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## **GEOLOGICAL INTERPRETATION OF GRANADA GOLD PROPERTY EVOLVES AFTER 18,000 METRES OF PHASE 2 DRILLING**

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Mr. Frank Basa reports:

Gold Bullion Development Corp. (GBB, TSX.V) (the “Company” or “Gold Bullion”) is very pleased to report that Phase 2 drilling at its Granada Gold Property has delivered the best near-surface assay result yet. In addition, the geological interpretation of the LONG Bars Zone - in particular the growing Eastern Extension where visible gold has been intersected within porphyry in numerous holes - is evolving after 18,000 metres of drilling the past four months. Gold Bullion is aggressively exploring Granada, located five kilometres south of Rouyn-Noranda in northwestern Quebec, as a potential open-pit deposit along the prolific "Cadillac Trend" where numerous multi-million ounce deposits have been discovered and developed.

GR-10-53, collared 88 metres southeast of recently reported GR-10-41 and near Pit #2 East, has intersected 68.3 metres of 2.16 g/t Au, including a high grade section of 4.60 g/t Au over 26 metres, within a wider near-surface interval of 110.5 metres (3.5 metres to 114 metres) grading 1.34 g/t Au. This hole was drilled perpendicular to Vein #2 and is believed to closely approximate true width. Alteration dominated by strong sericitization and silicification was encountered in this hole along with quartz veining and abundant pyrite. GR-10-53 is inside the LONG Bars Zone Preliminary Block Model which was outlined in detail in Gold Bullion’s April 22, 2010, news release.

“We’re elated with the way this major project is coming together and we’re eagerly anticipating additional results,” explains Gold Bullion President and CEO Frank Basa. “We’re still in the early stages, strategically drilling for structure, and each and every hole is hitting mineralization and giving our geological team the critical information it needs in order to better understand the dynamics of this potentially large gold bearing system. We’ve already completed a large bulk sample which was extremely important in terms of quantifying grade. We’ve also now launched a Baseline Environmental Study and we’re already examining the most efficient ways to potentially process Granada ore. We’re on track to achieve our goal of building shareholder value by taking a fresh approach to this former producer and developing a potential world class open-pit deposit. Granada is surrounded by excellent infrastructure in one of the best jurisdictions there is for mining and exploration.”

Granada is a sediment-hosted, structurally controlled vein-type deposit (quartz veins, veinlets, stockworks, breccias) that has been intruded by a series of syenite feldspar porphyry sills and dykes mineralized with finely disseminated pyrite and/or arsenopyrite. It is underlain by conglomerates and greywackes of the Archean Timiskaming group sediments and intruded by later syenite. These rocks appear to be intensely hydrothermally altered. The Cadillac Fault traverses the northern portion of the

property and multiple spatially-related secondary faults have become areas of intense interest - GENIVAR, Gold Bullion's geological consultant, hypothesizes that these faults may have acted as permeable conduits for mineralizing fluids as higher grades at Granada appear to be concentrated in close proximity to these structures.

While results in the southern half of the Preliminary Block Model, near former producing Pits #2 West and #2 East, have been very encouraging to date, the northern half from the waste pile (immediately east of Pit #1) to the eastern boundary of the Preliminary Block Model has received only limited historical attention. A total of 15 holes (not including GR 10-33 and GR-10-41 which straddle the north-south boundary) have now been drilled east of the waste pile over the northern half of the Preliminary Block Model - a section that was not tested in Phase 1 drilling. Assay results are still pending on 14 of these holes but GR-10-47, one of the deepest holes drilled so far within the Preliminary Block Model, confirmed the presence of a northeasterly trending fault and returned 1.68 g/t Au over 28 metres (from 122 to 150 metres) within a wider envelope of 182 metres grading 0.44 g/t Au.

A large amount of rock is being removed from the 34,000 square metre waste pile which will allow for drilling of important targets there. GENIVAR reports that large porphyry intrusions cover much of the northern part of the waste pile. Northeasterly trending fault structures are also interpreted to run through the waste pile.

Assay results for three other holes within the Preliminary Block Model have been received. The best intercepts included 1.31 g/t Au over 11 metres in GR-10-32 and 1.16 g/t Au over 9.2 metres in GR-10-35.

Meanwhile, the LONG Bars Zone Eastern Extension, outside the Preliminary Block Model area, continues to grow and is of extreme interest. The total surface area drilled so far in the Eastern Extension is 450 metres north-south and 500 metres east-west. GENIVAR reports that visible gold and disseminated sulphides, along with large alteration zones, have been observed within the porphyry in numerous holes drilled since July in all directions (north, south, east and west) surrounding Phase 1 discovery hole GR-10-17. **Assay results are still pending for these holes** where mineralization was encountered near-surface and at depth. The fact that feldspar porphyry is hosting gold is an interesting development historically for Granada as a 2006 Technical Report on the Property stated that all economic mineralization at Granada was related to quartz veining.

Assay results are pending for seven holes drilled northwest of GR-10-17 in close proximity to a possible northeasterly trending fault. There were also very encouraging visual observations in a series of holes (assays pending) drilled east and southeast of GR-10-17. GENIVAR confirmed an extension to the LONG Bars Zone geological structure east of GR-10-17 after drilling was completed in GR-10-63, GR-10-65 and GR-10-73. GR-10-73 (collared 155 metres east of GR-10-17) and GR-10-78 (collared 250 metres east of GR-10-17) are the deepest holes drilled so far in the Eastern Extension as they each went to a vertical depth of 350 metres and encountered visible gold.

Of significant new interest is the southernmost hole drilled to date in the LONG Bars Zone, GR-10-86, which has intersected strong alteration and intrusive zones along with visible gold in two sections (in a brecciated quartz vein and also in feldspar porphyry) at different depths. **Assays are pending on this hole which is interpreted to be a possible extension of Vein #2, 250 metres to the west-northwest.** GENIVAR is plotting additional targets in the vicinity of GR-10-86.

Initial assay results from early Phase 2 drilling in June in the Eastern Extension have been received and confirm more near-surface mineralization.

GR-10-44, collared 100 metres southwest of GR-10-17, showed consistent mineralization throughout the length of the hole with the best intercept being 1.20 g/t Au over 41.5 metres (from 91.5 to 132.65 metres). GR-10-44 assayed 0.287 g/t Au over 237 metres.

GR-10-42, collared 50 metres west of GR-10-17, returned intersections of 1.45 g/t Au over 19 metres and 0.53 g/t Au over 96 metres (from 17 to 113.5 metres) within an overall interval of 249.6 metres grading 0.315 g/t Au. Highlights of five other holes included 1.97 g/t Au over 9 metres in GR-10-56 (from 23.74 to 32.74 metres) and 0.58 g/t Au over 20.9 metres in GR-10-46.

An updated drill map and assay results for all 18 Phase 2 holes drilled at Granada and received so far are available in the Phase 2 drilling section of the Company's web site, [www.GoldBullionDevelopmentCorp.com](http://www.GoldBullionDevelopmentCorp.com).

All core is being logged and split on-site, and **the Company has just recently contracted a third assay lab (ALS Chemex Labs in Val d'Or, Quebec) to expedite delivery of additional results.** A total of 88 holes have been drilled in Phase 2 through September 8, with 2,000 metres remaining, so less than 20% of the assay results from this program have been received.

Gold Bullion is also very pleased to announce that it has just received a Testwork Study Report from Gekko Systems Ltd. of Victoria, Australia, regarding extensive metallurgical testing on Granada ore samples taken from the LONG Bars Zone Eastern Extension last May. The Company is reviewing this report and will release details shortly. Gekko Systems is an internationally recognized company that specializes in the design, development and distribution of innovative mineral processing equipment and systems with a particular focus on gravity separation.

Mineralization remains open in all directions at the nearly 5,000 hectare Granada Gold Property.

The NQ drill program and drill core sampling, including the quality assurance/quality control program, are supervised by GENIVAR, Gold Bullion's geological consultant. Assay results referred to in this news release are length-weighted average values and are believed by GENIVAR to closely approximate true widths. Core was sent to Laboratoire Expert in Rouyn-Noranda, Quebec and Swastika Laboratories in Swastika, Ontario for analysis. Gold and silver were assayed by fire assay with additional metallic analysis done on samples where visible gold was identified. Analytical accuracy and precision are monitored by the analysis of reagent blanks and reference materials at both labs. Quality control is further assured by the insertion of blind certified standard reference material and blanks into the sample stream at regular intervals by Gold Bullion and GENIVAR personnel in order to independently assess analytical accuracy.

#### *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 Gold Property near Rouyn-Noranda, Quebec, and its high grade Castle Silver Mine in Gowganda, Ontario.

For more information on Gold Bullion Development Corp. (TSX-V: GBB, OTC PK: GBBFF), visit our web site: <http://www.GoldBullionDevelopmentCorp.com>.

*Qualified Person*

The scientific and technical information in this release was prepared under the supervision of Mr. Frank J. Basa, P.Eng., Gold Bullion's CEO and President, who is a member of the Ontario Association of Professional Engineers and a "qualified" person in accordance with National Instrument 43-101.

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