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## **GOLD BULLION PROVIDES UPDATE ON PROGRESS AT GRANADA MINE**

July 9, 2013 - Gold Bullion Development Corp. (TSXV: GBB) (OTCPINK: GBBFF) (the “Company” or “Gold Bullion”) is providing an update on continuing activities at the Granada Gold Property in Quebec. The Company intends to provide an update on the progress at the Castle Silver Mine in Ontario at a future date.

Despite challenging market conditions and materially lower precious metal prices, the Company is progressing on multiple fronts at the Granada Gold Property. The Company is revising both the rolling start schedule and the processing tonnage based on recently-received documents from Company consultants and from the potential processing plant supplier.

The Company has completed the recently announced 450-metre trenching program that was undertaken to further evaluate the near-surface mineralized zones of the potential open pit at the Granada Gold Mine. Assays from channel samples taken from the trenched areas varied from 22.42 grams per tonne Au over 1.04 metres to 0.01 grams per tonne Au over 0.82 metres. The higher grades were from samples in the eastern section of the extended LONG Bars zone. Significant visible gold was also encountered very near surface at a depth of 10 centimetres in the western area of trenching.

The Company has completed the metallurgical test work at SGS-Lakefield and is nearing completion of the test work at Gekko in Ballarat, Australia for process flowsheet development. The results received thus far indicate a 480 tonne per day *Python 200 – 20tph Environmental Processing plant* is optimal for current requirements. The current flowsheet proposal indicates gravity, then flotation, followed by cyanidation of the flotation concentrate as the optimal configuration to produce a gold bar. The Python plant is designed to be installed underground which can reduce operational costs by 15-25 percent. Initially it would be installed on the surface during the rolling start evaluation of the mineralized extended LONG Bars zone at the Granada site. The underground installation would follow in due course.

The Company is making steady progress on its environmental studies and tests. In addition to the base line study, the Company conducted packer tests for the hydrological study - an additional requirement for the Certificate of Authorization (CofA). The packer test is meant to test permeability of the rock by sections using boreholes. In selected holes and at various depths (based on geological description and fracturing) two balloons were lowered to specified depths and were then inflated. Water under pressure was then injected into the now-isolated zone to measure its permeability with resulting data used for the hydrogeological modelling of the open pit, for dewatering and for impact of potential water draw down on neighbouring water wells.

A request for a CofA will be prepared by the Company’s environmental consultants with November 2013 as the targeted time frame for submission to the Ministry of the Environment. The Ministry will then require between 75 and 180 days to analyse the request and either issue or deny the CofA.

Back on September 10, 2008, the Company received 40 statements of offence pursuant to the *Environment Quality Act* (Québec) for allegedly failing to comply with certain conditions of its permit for a current project (at that time) on the Company's Granada property and for non-respect of the Act. During the evaluation of the Granada Property in 2006 and 2007 the Company undertook the operation of a third party mill on the Granada Property. The Company encountered operational problems with the mill at that time. The statements of offence relate to the period from October 6, 2006 to November 14, 2007.

On March 15, 2013 the Company settled the case by pleading guilty to 18 of the statements of offence with the remaining 22 statements of offence withdrawn by the prosecution. The Company agreed to pay the minimum fine on each of the 18 statements and fees at the rate established by regulation of the Minister pursuant to section 116.1.1 of the Act relating to the costs of sampling, analysis, inspection and investigation for the penal proceedings instituted for the purposes of the Act.

The Company proactively requested that the CofA be revoked and has since had the third party mill removed from the Granada Property.

The Company is now in its third year of the waste pile desulfurization evaluation process. Last year, 70,000 tonnes were sold to a local contractor for evaluation purposes with all proceeds from the waste rock going to a local charity. Waste rock material has been used to build on-site roads to drill targets, for the upgrade of the municipal road to the mine site and for the improvement to recreational trails on the Granada Property.

The Company has also undertaken work to stabilize the historic tailings from the thirties, (now owned by the Province of Quebec), and has developed a process to stabilize the tailings.

Gold Bullion has also just received the updated project schedule and the Preliminary Feasibility Study (PFS) is now targeted for delivery by SGS in October 2013. The PFS was undertaken with the objective of lowering the capital costs of the project as well as the cost per ounce of gold by increasing the grade of the gold to be processed. The Company anticipated a market correction in the price of gold prior to the completion of the PEA (February 4, 2013 effective December 21, 2012) and has therefore taken steps to manage the risk of market uncertainty. The Company has also taken into consideration the coming changes to environmental requirements and has begun a program of repurposing the waste rock for non-mining uses with the bulk to be used as a rock sculpture on the Granada mining property. The tailings, too, are being considered for repurposing and have been separated into low-sulfide and high-sulfide tailings for reuse and disposal. The Company's long term objective is to build and operate a mine that can adapt to market conditions, undertake repurposing of waste products and have a minimal environmental foot print while being out-of-sight and sound in its surroundings.

Upon receiving the CofA, the Company will be able to start project construction – subject to financing and budgeting - in the first half of 2014.

Claude Duplessis, P. Eng., is acting as the qualified person (QP) for Gold Bullion Development Corp. in compliance with National Instrument 43-101 and has reviewed the technical contents of this press release.

## **About Gold Bullion Development Corp.**

Gold Bullion Development Corp. is a TSX Venture-listed junior natural resource company focusing on the exploration and development of its Granada Property near Rouyn-Noranda, Québec. Additional information on the Company's Granada gold property is available by visiting the website at [www.GoldBullionDevelopmentCorp.com](http://www.GoldBullionDevelopmentCorp.com) and on SEDAR.com.

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