GOLD BULLION
DEVELOPMENT CORP

Form 51-102F1
Interim Management's Discussion & Analysis for the three and six months ended December 31, 2015

DATE: February 26, 2016

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Gold Bullion Development Corp. ("Gold Bullion" or the "Company"), and it has been prepared by management and should be read in conjunction with the June 30, 2015 annul MD&A, the interim condensed financial statements of Gold Bullion for the six months ended December 31, 2015, and the related notes thereto and the audited consolidated financial statements of Gold Bullion for the year ended June 30, 2015, and the related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The discussion covers the three and six months ended December 31, 2015 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

DESCRIPTION OF BUSINESS

Gold Bullion Development Corp. is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Granada Gold Mine in Rouyn-Noranda, Quebec. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint ventures. Additional information is provided in the Company's audited consolidated financial statements for the year ended June 30, 2015, and the Company's audited consolidated financial statements for the year ended June 30, 2014. These documents are available on SEDAR at www.sedar.com. The Company also maintains a website at www.goldbulliondevelopmentcorp.com.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta, and trades on the TSX Venture Exchange ("TSXV") under the symbol GBB, the US OTC market under the symbol GBBFF and the Frankfurt Stock Exchange under the symbol B6D-FRA.

The corporate office of the Company is located at 1500 West Georgia St., Suite 1300
Vancouver, BC V6G 2Z 6

SECURED LOANS PAYABLE

On November 11, 2015 and on January 8, 2016 the Company entered into loan agreements with an existing shareholder for demand loans for proceeds of $200,000 each over a three-year term at an interest rate of 8% calculated monthly and payable annually. The loans will automatically renew for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should that option become feasible while the loan remains in place. In that event, the gold is to be valued at US $800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balances are subject to repayment in full at any time at the discretion of the lender. This increases the secured loans payable to $700.000,

The Granada Gold property is to be registered as security against the loans.

RESULTS OF OPERATIONS

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenditures for the three months and six months ended December 31, 2015 and 2014.

	Three months ended December 31,		Six months ended December 31,	
	2015	2014	2015	2014
Administrative and general expenses	**7,504**	31,547	**12,531**	70,548
Consulting fees	**72,520**	50,208	**139,811**	105,216
Financing Interest	**-**	-	**12,884**	-
Management fees	**68,092**	56,883	**128,593**	112,041
Professional fees	**71,631**	65,472	**107,563**	112,133
Filing costs and shareholders' information	**11,058**	55,196	**47,958**	102,891
Travel	**11,600**	42,124	**20,180**	77,328
	242,405	301,430	**469,520**	580,157

The following schedule provides the details of the Company's exploration expenditures on its Granada project for the three and six months ended September 30, 2015 and 2014.

	Three months ended March 31,		Six months ended March 31,	
	2015	2014	**2015**	2014
Assaying and testing	**$ 25,234**	$ 30,987	**$ 31,123**	$ 38,188
Consulting fees	**16,409**	-	**32,815**	-
Depreciation	**2,550**	4,690	**5,101**	9,381
Drilling	**-**	13,551	**-**	13,551
Equipment	**5,199**	96,383	**14,552**	131,132
Facility expenses	**38,636**	23,418	**60,282**	39,311
Geology, geophysics and surveys	**35,000**	35,000	**70,000**	70,000
Personnel costs	**33,219**	21,328	**68,345**	40,947
Program management and engineering	**119,059**	287,861	**243,692**	567,775
Royalty	**-**	15,000	**-**	15,000
Security	**239**	-	**539**	300
Taxes, permits and licensing	**16,739**	4,068	**19,157**	21,232
	292,284	532,286	**545,606**	946,817

The decrease in exploration expenses in 2015 over 2014 was primarily the result of a decrease in activity.

Summary of Quarterly Results

The following table sets forth selected financial information for each of the most recently completed quarters.

	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net (Profit) Loss	(15,333)	271,473	442,999	889,840	822,386	978,674	2,559,743	713,940
Loss per share	0.000	0.000	.000	0.005	0.005	0.005	0.015	0.005

LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.