the industry and market on a company such as Gold Bullion given their plan to become a producer as soon as possible in early 2014 can be assessed by looking at the Gold price and the Industry Consolidation Activities

Gold Price

The Gold Price is influenced by many factors, direct and indirect, and a few are: Supply and Demand, US Dollar strength, oil prices, inflation rate, interest rate, forecasted inflation / deflation, money supply, political uncertainties and unrests, safe haven perception, etc. This list could be expanded and discussed at length. We will focus on only a few of them: supply and demand, historical gold price and gold price performance relative to other instruments on three timeframes. The remaining (as well as additional) factors can be assessed by making a research on the internet.

Supply and Demand

Historically, the major sources of physical supply for gold have been mining production and hedging, Central Banks sales and recycled metal. On the physical demand side, the major sources have been jewelry, the industrial sector (particularly in electronics), Central Banks purchases, mining de-hedging and "sophisticated large" investors and commodity funds. When Miners decide to close out their hedges before they are due, they often end up buying gold on the open market to close out their hedges. Central Banks sales and purchases as well as mining hedging and de-hedging have varied depending on their outlook about the gold price.

In the last decade, the balance between the sources of supply and demand has changed drastically. There has been an increasing interest from institutional investors to invest in commodities and from "sophisticated" investors (small and large capital base) to buy gold as a hedge against any decline in the value of currencies. Other events also contributed to boost investments demands e.g. China lifting barriers to gold investments. These investment demands have fuelled the popularity of Gold Exchange Traded Funds (ETFs) and Commodity Futures. As it is known, they are easy to access and trade. They contribute not only to the demand side but also to the supply side of the gold equation. The increase in demand and supply has grown so large and with so frequent transactions that there is now less frequent (if at all) corresponding "physical transfer of" or "convertibility to" gold. We can safely talk about "paper gold" supply / demand and "physical gold" supply / demand. There are signs that prices sometimes diverge between the two (i.e. paper vs. physical) in the North American markets. Lately, on many days, a worldwide known retail supplier of gold products showed the spot price being well under both their buying (physical) price and definitely under their selling (physical) price. So, this difference and frequency of occurrence is not enough to predict a trend. The fact that supply / demand of "paper gold" can be easily created skews on occasion the price of gold i.e. the supply / demand of "paper gold" is not based on the physical availability of gold but more on the supply / demand of US dollars and willingness of a Trader to initiate a buy or sell "paper gold" trade. A recent large sale order is a prime example – this is discussed in the next section. In the long-term, if a decoupling ever takes place, it is likely that "value investors" as opposed to "speculators" will seek "physical ownership of" their purchases instead of settling for the "convertibility to" physical gold if / when available. This potential decoupling could be very favorable to the miners.

Gold Price - History

- Gold price has increased steadily between 2001 and 2011. It reached a high of US$ 1923 / oz. in early September 2011 (see Chart 1).

- Since then the price has gyrated on a slow downward trend.
- Recently, in April 2013, the price declined sharply over a period of a few days (see Chart 2).
  - o The sharp decline has been reported to have been in part triggered by the sale of 400 ton of gold in the ETF and Futures markets.
  - o The sale in itself is large as a single day sale and has triggered numerous sell stops in the various gold trading markets.
  - o The price before the sale was around US$ 1580 / oz. and within 2-3 days ended up making a low of US$ 1321 / oz.
- As can be seen from the monthly chart (Chart 1), the long term trend has been aggressively tested but not broken.

Chart 1: Gold Price – Monthly Chart July 2001 to May 2013

Source: StockCharts

Note: The Gold price in these charts may be slightly different from other sources. The $GOLD symbol is not technically a gold price at all. It is an index value calculated by StockCharts that corresponds to a theoretical, non-tradable "continuous" contract for gold that uses a weighted average of all the currently open gold contracts. StockCharts provides it on an end-of-day basis so that users can compare gold's mid- to long-term performance and trends to other markets. It should not be used to make trading decisions concerning gold itself.

Chart 2: Gold Price – Daily Chart January 2013 to May 2013

Source: StockCharts

Gold Price Performance

Another way to look at the price of gold is to chart its price performance and compare it to other instruments' price performance. This, obviously, can be done for the past and future performance cannot be assumed from this. However, it helps in getting perspective of various instruments relative to each other. It also helps in determining potential correlations between instruments for a given time frame. This information may be used by investors to make their own decision as to potential market and future price performance of these instruments.

Each chart (3 to 5) show the price performance of the US dollar, Gold, CPI (Consumer Price Index), Gold Bugs Index (AMEX), S&P 500 Index, Dow Jones Index and their relative performance can be easily assessed. These charts show the price performance of the instruments respectively for periods of 3 years, 5 1/2 years, and slightly more than 8 1/2 years. The 3-year time frame has been chosen arbitrarily to highlight the recent past; the 5 1/2 years has been chosen to highlight the period beginning with the 2008 crisis; and the 8 1/2 years has been chosen to highlight the period beginning with the trading of the GLD ETF. In these charts, the GLD ETF price performance has not been charted to avoid redundancy with the Gold price performance.

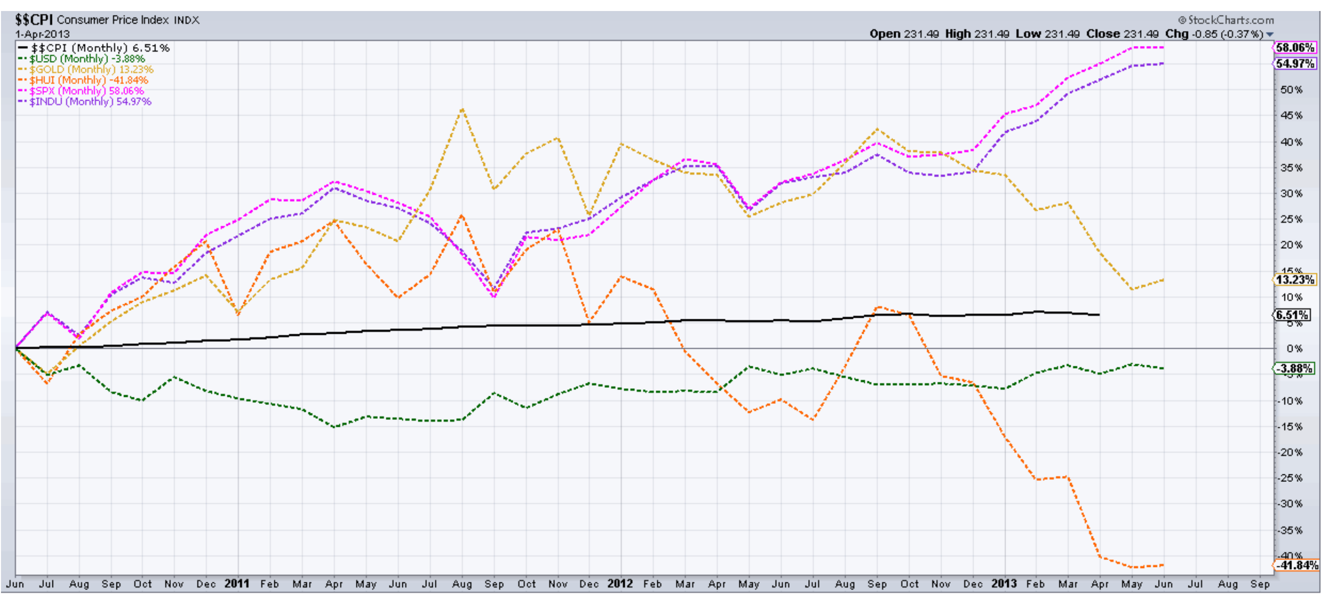
Figure 1: Legend to Charts 3 to 5

Note: The price performance calculation s are done as follows: the difference (last – first) expressed as a % of the first price. As a formula: (P(last) – P(first)) / P(first) in %

Source: StockCharts

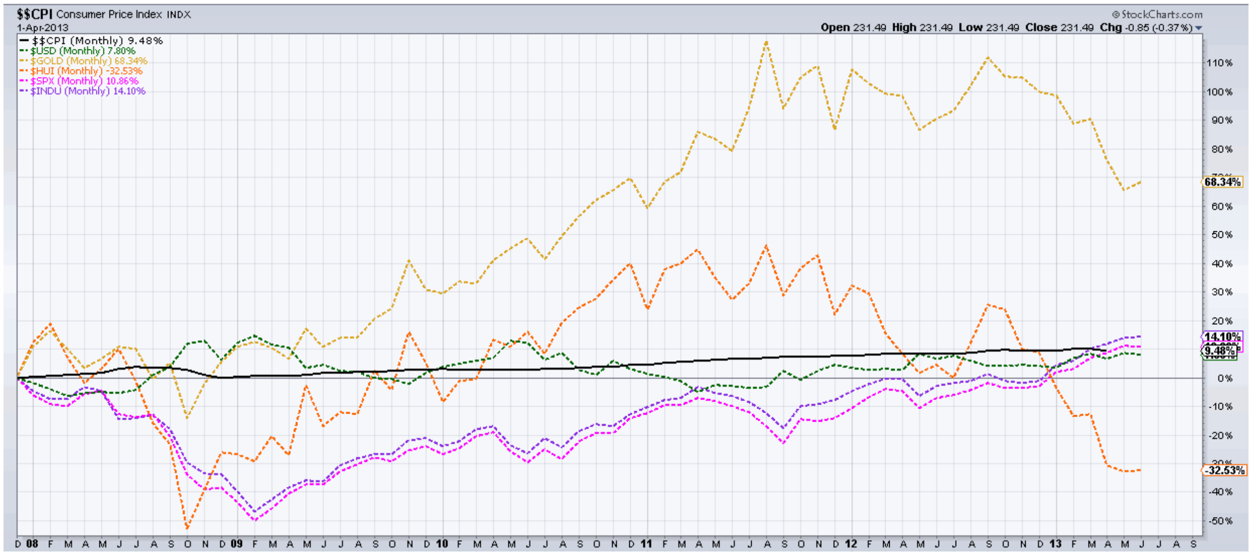
As can be seen, on chart 3 (3 year period), the Gold price performance since its high in 2011 has declined but still shows up as positive on this timeframe. The US dollar price-performance has declined and is now negative. The Gold Bugs Index (AMEX) price-performance has also declined and is now negative. The S&P index and Dow Jones index price-performance are not only positive but are way better than the gold price performance.

Chart 3: Price Performance – Monthly Chart June 2010 to May 2013



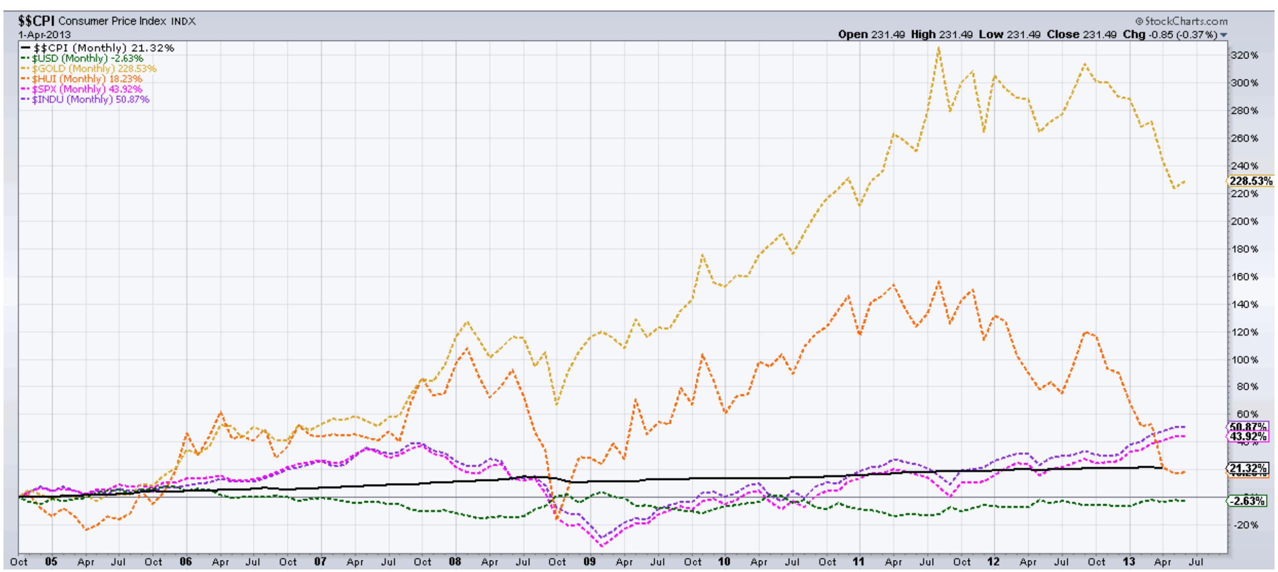
On chart 4 (5 1/2 year period), the price-performance of each instrument individually and relative to each other paints a totally different picture. The Gold price-performance is still way above all the others. The US dollar, the S&P index and Dow Jones index are in line with the CPI (Consumer Price Index) price-performance and the Gold Bugs Index (AMEX) is still the worst performer. As can be seen the Gold Bugs Index (AMEX) price performance started to decline in the middle of 2011 and has not stopped since. This index is to some degree a proxy for the investors' sentiment towards gold mining companies.

Chart 4: Price Performance – Monthly Chart January 2008 to May 2013



Now let's go back even further and look at chart 5 (8 1/2 year period). The price-performance of each instrument individually and relative to each other also paints a totally different picture. The US dollar price-performance is slightly negative at minus 2%. The S&P index and Dow Jones index price-performances are positive at 45% and even have, since the middle of 2012, outperformed the CPI (Consumer Price Index). The CPI (Consumer Price Index) and the Gold Bugs Index (AMEX) price-performances are almost identical at 21%. As can be seen, the gold price-performance is in a class by itself and shows an impressive price-performance of 228%.

Chart 5: Price Performance – Monthly Chart October 2004 to May 2013



There are three interesting observations to make on this timeframe. The first observation is that the correlation between the gold and the US dollar price performances is nonexistent on this longer timeframe. This means that a future stronger US dollar is not likely to influence future gold's price performance. The second observation is that the correlation between Gold, the S&P index and the Dow Jones index price-performances is also nonexistent overall. However, since late 2008, there has been a minor positive correlation between their price performances and looking at an even smaller period on this chart we can actually notice that this correlation has reversed this year.

The third observation is that the Gold Bugs Index (AMEX) price-performance declined in 2008 like the gold price performance and that once the gold price performance resumed its upward course the Gold Bugs Index (AMEX) followed in parallel but lower; it didn't catch up. In 2011, the gold price-performance stabilized and so has the Gold Bugs Index (AMEX) price-performance. Since then, both price-performances have declined but at a different pace. Gold price-performance is still shining relative to the beginning of the period but the Gold Bugs Index (AMEX) price-performance is at par with the CPI (Consumer Price Index). If the instruments' 2008 - 2009 price performances are any indication, then the Gold Bugs Index (AMEX) will at some point in time "do a lot of catch-up" in terms of price-performance compared to the other instruments. This timeframe definitely shows that this index has been overly beaten down. It also shows the potential for investment opportunity with a high probability of success.

Industry Consolidation Activities (Takeovers, Joint Ventures)

In the last 5 months, the area where the Granada property is located has attracted interests from some majors. Aurizon Mines Ltd. and Yorbeau Resources Inc. with properties neighbouring the Granada property have press released respectively a takeover offer and a joint venture offer.

Aurizon Mines Ltd initially received an unsolicited acquisition offer in mid-January but it was rejected. Subsequently, they received an offer from another company which was accepted. This last offer, from Hecla Mining Company (NYSE: HL) just completed early June 2013. Yorbeau Resources Inc. (TSX: YRB.A) announce late May 2013 that it had entered into an option and joint venture agreement with Gold Fields Sudbury Exploration Corp., a 100-per-cent indirect subsidiary of Gold Fields Ltd. The transaction is subject to Gold Fields completing its due diligence enquiries by June 30, 2013.

Background & Business Strategy

Background

Gold Bullion Development Corp is a Canadian junior mining and exploration company with Gold and Silver properties in Quebec and Ontario. The Company's current focus is directed towards the development and continued exploration of the Granada Property situated in the heart of the famous Abitibi Greenstone Belt and along the prolific Cadillac Trend. This potential high tonnage, near-surface deposit is located 15 minutes from Rouyn-Noranda (QC) on paved city roads. Rouyn-Noranda has an airport with daily flights to Montreal. The region offers excellent infrastructure and offers a good supply of skilled labour.

In January 2007, the former Consolidated Big Valley Resources Inc. became the current Gold Bullion Development Corp. The current president and chairman of the board held the same position at that time and began to transform the Company to what it is now. Over the years, many properties were bought and sold but the Granada property remained. After the promising bulk sampling done in 2007 from ore taken from an area defined as Pit 2A from the surface of the #2 vein structure, the Company began to steadily increase its land position around the former mine. The bulk sample gave a calculated recovered gold grade of mill feed of 1.62 g / t of which was 20.0% above the average mill head grade of 1.35 g /t. This was due to the free gold content found in the ore of this property.

In February 2009, the Company announced that it had retained the geological group of Genivar, an independent geological consultant, to provide a resource estimate on Granada property. By December 2009, Genivar had compiled an internal report which included the 471 holes comprising in excess of 90,000 feet of drilling done on the property by previous owners and had designed, supervised and managed a small drill program. Based on these preliminary findings, the Company started to envision an open pit operation. The Company then retained Genivar to complete a NI 43-101 resource calculation for the property and redesign the open pit to extract mill feed from Veins 1 and 2 for processing using a custom mill facility that the Company had identified at that time.

Gold Bullion carried out two additional phases of exploration on the property one in 2010 and the other in 2011. Genivar again designed, supervised and manage this exploration work and especially drilling. By November 2011, approximately 78,000 meters had been drilled and out of that total about 15,000-20,000 meters still had to be worked on.

In November 2011, Gold Bullion announced its decision to replace Genivar with SGS Canada Inc. - Geostat (“SGS”) as the geological consultant. SGS has since completed its due diligence of Genivar’s work, completed the analysis of the cores from the last drilling phase conducted by Genivar, completed two NI 43-101 Resource Calculations and a NI 43-101 Preliminary Economic Assessment.

Wholly owned Subsidiary: Castle Silver Mines Inc.

Castle Silver Mines Inc. was incorporated on March 10, 2011 pursuant to the Canada Business Corporation Act. It was constituted with the intention of taking over the silver assets and exploration activities currently carried on by Gold Bullion. The Gowganda silver property transferred by Gold Bullion to the Corporation comprised Gold Bullion’s sole silver exploration property. Since then, Castle Silver Mines acquired the rights to additional properties.

Gold Bullion has previously-announced, in a final prospectus dated November 10, 2011, the Initial Public Offering (IPO) of Castle Silver Mines Inc., and a secondary offering to the shareholders of Gold Bullion of shares of Castle Silver Mines by way of dividend in kind. Later, Gold Bullion has decided to postpone this IPO for market reasons.

Significant Events and Milestones

Gold Bullion's most meaningful events and milestones related to its Granada property from an investment perspective in recent time are, in descending order:

June 4, 2013 - Gold Bullion Development Corp. is pleased to announce it has started its trenching program at Granada. The Company, based on SGS Geostat QP's recommendation in charge of the study, has initiated a trenching program aimed at validating the existence and position of mineralized zones at surface.

May 15, 2013 - Gold Bullion is pleased to announce that as part of the Company's ongoing program to produce a Preliminary Feasibility Study (PFS), the Company has engaged several independent consultants. SGS Mineral Services - Lakefield in Canada and Gekko Systems based in Australia will conduct metallurgical test work for process plant flow sheet optimization. Roche Ltée, Groupe-conseil has also been retained and will be responsible for all aspects of environmental and permitting work while C.C. Consultants will be advising on matters pertaining to social responsibility and local community communications. SGS Geostat's role is to oversee management of the entire project.

February 14, 2013 - Gold Bullion announces the results of a high definition mineralogy study and some scoping level flotation and gravity separation tests done at SGS Lakefield on samples from its Beaver Silver Property, located 15 kilometres east of the historic silver camp in Cobalt, Ontario.

February 04, 2013 - Gold Bullion Releases NI-43-101 Technical Report (Preliminary Economic Assessment (PEA)) on Granada Gold Project with SGS Canada granted mandate for Preliminary Feasibility Study. Also, Gold Bullion has given a mandate to SGS Canada Inc. to prepare a Preliminary Feasibility Study (PFS) for a Rolling Start.

January 03, 2013 - Gold Bullion Releases 43-101 Technical Report (Resource Estimates Update) on its Granada Gold Project.

December 21, 2012 - Gold Bullion receives positive economic preliminary assessment
At the prevailing gold price on December 19th, 2012 of US$1,650 per ounce and a Canadian to U.S. dollar exchange rate of 1.00, Gold Bullion has determined that the pre-tax NPV increases to $217.8 million while pre-tax IRR increases to 18.8% with payback time reduced to 4.8 years.

November 26, 2012 - Gold Bullion is now targeting 3.6 million oz. – 4.6 million oz. of gold from the next phase of the continued exploration program at Granada with 80% of the extended long bars zone remaining to be explored.

November 15th, 2012 - An independent NI 43-101 Technical Report prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects was delivered by SGS, the Engineering Consultant. The updated resource estimate for the Granada property now stands at 2.638 million oz. This updated resource estimate falls within the exploration range for low-grade deposits of 10 to 20 ounces per metre drilled.

November 08, 2012 - Gold Bullion Releases Results from 54 back-logged Granada Drill Holes.

October 18, 2012 - Drill Hole Gr-12-400 extends near surface mineralized zone an additional 175 meters to the west of the current Long Bars Zone Resources Model.

September 18, 2012 - Gold Bullion Releases results from 43 back-logged Phase Iii Granada Drill Data including 1.76 G/T Au over 58.0 meters.

September 12, 2012 - Gold Bullion awards SGS Canada Inc. mandate for Preliminary Feasibility Study for a mine start-up using custom milling outside Granada. The Company has requested the preparation of a short term scenario for custom milling while it continues to develop the long term plan with an on-site mill.

August 30, 2012 - Gold Bullion announces additional deep hole drill results with high grade gold (8.26 g/t au over 1.50 metres) at depth.

July 09, 2012 - Gold Bullion releases preliminary results from the deep hole program confirms extension of gold mineralization 800 metres down plunge and 900 metres vertical depth.

July 03, 2012 - Gold Bullion today announced that it had filed a counter-claim against Genivar Inc. before the Superior Court of Québec (500-17-070970-127). In its counter-claim, Gold Bullion is claiming the amount of $25,431,906 in damages from Genivar as a result of the failure by the latter to properly perform its contractual obligations in relation to the Granada and Castle Mines projects. In the same proceeding, Gold Bullion also denied owing the amount of $783,652 which Genivar is claiming.

June 19, 2012 - Gold Bullion is pleased to announce additional drill results from several holes located throughout the mineralized area of the Granada Gold Property.

May 18, 2012 - Gold Bullion is pleased to provide an independent NI 43-101 Technical Report (Resource Estimates) on its Granada Gold Property.

April 11, 2012 - Gold Bullion is pleased to provide an update with respect to its proposed Shareholder Gold Royalty Program.

April 02, 2012 - Gold Bullion is pleased to provide an independent NI 43-101 compliant gold mineral resource estimate on its Granada Gold Property.

March 16, 2012 - Gold Bullion announces that Genivar Inc. has instituted a lawsuit against Gold Bullion in the Québec Superior Court, claiming approximately $785,000 in unpaid fees. The action relates to work which Genivar performed for Gold Bullion, primarily with respect to its Granada gold property in northwestern Québec.

March 01, 2012 - Gold Bullion is making the following correction related to the Press Release dated November 16th 2011 concerning historic hole 90-01. A transcription and conversion error from the historical log and analysis results has been found by the new Geological Consultants, SGS, as they were conducting routine work in preparation for the upcoming deep hole program or Northern extension 2012 program.

February 29, 2012 - Gold Bullion is pleased to announce the release of 29 composite sample results from the SGS Lakefield Gold Metallurgical Testing Group. These results are to be used in the total gold determination program that SGS Geostat is working on for the Granada Gold Property. The preliminary metallurgical testing is showing an average gold recovery of 94.1 % with an average gold grade of 0.94 g/t.

February 07, 2012 - Gold Bullion Adopts Shareholder Rights Plan.

January 30, 2012 - Gold Bullion launches new website.

December 07, 2011 - Gold Bullion announces additional positive drill data.

November 16, 2011 - Gold Bullion is excited to report on the recently-completed Phase 3 Drill Program results from their property located along the Cadillac trend in North-Western Quebec, 5 km south of the city of Rouyn-Noranda. Just under 80 kilometres (78,414 metres) have been drilled since December 2009 confirming extensive mineralization potential on the Granada Property. Gold Bullion's originally-defined LONG Bars zone of 600 metres long by 300 metres wide, striking east-west and dipping approximately 50° to the north, has been increased 6 fold to approximately 1500 metres long by 750 metres wide. With the documentation of an historic hole: 90-01, the mineralization in this area, north of the current exploration, extends to a depth of approximately 700 metres and remains open in all directions and at depth. Highlights include 1.12g/t Au over 304.36 metres including a 23.55 metre interval grading 5.46 g/t Au.

November 16, 2011 Gold Bullion and Castle Silver Mines Inc., a wholly-owned subsidiary of Gold Bullion, announce that Castle Silver Mines has filed a final prospectus with the securities commissions of each of the provinces of Canada in connection with an initial public offering by Castle Silver Mines, and a secondary offering to the shareholders of Gold Bullion of shares of Castle Silver Mines by way of dividend in kind.

November 09, 2011 - Gold Bullion is pleased to announce it has retained the services of SGS Canada Inc. - Geostat ("SGS") as an independent consultant to provide technical assistance on its Granada Property. Gold Bullion has decided to replace GENIVAR by SGS as geological consultants. SGS will prepare a compliant NI 43-101 resource estimate followed by the preparation of Preliminary Economic Assessment (PEA). The report is expected to be disclosed in the first quarter of 2012.

More Press Releases are available at the Gold Bullion web site: www.goldbulliondevelopmentcorp.com .Additional information can also be found at the Sedar web site: www.sedar.com . This is the official site that provides access to most public securities documents and information filed by Canadian public companies and investment funds listed with the Canadian Securities Administrators (CSA). The Gold Bullion information on their web site is located on this page: www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00004087 .

Business Strategy and Key Activities

Gold Bullion has a two part strategy to enhance long-term shareholders value.

The first part is to generate cash flow to reinvest in exploration in order to determine the extent of the mineralization on the Granada property. In order to generate cash flow production is planned to start early next year. Gold Bullion is presently in discussions with investors to finance the production setup without issuing more equity. This production will process high grade ore extracted from a shallow open pit.

The second part is to substantially increase production to a level that would support a "Physical Gold Royalty" Program. Gold Bullion's Management has received approval, subject to some limitations, from the TSX Venture Stock Exchange and has completed a preliminary study that outlines the most efficient way to implement a "Physical Gold Royalty" Program and how it would benefit the Shareholders.

Based on Press Releases, NI 43-101 compliant technical reports, documents filed with Sedar and discussions with Management, the key features of the Company's business strategy and most likely action plan are listed below. We only list the factors that we consider to have a "direct" impact on the valuation of the Company. Gold Bullion's Management may take these actions or not but they are reasonable goals and actions that can be taken with their Rolling Start Strategy and appointment of independent Consultants to complete the preliminary feasibility study for production from open pit high grade ore as outlined in their Press Releases earlier this year. What they call a rolling start strategy is in essence a strategy to initiate production and re-invest revenues to upgrade production and increase resource estimate.

Short-term:

- Finalize non-equity financing for the purchase of on-site mill;
- Purchase the mill;
- Prepare the infrastructure for the on-site mill;
- Complete bare-bone environmental study. In the province of Québec, a “limited capacity” production permit requires a bare-bone environmental study and typically the entire process, including permitting, takes less than 6 months;
- Obtain production permit;
- Plan details of drilling program;
- Finalize the Pre-feasibility Study (PFS).

Medium-term:

- Carry out in-fill drill programs;
- Increase the NI 43 101 compliant resource;
- Commission environmental study for higher capacity production;
- Plan underground production;
- Secure non-equity financing for the purchase of additional mill capacity;
- Finalize the “Physical Gold Royalty” Program.

Long-term:

- Obtain production permit;
- Increase production capacity to the open pit production;
- Initiate underground production;
- Implement the “Physical Gold Royalty” Program.

Management

Board of Directors

Frank J. Basa, P. Eng. – Chairman

Mr. Basa has been a director of Gold Bullion Development since 2004. He is also President of Grupo Moje Ltd. and Mineral Recovery Management Services Corporation. Mr. Basa has over 28 years' global experience in gold mining and development as a professional hydrometallurgical engineer with expertise in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He is a member of the Professional Engineers of Ontario and a graduate of McGill University.

Ronald J. Goguen Sr. - Director

Mr. Goguen became a director of Gold Bullion Development Corp. in 2011. Ronald was the president and CEO of Major Drilling from the early 1980's until 2000 building the firm into one of the largest drilling companies in the world with 33 operations in 15 countries. Mr. Goguen was also a Board member with Northeast Bancorp from 1990 to 2010. Currently, Mr. Goguen is a Director with Beaver Brook Antimony Mine Inc., and sits on the Board of Colibri Resource Corporation. In 1995, the Governor General of Canada awarded Mr. Goguen Entrepreneur of the Year honours for Atlantic Canada.

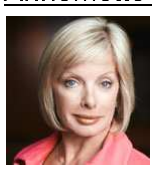
Roger Thomas - Director

Mr. Thomas brings a career in the investment industry that spanned some 3 decades. He joined Gold Bullion Development Corp. as a Director in 2008 after gaining considerable expertise in finance and marketing with The National Bank, Blackmont Capital and B.C.E among others. Roger Thomas is a graduate of Carleton University where he focused his studies on finance, economics and accounting. Previous to that he studied engineering and used his expertise with the U.S. Air Force and Canadian Military to ensure optimum performance from their sophisticated communication systems.

Jacques F. Monette - Director

Mr. Monette has been a Gold Bullion director since 2008. He has been also a director and Vice President of Marketing of a drilling company. Mr. Monette is a career miner who has been engaged in every facet of underground mining for more than 40 years. His previous positions included Shaft Project Coordinator with Cementation Canada Inc., Vice President of Operations/Mining Division for Wabi Development Corp., Vice President of Development for CMAC Mining Group, Operations Manager for Moran Mining and Tunneling, as well as Area Manager for J.S. Redpath Group.

Annemette Jorgensen - Director



Ms. Jorgensen has been head of Corporate Development with Gold Bullion since February 2010. She was appointed a Director in April 2012. Annemette Jorgensen brings 2 decades of finance, media, marketing and investor relations' expertise to the Gold Bullion Board. She raised over a million dollars per month as Manager of Debentures Investments with the TSX listed firm Samoth Capital. Other executive positions held include Residential Leasing Manager at Bentall Capital Corporation and Corporate Sales Manager with The Vancouver Board of Trade.

Officers, Management Team and Key Advisors

Frank J. Basa, P. Eng. – President & CEO

Thomas P. Devlin - Chief Financial Officer

- Mr. Devlin became Gold Bullion's CFO in January, 2009. He brings to the Company over 40 years of accounting and management experience in the investment and junior resource industries.

Roger Thomas - Secretary and Corporate Development

Annemette Jorgensen - Corporate Development

SGS Canada Inc. - Geological, Environmental & Engineering Consultant

- Global Leader and innovator in inspection, verification, testing and certification services. Founded in 1878, SGS is recognized as the global benchmark in quality and integrity. With more than 67,000 employees, SGS operates a network of over 1,250 offices and laboratories around the world.

Wholly owned Subsidiary: Castle Silver Mines Inc.

Board of Directors	Officers
Frank J. Basa, Chairman	Frank J. Basa, President & CEO
Roger Thomas	Thomas P. Devlin, CFO
Jacques F. Monette	Neil Wiener, Secretary
Dusan Berka	
Ken Hight	

Properties – In Depth Geological look.

SGS, Geological, Environmental & Engineering Consultant has been retained since November 2011 as the Geological Consultant to the Granada Property at Rouyn-Noranda. SGS is Quebec's global leader and innovator in inspection, verification, testing and certification services. Founded in 1878, SGS is recognized as the global benchmark in quality and integrity. With more than 67,000 employees, SGS operates a network of over 1,250 offices and laboratories around the world.

Figure 2: Aerial view, looking south-east, of infrastructures in 2010

Granada Property

Location

The Granada Gold Mine property is located 3 miles south of the city center of Rouyn-Noranda in northwestern Quebec and 1 mile south east of the borough of Granada. Rouyn-Noranda is approximately 390 miles north-west of Montreal (QC).

The Property is centered at 48°10' N Latitude and 7 9°01' W Longitude. The property covers a total area of 11,000 ha (110 km2) and comprised 280 contiguous staked mining claims held 100% by Gold Bullion Development Corp. The province of Quebec is the #3 ranked mining jurisdictions in the world (Fraser Institute, August, 2010). The province is strongly pro-mining and politically safe.

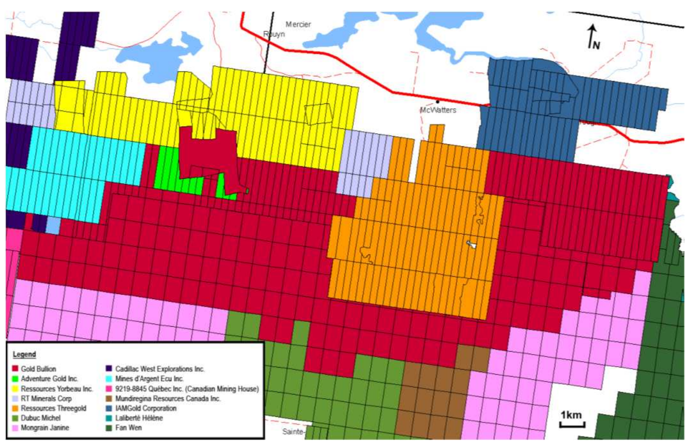
Rouyn-Noranda has an incredibly rich mining history which started in the 1920's with Edmund Horne's discovery of an enormous copper and gold deposit on the edge of Lake Osisko. This deposit became the Horne Mine which launched one of Canada's great companies, Noranda. The discovery confirmed that the geological fault associated with the rich gold mines of Ontario extended deep into the Abitibi region.

Hundreds of prospectors from all across North America rushed to the Rouyn area. In just a few years, 15 other deposits were discovered in the area including Granada.

The northern part of this property is on the Cadillac Fault in the Abitibi Greenstone Belt. This region, extending from the province of Ontario to the province of Quebec, is or has been home to 100 mines and produced 170 million ounces of gold since 1901. Many massive deposits have been found in this Belt and the exploration results on the Granada Property show such a potential. One of those massive deposits discovered in the last 10 years is the Osisko Mining Corporation Canadian Malartic Property which is located 40 miles east of the Granada property.

Figure 3: Location of property in the province of Quebec and within Abitibi region.

Figure 4: Granada Property (in red) with adjacent mining properties (from MRN Gestim – Qc Gvt)



In general, services and manpower necessary for a mining operation are already offered in Rouyn-Noranda and vicinity. Rail transportation is available. The city is also serviced by an airport. Water and electrical supply are available on the property and access to the property is provided by the Rouyn-Granada asphalt road, which passes 1/3 mile to the west of the property main.

Geology

The Granada Property is situated in the south central part of the Precambrian Abitibi of the Canadian Shield. The property is located inside the Bellecombe Belt and is underlayed by the Témiscamingue and Pontiac Group sediments respectively to the south and to the north, with a series of syenite porphyry sills and dykes intrusions in the southern part. Structural analysis has demonstrated that the rock formations are folded into a series of broad synclines and anticlines, trending east-west and plunging gently easterly, which in turn are latterly affected by a set of folds trending north-west.

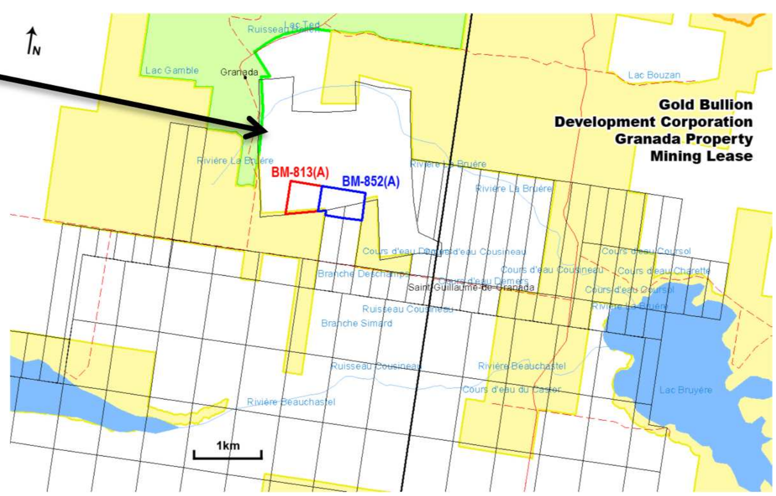
The Cadillac Fault, a major focus for gold mineralization in Quebec, crosses the northern part of the property. A set of sub-parallel shears occurring over a zone 1,000 feet (300 m) wide, contains disseminated pyrite and arsenopyrite as well as quartz veining and is characterized by intense sericitic alteration. Free gold is associated with the quartz veins. The gold grade at Granada varies due to coarse free gold in the mineralized structures. Although apparently discontinuous, the mineralized structures are relatively continuous; this is shown by assay grade continuity on cross section and the associated geometry of the underground workings.

An important point to mention is the fact that previous operators did not extract all the gold.

History

The property was originally discovered in the early 20’s and during the last 70 years, it has been investigated at various periods of time, mainly after 1984 when KWG acquired the property. The former Granada Mine was originally staked in 1922. Following extensive prospecting, Granada was brought into production in 1930 utilizing a vertical and an incline shaft. Five veins (#5, #1, #3, #2A and #2 from north to south) were identified at the time of the mine’s commissioning. The vertical shaft collared on the discovery outcrop accessed Vein #1 while the incline shaft accessed the workings on Vein #2. A mill with a capacity of 181 tonnes per day processed 51,476 ounces from 181,744 tonnes of ore averaging 9.7 g/t Au and 1.5 g/t Ag up until a fire destroyed the surface structures in 1935.

Figure 5: Location of the original Granada property and physical coverage of current NI 43-101 compliant resources estimates (square colored rectangles)



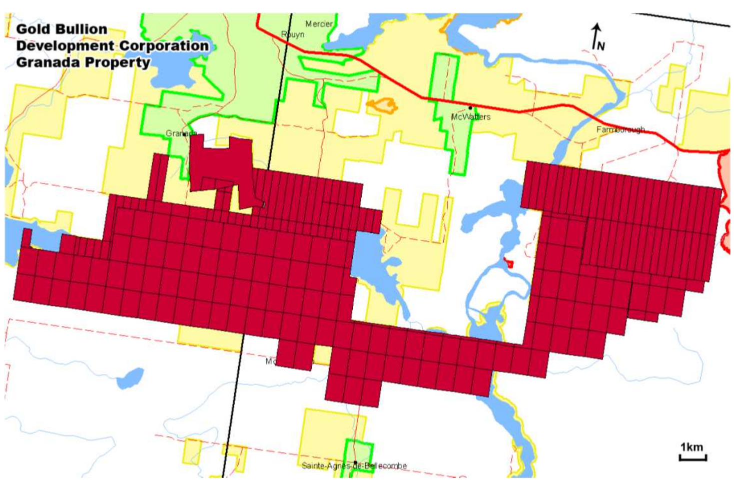
Between 1984 and 1994 the property has been most intensely explored by then-owner Kewagama Gold Resources Inc. (KWG). KWG was after high grade quartz veins and drilled nearly 500 shallow holes, mainly around Veins #1 and #2. In 1993 they also completed detailed ground geophysics and geological mapping over the Granada Eastern Extension. KWG got very encouraging results in its drilling and other exploration work but plunging gold prices put a halt to their activities at Granada. In August, 1998, KWG sold the Granada Mine property to Mousseau Tremblay Inc.. While Mousseau Tremblay Inc. was the owner, the only mining activity occurred in 2000 with the mining of 2,200 ounces of gold from Vein #2.

Gold Bullion acquired the property from Mousseau Tremblay Inc. in 2006. In February 2008, Gold Bullion announced that, in 2007, it had processed 29,948.49 dry metric tonnes as mill feed at the 'on site mill' at the time. The mill feed processed was mined from an area defined as Pit 2A from the surface of the #2 vein structure. The waste-mill feed strip ratio for the first bench was 3.65 / 1. The calculated recovered gold grade of the mill feed was 1.62 g/t and this was 20.0% above average mill head grade of 1.35 g/t due to free gold content. The waste from this bulk sample, along with the waste stockpile from past bulk sampling programs at the Granada mine by previous operators, was also assayed and returned a grade of 1.75 g/t Au. This confirms the presence of "free" gold mineralization between the vein structures which trend east-west as one large overall structure. After this promising bulk sampling, the Company began to steadily increase its land position around the former mine.

In December 2009, Gold Bullion began its first-ever drill program at Granada. The phase I program entailed the drilling of 25 shallow holes totalling 2,817 metres with mineralization encountered in every hole. The Company made an important discovery to the north and east of where any previous mining had ever taken place at Granada. Hole GR-10-17, the easternmost hole drilled during Phase 1, intersected 65.5 metres of 1.21 g/t Au (from 3.5 to 69 metres) within a wider interval grading 0.953 g/t Au over 99.2 metres.

In the spring of 2010, the Company staked additional claims increasing its land position at Granada from 71 hectares to 4,893 hectares. An additional 6,000 hectares was subsequently added later that year in November bringing the total land package to 10,893 hectares as it stands today. The land package represents a 156-fold increase since 2006. The extensive mineralized area from the past producing #1 Pit in the west to the newly discovered Eastern Extension was given the name the LONG Bars Zone based on the acronym for "lots of new gold."

Figure 6: Property perimeters with Urban (Green) and Outdoor activities (Yellow)



On April 2nd, 2012, the first NI-43-101 compliant resource estimate was released delineating roughly 1.5 million ounces of gold across all categories. The in situ measured resource is 97,700 ounces (3.02 million tonnes grading 1.01 g/t), indicated resource is 543,400 ounces gold (17.04 million tonnes grading 0.99 g/t), inferred resource is 846,600 ounces gold (23.93 million tonnes grading 1.10 g/t Au) using a cut-off grade of 0.40g/t.

In January 2013, an updated NI-43-101 compliant resource estimate was released. The in situ measured resource is 0.946 million ounces (28.735 million tonnes grading 1.02 g/t), indicated resource is 0.659 million ounces gold (18.740 million tonnes grading 1.09 g/t), inferred resource is 1.033 million ounces gold (29.975 million tonnes grading 1.05 g/t) using a cut-off grade of 0.40g/t.

The Company is in the exploration range for near surface low-grade deposits with a measure of 10 to 20 "ounces per metre drilled". As a comparison, Osisko drilled 6,846 holes for 789,707 metres at 1.37 grams per tonne for 8.6 million ounces of gold and Detour Gold drilled 5,877 holes for 889,520 meters at 1.08 grams per tonne for 17.67 million ounces of gold. Their respective "ounces per meter drilled" are 10.89 for Osisko and 19.86 for Detour. The Company is using this rule of thumb and expects to be in the lower range for the LONG Bars Zone.

Wholly owned Subsidiary: Castle Silver Mines Inc.

Castle Silver Mines Inc. owns a few properties and the following are the major ones.

Gowganda Property

Location

The Gowganda property is located 85 kilometres northwest of the historic silver camp in Cobalt, Ontario. The property consists of a total of 34 mining leases and two licenses of occupation totalling 564.41 hectares straddling Haultain and Nicol Townships east of the village of Gowganda, in the Larder Lake mining district. The Haultain Townships has been the main site of the historic Gowganda Silver Mining Camp. It is part of the former producing Castle-Trethewey Mine.

Geology

There is a NI 43- 101 compliant report for this property but it has no resource estimate.

Vein deposits of the Gowganda region are epigenetic and contain important amounts of silver, nickel, cobalt and bismuth in predominantly arsenide, sulpharsenide, and native forms. The host rocks include Precambrian metasedimentary and metavolcanic rocks, which are, as a rule, intruded by dykes and sills of diabase.

Silver, with associated nickel-cobalt-iron arsenides, has been the only productive type of mineralization in the area. Most of the known occurrences in the area are hosted by Nipissing Diabase and less commonly by Gowganda Formation and Early Precambrian meta-volcanics.

A geophysical survey over the Castle Silver property was carried out early March 2011. The survey has successfully identified at least 8 geophysical anomalies with potential of silver mineralization for future exploration drilling of the property. The anomalous zones were resolved from near surface to more than a 500 m depth.

History

The Gowganda property was in operation at various times from 1917 to 1989 and produced a total of 763,127,010 grams of silver from the No. 3 shaft. This included production by Agnico-Eagle Mines Ltd.

from 1979 to 1989 which came to 101,024 tonnes milled; 91,421,294 grams silver; 34,597 kilograms cobalt; and 10,180 kilograms copper. Operations were shut down in 1989 due to low silver prices.

Gold bullion bought the property in February 2007. In June 2008, the Company announced the results of preliminary metallurgical testing on a grab composite sample of silver tailings material extracted from the tailings pond at the Castle Silver Mine in Gowganda. The test results indicated that it responded to gravity processing conditions. The sample used for testing was a composite made up of several grabs samples taken at depth from one of the tailings ponds. The combined sample weighed in about 100 kilograms. The head assay of the test composite sample obtained was 293.88 grams per tonne silver (8.57 ounces per ton silver), 0.132 percent cobalt and 0.467 percent arsenic. After gravity concentration, the concentrate grade assayed 8408.75 grams per tonne silver (245.25 ounces per ton silver) 2.12% cobalt and 12.64% arsenic. The higher-grade silver concentrate may also result in cobalt returns.

Between February and July 2011, twelve holes, totaling 6,842 m, were drilled on the property. The program successfully identified multiple new vein structures, the most significant being a silver-cobalt vein in hole CA11-08 with a weighted average of 6,476 g/t Ag over 3.09m.

Beaver Property

The Beaver property consists of a single 20-acre claim and is located in Coleman Township near the town of Cobalt, roughly 80 kilometres southeast of Gold Bullion's Castle Silver Mine near Gowganda, Ontario. Historically, silver, cobalt and nickel have been mined by Beaver Consolidated Mines Ltd. (1907-1940) and Agnico Eagle Mines (1977-1989).

Financial Forecast and Analysis

Share Price Valuation Summary

Our target price for Gold Bullion is derived using two methods – Net Asset Value (NAV) and Market Capitalization per Resource. Our target price is the average of the fair values obtained from the two valuation calculations. This results in a 12- 24 months target price of C$ 0.66 per share issued with a corresponding market capitalization of C$149.93 million.

The share price valuation does not include properties controlled through its wholly owned company Castle Silver Mines Inc.

Net Asset Value (NAV) Method

Gold Bullion, in the near-term i.e. starting early next year, is aiming to be a gold producer. In the medium term, Gold Bullion intends to do additional exploration drill programs. In the long term, Gold Bullion's goals are to increase this production and do more exploration drill programs given that currently the known mineralization zones cover less than 10% of the land package. Therefore, we expect Gold Bullion to start generating revenues from 2014 onwards. Gold Bullion is currently discussing with a manufacturer / vendor to have a mill installed and commissioned by the end of this year. The mill manufacturer / vendor is reputable and has confirmed that this timetable can be met by them.

The NAV model calculations are based on information such as Gold Bullion's Management plans, initiatives and estimates that are in the public domain and also on some reasonable forward-looking assumptions / expectations of what Gold Bullion's Management could do in 2 - 7 years from now; There are also a few general market and industry assumptions about an average price increase for gold (3.62%y/y) and cost of production (5%y/y). Some of the key elements of the NAV model are:

- Current plans:
    - Production to start early next year;
    - Initial production will be based on a 500 t/d capacity;
    - Open pit production to focus initially on high-grade ore;
    - Cash flow to begin early in 2014.

- Cash operating cost is currently estimated at C$ 788 per oz. for 2014. This cash operating cost is conservative, if not an upper limit for the short to medium term. The cash operating cost for the subsequent years are increased by 5%.

  The initial cash operating cost is an estimate based on the "usual North American "mill/production infrastructure. The technology retained for the mill/production is a state-of-the-art technology from Australia and everything that is known about it "so far indicates" possible lower cash costs due to innovations such as pre-concentration, recycling, personnel reduction, etc.

  A major component of the cash operating cost is the ore / waste stripping ratio. Initial testing results with actual ore from the Granada property indicate the strong possibility that the stripping ratio will be much lower in the long term than the one that has been estimated from the geological model. Short-term the ore/"discarded ore" may be high in order to access and process in priority the high-grade ore. However, the "discarded ore" could later be processed since its average grade would still be economical. These tests were done in Australia by the mill manufacturer / vendor. These tests also confirm SGS tests that the gold recovery is around 94% and that the same efficiency is possible with very low grades.

Besides the technology, the factor that will likely reduce the cash operating cost almost immediately is the "free gold" found on the Granada property; free gold is associated with the quartz veins. All previous operators have reported that the ratio of production grade/drilling grade is always higher than 1. They reported that this ratio seemed higher when the drill grade of the ore was low and, vice versa, lower when the drill grade of the ore was high. Gold Bullion's sampling in 2007 came back with a ratio of 1.20. Our reasonable assumption, based on historical production (pre NI 43-101 regulation), is that the cash operating cost will be lower than currently estimated by the Company if production yields more ounces than expected as it did in the past. However, we have not included this assumption in our NAV calculations.

- Based on what is currently known, there is enough high-grade in the open pit to support this type of production for the next 3-4 years. The mine life of the Granada property cannot be calculated at this time since less than 10% of the property has been drilled and current estimated resource accounts for less than 20% of the identified mineralization zone. Therefore, the expected mine life of the property will go well beyond our year 2020 model.

Figure 7: Free gold or visible gold.

Many Phase 2 Eastern Extension holes have intersected visible gold such as the one pictured

- To estimate the revenue starting early in 2014, we used USD$ 1,458 / oz. or CAD$ 1,505 /oz. at the current exchange rate (USD/CAD) of around 1.0320 and we factored in an average yearly increase of 3.62%.

- We've included in the model the following reasonable assumptions / expectations of what Gold Bullion's Management could do in 2 - 7 years from now:
    - Adding a modest production capacity every year starting in 2016;
    - The cost of any added capacity does not factor potential economies of scale.

- Gold Bullion's estimated net cash flows for the next 7 years have been discounted using an overall rate of 13.9%. This rate factors in a free rate of 1.9%, a premium and beta rate of 8% and 1.5% respectively.

The NAV method yields a value of C$ 0.68 per share issued with a corresponding market capitalization of C$ 155.4 million.

Market Capitalization per Ounce Resource Method

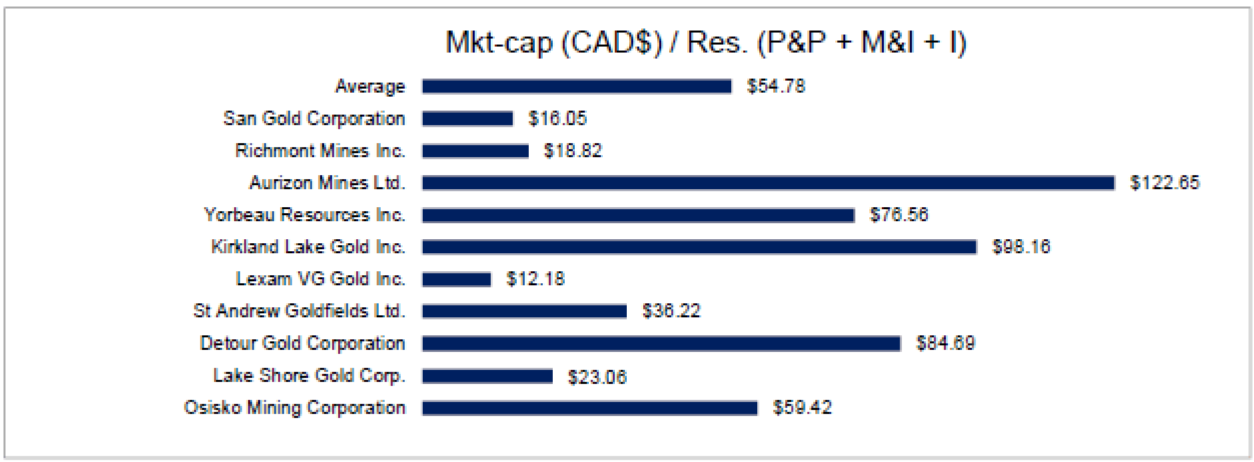
We also valued Gold Bullion using the market capitalization method on the basis of a per ounce (oz.) resource. The NI 43-101 compliant report prepared by SGS, Geological and Engineering Consultant, earlier this year indicates the total resource of the Granada property to be 2.638 million oz. Au. This estimate should not be considered as the most optimistic final resource calculation since drilling exploration so far has been done on 20% of the known geological mineralization or on less than 10% of the total land and claims owed by Gold Bullion.

To complete our market capitalization analysis, we identified several gold mining companies similar to Gold Bullion in terms of properties and resources, production or near term planned production, etc. and then calculated their market capitalization per ounce of gold resource. Our analysis shows that these companies have, on average, a market capitalization of C$ 54.78 per oz. Au for their resources.

Finally, we calculated our market capitalization target by multiplying this industry average measure with the estimated resource of Gold Bullion. This gives us a market capitalization of C$144.51 million corresponding to a target price of C$ 0.63 per issued share in the next 12 – 24 months.

This target market capitalization does not factor the wholly owned subsidiary of Castle Silver Mines that has historical resources on all their properties.

Chart 6: Market Cap / Resource



Source: TSX

Conclusion

To recap, Gold Bullion Development Corp. offers as an investment a:

- Canadian Jurisdiction located in the province of Québec;
- Property surrounded by an advanced infrastructure in a region that has long been recognized as one of the top places to mine in the world - this region is the prolific “Cadillac Trend”;
- NI-43-101 compliant gold of 1.605 million ounces in the Measured and Indicated category and 1.033 million ounces, in the Inferred category;
- NI-43-101 compliant gold resource is for open pit and underground mining with an average ore grade of 1.05 g/t au using a cut-off grade of 0.40 g/t au;
- NI-43-101 compliant gold resource accounts for less than 20% of the identified mineralization zone on the Cadillac Trend section located on the property - additional resource still open in all directions and at depth;
- Land package of 42.47sq. miles with over 90% unexplored;
- Based on the resource estimate information and the deep hole program interpretation, the next exploration program will target two mineralized zones with in-fill drilling. The in-fill drilling around the deep hole program could yield an additional 1.0 – 2.0 million oz of mineral resource with grades ranging from 3.2 to 4.7 g/t. This estimate is conceptual in nature;
- All compliant and non-compliant resources reported by the Company will likely have to be revised to the upside once the production on the Granada property proves that its historical ratio of production grade to drill grade is higher than 1 due to “free gold” associated with the quartz veins;
- Significant news on the horizon leading to gold production early 2014 are likely to be: Non-equity financing of an on-site mill, purchase and commissioning of an on-site mill by the end of 2013, preliminary feasibility study (PFS) for the open pit, etc.;
- Extremely undervalued share price of C$ 0.030 – this is a market capitalization value of C 2.60 per in situ oz. compared to a sample industry market capitalization average value of C$ 54.78.

Gold Bullion Development Corp. intends to start production, early 2014, with a target of producing 60,000 - 100,000 ounces of gold in the first 3-4 years and intends to continue to define and increase the gold resource of its Granada property.

The real value of the Company can only go higher from now on since the potential for a massive deposit much like other known deposits along the prolific “Cadillac Trend” remains well within reach.

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