GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Financial Statements

March 31, 2012

Unaudited

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NOTICE TO READERS

The accompanying unaudited interim financial statements of Gold Bullion Development Corp. have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that its independent auditor has not performed a review of these condensed unaudited interim financial statements.

Signed 'Frank J. Basa"

Frank J. Basa, President

Signed "Thomas P. Devlin"

Thomas P. Devlin, Chief Financial Officer

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Balance Sheets

Unaudited

(Expressed in Canadian Dollars)

	March 31, 2012	June 30, 2011
Assets		
Current		
Cash	**$ 1,889,971**	$ 3,777,362
Receivables (Note 6)	**3,636,420**	4,421,977
Deposits and prepaid expenses	**289,100**	359,273
	5,815,491	8,558,612
Tax credit receivable - long-term (Note 6)	**428,820**	428,820
Deposit - long-term (Note 7)	**171,800**	171,800
Plant, buildings and equipment (Notes 9)	**753,947**	524,797
	7,170,058	9,684,029
Liabilities		
Current		
Trade and other payables	**1,694,090**	1,745,617
Loan payable	**2,350,000**	-
Deferrrd Liability	**-**	1,571,409
	4,044,090	3,317,026
Shareholders' Equity		
Share capital (Note 10)	**46,270,500**	39,778,799
Share based payments reserve (Note 11)	**8,252,359**	9,021,839
Deficit	**(51,396,891)**	(42,433,635)
	3,125,968	6,367,003
	$ 7,170,058	$ 9,684,029

Nature and continuance of operations (Note 1)
Contingencies (Note 13)
Commitments (Note 14)
Subsequent events (Note 15)

Signed "Frank Basa"

Signed "Roger Thomas"

See accompanying notes to condensed interim consolidated financial statements.

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(Expressed in Canadian Dollars)

	Three months ended March 31, 2012	Three months ended March 31, 2011	Nine months ended March 31, 2012	Nine months ended March 31, 2011
Expenses				
Exploration and evaluation				
Acquisition	**$ -**	$ -	**$ 211,500**	$ 1,586,000
Assaying and testing	**81,304**	343,570	**716,525**	656,736
Core analysis	**1,372,463**	-	**1,372,463**	-
Depreciation	**23,232**	22,176	**67,069**	66,528
Drilling	**169,471**	1,574,551	**1,832,633**	4,108,905
Equipment	**147,946**	247,205	**730,219**	602,291
Facility expenses	**52,730**	46,435	**205,918**	226,802
First Nations costs	**-**	-	**43,000**	-
Personnel costs	**187,984**	595,907	**740,278**	1,441,213
Program management and engineering	**727,277**	492,446	**2,188,763**	1,388,114
Royalty	**-**	-	**15,000**	15,000
Security	**47,470**	48,078	**137,894**	139,574
Taxes, permits and licencing	**22,178**	14,211	**33,761**	18,360
	2,832,055	3,384,579	**8,295,023**	10,249,523
Corporate				
Administrative and general expenses	**43,428**	87,331	**124,601**	386,909
Consulting fees	**74,415**	92,570	**182,883**	287,415
Financing charges	**90,533**	-	**90,533**	-
Management fees	**129,089**	80,936	**338,232**	220,510
Professional fees	**61,413**	8,203	**310,867**	27,232
Filing costs and shareholders' information	**260,239**	203,825	**531,660**	565,411
Travel	**67,977**	66,268	**209,995**	197,071
Stock-based compensation	**580,200**	1,622,850	**699,300**	3,172,994
	1,307,294	2,161,983	**2,488,071**	4,857,542
Total expenses	**$ 4,139,349**	$ 5,546,562	**$ 10,783,094**	$ 15,107,065
Future income tax recovery	**$ (1,819,838)**	$ -	**$ (1,819,838)**	$ -
Net loss and comprehensive loss for the period	**$ (2,319,511)**	$ (5,546,562)	**$ (8,963,256)**	$(15,107,065)
Net loss per share - basic and fully diluted	**$ (0.01)**	$ (0.04)	**$ (0.05)**	$ (0.11)
Weighted average number of shares outstanding basic and fully diluted	**199,851,137**	156,839,852	**179,497,577**	142,090,653

See accompanying notes to condensed interim consolidated financial statements.

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Statement of Changes in Equity

Unaudited

(Expressed in Canadian Dollars)

	Share Capital	Share Based **Payments Reserve**	**Deficit**	**Total Equity**
Balance July 1, 2010	24,190,010	6,394,260	(25,692,016)	4,892,254
Issued for property	1,381,000	-		1,381,000
Issued by private placement	5,411,912	1,946,731	-	7,358,643
Premum on floe-through shares	(1,571,409)	-	-	(1,571,409)
Exercise of warrants	4,920,409	(1,861,379)	-	3,059,030
Exercise of Options	647,540	(298,090)	-	349,450
Options Granted	-	2,014,900	-	2,014,900
Options vested	-	1,158,094	-	1,158,094
Warrants expired	12,902	(12,902)	-	-
Net loss for the nine months ended March 31, 2011	-	-	(15,107,065)	(15,107,065)
Balance March 31, 2011	34,992,364	9,341,614	(40,799,081)	3,534,897
Issued for property	170,000	-		170,000
Issued by private placement	4,524,071	22,083	-	4,546,154
Exercise of warrants	92,364	(40,044)	-	52,320
Warrant exercise price adjustment	-	(156,064)	-	(156,064)
Options expired	-	(145,750)	-	(145,750)
Net loss for the three months ended June 30, 2011	-	-	(1,634,554)	(1,634,554)
Balance June 30, 2011	39,778,799	9,021,839	(42,433,635)	6,367,003
Issued for property	211,500	-	-	211,500
Issued by private placement	4,010,152	569,877	-	4,580,029
Premum on floe-through shares	(248,429)	-	-	(248,429)
Options Granted	-	863,100	-	863,100
Exercise of warrants	714,537	(242,216)	-	472,321
Exercise of Options	13,275	(5,775)	-	7,500
Warrants expired	1,790,666	(1,790,666)	-	-
Options expired	-	(163,800)	-	(163,800)
Net loss for the nine months ended March 31, 2012	-	-	(8,963,256)	(8,963,256)
Balance March 31, 2012	**46,270,500**	**8,252,359**	**(51,396,891)**	**3,125,968**

See accompanying notes to condensed interim consolidated financial statements.

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Statements of Cash flows

Unaudited

(Expressed in Canadian Dollars)

For the nine months ended March 31,	**2012**	2011
Operating activities		
Net loss and comprehensive loss for the year	**$ (8,963,256)**	$ (9,560,592)
Items not involving cash		
Depreciation	**67,069**	66,528
Stock-based compensation	**699,300**	3,172,994
Acquisition of property for shares	**211,500**	1,381,000
Future income tax recovery	**(1,819,838)**	
Changes in non-cash working capital items		
Receivables	**785,557**	(576,645)
Deposits and prepaid expenses	**70,173**	394,534
Trade and other payables	**(51,527)**	(171,637)
	(9,001,022)	(5,293,818)
Investing activities		
Acquisitions of plant and equipment	**(296,219)**	(163,601)
Repayment of long-term debt	**-**	(8,166)
	(296,219)	(171,767)
Financing activities		
Issuance of common shares including warrants	**4,580,029**	7,354,143
Exercise of stock options	**7,500**	176,250
Exercise of warrants	**472,321**	2,579,680
Bank loan	**2,350,000**	**-**
	7,409,850	10,110,073
(Decrease) increase in cash during the year	**(1,887,391)**	4,644,488
Cash, beginning of year	3,777,362	3,930,396
Cash, end of period	**$ 1,889,971**	$ 8,574,884

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest paid	**-**	-
Income taxes paid	**-**	-
Non-cash transactions (Note 10)		

See accompanying notes to condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Gold Bullion Development Corp. (An Exploration Stage Company) (the "Company") was incorporated on July 17, 1985 under the Company Act of British Columbia and is in the business of acquiring, exploring and evaluating mineral resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is in the exploration stage and had interests in properties located in Canada. The head office of the Company is at Suite 1005, 1155 Rene Levesque Blvd. West, Montreal, Quebec.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, and do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and balance sheet classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to find additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations. Changes in future conditions could require material write-downs of the carrying values. The Company's assets may also be subject to increases in royalties and taxes, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, these condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim consolidated financial statements, including IAS 34 Interim Financial Reporting. In the financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and effective as of March 31, 2012. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2012 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on the change-over to IFRS.

The condensed interim consolidated financial statements should be read in conjunction with the company's Canadian GAAP annual financial statements for the year ended June 30, 2011.

(b) Basis of Measurement

The financial statements have been prepared on the historic cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

(d) Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The accompanying unaudited condensed interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations and cash flows for the current periods as presented are not necessarily indicative of the results to be expected for the full year.

Management has made a number of significant estimates and valuation assumptions based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions which include, but are not limited to, the following:

(i) Valuation of exploration and evaluation projects.
(ii) The fair value of share-based payments, including stock based compensation and warrants;
(iii) The value of the premium included in flow-through share issuances; and
(iv) The fair value of financial assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Castle Silver Mines Inc., which was incorporated under the Canada Business Corporations Act on March 10, 2011.

(b) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of income.

(c) Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9"), which impacts the classification and measurement of financial assets, has been early-adopted by the Company concurrent with its implementation of IFRS. Upon recognition, the Company designates its financial assets accounted for at fair value as being accounted for either through operations or through Other Comprehensive Income ('OCI"). All subsequent gains or losses arising on financial assets at fair value are recorded either through operations or through OCI in accordance with that designation.

(i) Non-derivative financial instruments
Non-derivative financial instruments consist of cash, receivables and trade and other payables.

Non-derivative financial instruments, with the exception of financial assets at fair value through OCI, are recognized initially at fair value plus, for instruments not at fair value through operations, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Cash consists of cash balances held in a Canadian Bank.

Loans, receivables and borrowings are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans, receivables and borrowings are measured at amortized cost using the effective interest method, less any impairment losses. Loans, receivables and borrowings consist of receivables and trade payables.

(d) Plant, Buildings and Equipment

Plant Buildings and equipment are recorded at cost less accumulative depreciation. Depreciation is recorded on a declining balance basis over the estimated useful life of the asset using the following annual rates:

Gravity plant	4%
Buildings	4%
Office equipment	20%
Vehicles	30%

(e) Exploration and Evaluation Projects

Exploration & Evaluation expenditures
Exploration & Evaluation ("E&E") expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves and includes costs related to the following: acquisition of exploration rights; conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

E&E expenditures, including costs of acquiring licenses, are expensed as Exploration and Evaluation Expenses on an "area of interest basis" which generally is defined as a project. The Company considers a project to be an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proved to exist and, in most cases, comprises of a single mine or deposit.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in a project are demonstrable and permitted, additional E&E expenditures will be to *mine property and development projects*. Currently, the Company does not hold any assets classified as *mine property and development projects*.

(f) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as interest expense in the statement of operations in the period in which they are incurred.

(g) Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of a financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and financial assets that are debt securities, the reversal is recognized through operations.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

In accordance with the Company's environmental policy and applicable legal requirements, a provision for site restoration or decommissioning in respect of land restoration, and the related expense, is recognized when the land is contaminated and there is a legal obligation to restore the site. The Company presently has no decommissioning liabilities.

(i) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized through operations.

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Share Capital

(1)Common shares
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

The Company intends to finance a portion of its exploration and evaluation activities through the issue of flow-through shares. Under the terms of these share issues, the tax attributes of the related expenditures are renounced to subscribers. Common shares issued on a flow-through basis typically include a premium because of the tax benefits associated therewith (“Flow-through Premium”). Flow-through shares may also be issued with a warrant feature. At the time of issue, the Company estimates the proportion of proceeds attributable to the Flow-through Premium, the common share and the warrant with reference to closing market prices and such techniques as the Black-Scholes option-pricing model. The Flow-through Premium is estimated as the excess of the subscription price over the market value of the share and is recorded as a separate liability on the balance sheet. The proceeds attributable to the warrants are also treated as equity and recorded in Warrants on the balance sheet until exercise, when the associated proportion is transferred to share capital along with the cash proceeds received on exercise.

When these expenditures are renounced, a deferred tax liability is set up and the initial premium liability is reversed, with the difference being recognized in the statement of operations.

(2) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and evaluation expenses funded by flow-through shares are renounced to investors in accordance with Canadian tax legislation. Any premium between the quoted market price and the price paid by investors for flow-through shares will be recognised as a liability of the Company at the time the shares are issued. When these expenditures are renounced a deferred tax liability is set up and the initial premium liability is reversed, with the difference being recorded in the statement of operations.

(3) Share based payments

The grant date fair value of options granted to employees, directors, officers and consultants is recognized as an employee expense, with a corresponding increase in equity, over the period that the individuals become unconditionally entitled to the options The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

Share-based payment arrangements in which the Company receives properties, goods or services as consideration for its own equity instruments are measured at the fair value of the properties, goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

(k) Loss per Share

Basic loss per share is calculated using the weighted average number of shares outstanding. In order to determine diluted loss per share, any proceeds from the exercise of dilutive warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of warrants that would increase earnings per share or decrease loss per share. The diluted loss per share calculation excludes all warrants for the period ended March 31, 2012 and 2011 as their effect would be anti-dilutive.

(l) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations, are not yet effective for the year ended June 30, 2012, and have not been applied in preparing these condensed interim financial statements.

(i) Financial instruments

IFRS 9, Financial Instruments, replaces IAS 39, Financial Instruments: Recognition and Measurement. The new standard requires entities to classify financial assets as being measured either at amortized cost or fair value depending on the business model and contractual cash flow characteristics of the asset. For financial liabilities, IFRS 9 requires an entity choosing to measure a liability at fair value to present the portion of the change in its fair value due to change in the entity's own credit risk in the other comprehensive income rather than in the statement of profit or loss. The new standard applies to annual periods beginning on or after January 1, 2015.

(ii) Presentation of items of other comprehensive income ("OCI")

IAS 1, Presentation of Financial Statements, is amended to change the disclosure of items presented in OCI, including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. This amendment is effective for years beginning on or after July 1, 2012.

(iii) Fair value measurement

IFRS 13, Fair Value Measurements, provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. The new standard is effective for years beginning on or after January 1, 2013.

The Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT DISCLOSURES

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfils its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team.

Credit Risk

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and receivables.

Cash

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. The Company does not own asset-backed commercial paper.

Receivables

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has no significant long-term liabilities. All other contractually obligated cash flows are payable within the next fiscal year.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income, the value of its EEP properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties. The Company also has standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- development of contingency plans;
- ethical and business standards; and
- risk mitigation, including insurance when this is effective and available.

Compliance with Company standards is supported by a code of conduct which is provided to employees, officers and directors.

Capital Management Disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation projects. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Unaudited (Expressed in Canadian Dollars)

The Company considers its Capital to be equity, which is comprised of common shares, share based payments reserves and deficit, which as at March 31, 2012 totalled $1,306,130 (June 30, 2011 – $6,367.003).

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

5. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

As at March 31, 2012 and June 30, 2011, all financial instruments (receivables and trade and other payables) have fair values which approximate their carrying values due to the relatively short period to maturity of the instruments.

6. ACCOUNTS RECEIVABLE

	March 31, 2012	June 30, 2011
Commodity taxes	$ 428,855	$ 860,202
Tax credits receivable	3,207,565	3,561,775
	$ 3,636,420	$ 4,421,977

The Company is entitled to a refundable tax credit up to 35% on qualified mining exploration expenditures incurred in the Province of Quebec and a refund of mining duties at an effective rate up to 7.5% on qualified Canadian exploration expenditures net of the refundable tax credit. These refunds are applied against the exploration expenses and included in tax credits receivable.

7. DEPOSIT

As at March 31, 2012 and June 30, 2011, the Company has a cash deposit of $171,800 with the Quebec government as a guarantee for the restoration of the Granada mine site.

Unaudited (Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROJECTS

a) Granada Property, Quebec, Canada

The Company holds a 100% interest to 1 mining patent, 2 leases and a further 277 claims covering a total of 11,598.03 hectares . The mining leases are subject to a 2% GMR, ½ of which may be purchased for $1,000,000 and a 1% NSR and 23 of the mining claims are subject to a 1% NSR.

b) Castle Property, Ontario, Canada

The Company, through its wholly owned subsidiary, Castle Silver Mines Inc., holds a 100% interest to 34 claims and 2 parcels located in the Haultain and Nicol townships of Ontario covering a total of 564.41 hectares. The property is subject to a sliding scale royalty on silver production which will start from 3% when the price of silver is US$15 or lower per troy ounce and up to 5% when the price of silver is greater than US$30 per troy ounce and a 5% gross overriding royalty on the sale of products derived from the property with a minimum annual payment of $15,000 in the form of royalties on all future production from the property.

c) Beaver Property, Ontario, Canada

The Company holds a 5 year option to acquire a 100% interest to a 20 acre claim in Coleman Township, Ontario. The property is subject to a 3% net smelter return royalty with a prepayment of $60,000 over a five year period, commencing July 1, 2012, or until the property is put into commercial production. The Company may purchase each 1% of the NSR royalty for $1.5 million.

9. PLANT, BUILDINGS AND EQUIPMENT

	March 31, 2012			June 30, 2011
	Cost	**Accumulated Amortization**	**Net**	Net
Gravity plant	**$ 240,999**	**$ 38,313**	**$ 202,686**	$ 208,955
Buildings	**395,559**	**15,721**	**379,838**	95,365
Office equipment	**17,993**	**11,713**	**6,280**	7,389
Vehicles	**340,321**	**175,178**	**165,143**	213,088
	$ 994,872	**$ 240,925**	**$ 753,947**	$ 524,797

Unaudited (Expressed in Canadian Dollars)

10. SHARE CAPITAL

Authorized

Issued	Number of Shares	Amount
Balance, beginning of year	166,707,705	$39,778,799
Private placements	28,233,132	4,967,600
Premium on flow-through shares		(248,429)
Exercise of options - cash	75,000	7,500
Exercise of options - expense value	-	5,775
Exercise of warrants - cash	3,936,010	472,321
Exercise of warrants - book value	-	242,216
Share issue costs	-	(448,864)
Value of warrants issued	-	(508,584)
Warrants expired	-	1,790,666
Issued for property	900,000	211,500
Balance, end of period	199,851,847	$46,270,500

On December 21, 2011, the Company, pursuant to a private placement, issued 19,109,957 “flow-through” units at a price of $0.18 per unit, for gross proceeds to Gold Bullion of $3,439,792, and 5,718,175 units at a price of $0.16 per unit, for gross proceeds to Gold Bullion of $914,908.
On December 29, 2011, the Company pursuant to a private placement issued 3,405,000 “flow-through” units at a price of $0.18 per unit, for gross proceeds to Gold Bullion of $612,900.

Each of the 19,109,957 and 3,405,000 “flow-through” units is comprised of one common share and one-half of a common share purchase warrant. Each full warrant entitles its holder to acquire one additional common share of Gold Bullion at a price of $0.22 for twelve months.

Each of the 5,718,175 units is comprised of one common share and one common share purchase warrant. Each warrant entitles its holder to acquire one additional common share of Gold Bullion at a price of $0.20 for twelve months.

In connection with the private placement, Gold Bullion paid a cash commission of $232,192 to various securities dealers and exempt market dealers, an amount equal to 8% of the gross proceeds raised through such dealers. In addition, Gold Bullion issued compensation options to various securities dealers and exempt market dealers entitling them to purchase a number of common shares of Gold Bullion equal to 8% of the aggregate number of “flow-through” units and units sold through such dealers in the private placement. The compensation options entitle their holders to acquire 1,590,833 common shares of Gold Bullion at $0.18 per share and 12,504 common shares of Gold Bullion at $0.16 per share for a period of twelve months.

Unaudited (Expressed in Canadian Dollars)

11. SHARE BASED PAYMENTS RESERVE

	Number of Options	Weighted Average Exercise Price	Value of Options	Number of Warrants	Weighted Average Exercise Price	Value of Warrants	Total Value
Balance July 1, 2010	11,575,000	0.34	2,982,296	29,424,848	0.18	3,411,964	6,394,260
Granted	500,000	0.47	273,000	-	-	-	273,000
Vesting	-	-	401,469	-	-	-	401,469
Exercised	(700,000)	0.11	(45,865)	(9,079,449)	0.16	(832,158)	(878,023)
Expired	-	-	-	(650,000)	0.16	(12,902)	(12,902)
Balance September 30, 2010	11,375,000	0.34	3,610,900	19,695,399	0.18	2,566,904	6,177,804
Granted	900,000	0.48	489,600	8,464,048	0.75	1,946,731	2,436,331
Vesting	-	-	386,075	-	-	-	386,075
Exercised	(975,000)	0.11	(77,125)	(7,720,160)	0.15	(750,103)	(827,228)
Balance December 31, 2010	11,300,000	0.36	4,409,450	20,439,287	0.44	3,763,532	8,172,982
Granted	2,050,000	0.53	1,252,300	-	-	-	1,252,300
Vesting	-	-	370,550	-	-	-	370,550
Exercised	(870,000)	0.20	(175,100)	(2,530,500)	0.15	(279,118)	(454,218)
Balance March 31, 2011	12,480,000	0.40	5,857,200	17,908,787	0.47	3,484,414	9,341,614
Granted	-	-	-	416,666	0.69	22,083	22,083
Exercised	-	-	-	(191,500)	-	(40,044)	(40,044)
Exercise price adjustment	-	-	-	-	-	(156,064)	(156,064)
Expired	(265,000)	0.46	(145,750)	-	-	-	(145,750)
Balance June30,2011	12,215,000	0.40	5,711,450	18,133,953	0.48	3,310,389	9,021,839
Granted	300,000	0.35	119,100	-	-		119,100
Exercised	(75,000)	0.10	(5,775)	(210,300)	0.12	(12,828)	(18,603)
Balance September 30, 2011	12,440,000	0.40	5,824,775	17,923,653	0.48	3,297,561	9,122,336
Granted	-	-	-	18,581,990	-	569,877	569,877
Exercised	-	-	-	(3,700,710)	0.12	(229,388)	(229,388)
Expired	-	-	-	(8,464,048)	0.60	(1,790,666)	(1,790,666)
Balance December 31, 2011	12,440,000	0.40	5,824,775	24,340,885	0.24	1,847,384	7,672,159
Granted	5,450,000	0.13	744,000	-	-	-	744,000
Expired	(300,000)	0.47	(163,800)	-	-	-	(163,800)
Balance March 31, 2012	17,590,000	0.32	6,404,975	24,340,885	0.24	1,847,384	8,252,359

Unaudited (Expressed in Canadian Dollars)

Warrants

Warrant Transactions

	Number of Warrants	Weighted average exercise price per shares	Amount
Balance, beginning of year	**18,133,953**	**$ 0.40**	**$ 3,310,389**
Exercised	**(3,911,010)**	**0.12**	**(242,216)**
Expired	**(8,464,048)**	**0.60**	**(1,790,666)**
Issued by private placements	**16,975,653**	**0.21**	**508,584**
Issue costs related to warrants	**-**		**-**
Issued as compensation	**1,603,337**	**0.18**	**61,292**
Balance, end of period	**24,337,885**	**$ 0.24**	**$ 1,847,384**

On March 29, 2012 the Company amended the terms of 4,713,693 share purchase warrants by extending the expiry date by three months from April 5, 2012 to July 5, 2012.

A summary of the Company's outstanding warrants as at March 31, 2012 is presented below. Each warrant entitles the holder to purchase one common share:

Number of Warrants	Exercise Price	Expiry Date
628,536	$ 0.30	April 5, 2012
416,666	0.58	May 9, 2012
4,713,693	0.30	July 5, 2012
9,554,978	0.22	December 21, 2012
5,718,175	0.20	December 21, 2012
1,318,433	0.18	December 21,2012
12,504	0.16	December 21,2012
1,702,500	0.22	December 29, 2012
272,400	0.18	December 29, 2012
24,337,885	$ 0.24	

Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four month holding period from the date of grant if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

Unaudited (Expressed in Canadian Dollars)

The Company records the fair value of stock-based compensation on the granting of stock options over the period in which they vest. The fair value is determined using the Black-Scholes option pricing model. For the nine months ended March 31, 2012, the Company recorded stock-based compensation expense of $699,300.

Option Transactions

	Number	Weighted average exercise price per share
Options outstanding, beginning of year	**12,215,000**	**$ 0.40**
Exercised	**(75,000)**	**0.10**
Expired	**(300,000)**	**0.47**
Granted	**5,750,000**	**0.14**
Options outstanding, end of period	**17,590,000**	**$ 0.32**

A summary of the Company's outstanding options as at March 31, 2012 is presented below. Each option entitles the holder to purchase one common share:

Number of Options	Exercise Price	Expiry Date
50,000	$0.10	May 11, 2014
1,300,000	0.10	September 9, 2014
500,000	0.10	February 12, 2015
125,000	0.15	March 3, 2015
100,000	0.19	March 8, 2015
200,000	0.20	April 7, 2013
50,000	0.20	April 7, 2015
400,000	0.29	April 25, 2015
5,965,000	0.46	June 21, 2015
200,000	0.47	September 22, 2015
900,000	0.48	October 6, 2015
1,200,000	0.65	January 5, 2016
850,000	0.35	March 25, 2016
300,000	0.35	July 14, 2016
4,450,000	0.13	January 4, 2022
200,000	0.13	January 4, 2022
200,000	0.15	March 9, 2017
600,000	0.15	March 9, 2014
17,590,000	$0.32	

12. RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and are measured at the exchange amounts.

1) The Company retains the services of a company owned by an officer and director of the Company to carry out exploration work on its resource properties and for management services. During the nine months ended March 31, 2012, the total amount for such services provided was $364,146, of which $182,073 was recorded in exploration expenses and $182,073 in management fees. (Note 14)

2) The Company retains the services of a director and an officer to carry out administrative services. During the nine months ended March 31, 2012, the total amount for such services provided was of $125,500, which was recorded in management fees.

3) During the nine months ended March 31, 2012, the Company incurred drilling expenditures of $1,808,544 to Landdrill International Inc. (Landdrill) on its resource properties. Two directors of the Company are also directors and officers of Landdrill. As at March 31, 2012, an amount of $189,902 paid to Landdrill was included in prepaid expenses and $175,644 was included in trade and other payables.

13. CONTINGENCIES

a) The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline. At the date of the financial statements and to the best knowledge of its management, the Company is, at the present, in conformity with the laws and regulations except as disclosed in note 13(b) below. Restoration costs will be accrued in the financial statements only when they can be reasonably estimated and will be charged to the earnings at that time.

b) On September 10, 2008, the Company received statements of offence pursuant to the *Environment Quality Act* (Québec) (the "Act") for allegedly of failing to comply with certain conditions of its permit for a current project on the Company's Granada property and for non respect of the Act. The statements of offence relate to the period from November 1, 2006 to November 14, 2007. The statements of offence include fines in an aggregate amount of $97,000. The Company pleaded not guilty to all of these statements of offence. In the event the Company is declared guilty to all of these statements of offences, additional fees in the aggregate amount of $51,098 will be charged to the Company. All of the foregoing statements of offence have been postponed to June 20, 2012.

   The Company has vigorously contested all of the statements of offence, accordingly, no provision of the claim has been made in the financial statements. Any amounts if paid, resulting from the claim will be recorded in the period in which they are paid.

c) The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

- Two years following the flow-through investment;
- One year after the Company has renounced the tax deductions relating to the exploration work.

Commitments to carry out exploration work that are not respected are subject to a combined tax rate of 29.15% (Federal and Provincial).

During the year ended June 30, 2011, the Company received $4,357,090 flow-through investments. According to the tax rules, the Corporation has until December 31, 2012 to spend this amount on qualified exploration. As at March 31, 2012 the Company has expended the full amount.

In December 2011, the Company received $4,052,692 flow-through investments. According to the tax rules, the Corporation has until December 31, 2012 to spend this amount on qualified exploration. As at March 31, 2012 the Company has expended $2,832,055 of this amount.

d) Commodity tax reassessment

As at June 30, 2011, the Company was assessed $550,562 for Quebec Sales Tax and Goods and Services Tax, which has been paid. The Company has filed a notice of objection with the Quebec Ministry of Revenue for these assessments.

14. COMMITMENTS

Consulting service agreements

The Company has consulting service agreements with certain officers and directors.

(1) Effective January 1, 2007, the Company entered into a management agreement with Grupo Moje Limited (“Grupo”), a company owned by a director and officer of the Company. The fee for management services is 20 ounces of gold per month. The dollar amount calculated is based on the price of gold as at the end of each quarter. Either party may terminate this engagement by giving four months notice to the other subject to certain provisions of the agreement. Effective December 1, 2010 this agreement was amended to require that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 240 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement.

(2) Effective July 1, 2010, the Company entered into a consulting agreement with a director and officer of the Company. The fee for consulting services is $7,500 per month. Either party may terminate this engagement by giving four months notice to the other, subject to certain provisions of the agreement. This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to the consultant of $90,000.

(3) Effective December 1, 2010, the Company entered into consulting agreements with two consultants of the Company. The fee for consulting services is $12,500 per month, one for $6,500 and the other for $6,000 per month. Either party may terminate this engagement by giving four months notice to the other subject to certain provisions of the agreement. These agreements also requires that if the agreements are terminated by the Company upon or following a change in control or change of management the Company shall make payments to each consultant in the amounts of $78,000 and $72,000.

Effective October 1, 2011, one of these agreement was amended as follows: The fee for consulting services is $8,000 (previously $6,500) per month and if the agreement is terminated by the Company upon or following a change in control or change of management the company shall make a payment to the consultant of $96,000 (previously $78,000).

Effective January 1, 2012, the other agreement was amended as follows: The fee for consulting services is $8,000 (previously $6,000) per month and if the agreement is terminated by the Company upon or following a change in control or change of management the company shall make a payment to the consultant of $96,000 (previously $72,000).

(4) Effective March 1, 2011, the Company entered into a consulting agreement with an officer of the Company. The fee for consulting services is USD $6,000 per month. Either party may terminate this engagement by giving four months notice to the other subject to certain provisions of the agreement. This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the company shall make a payment to the consultant of USD $72,000.

Effective February 1, 2012, this agreement was amended as follows: The fee for consulting services is USD $8,000 per month and if the agreement is terminated by the Company upon or following a change in control or change of management the company shall make a payment to the consultant of USD $96,000.

15. SUBSEQUENT EVENTS

On April 24, 2012, pursuant to a private placement, the Company issued 8,433,227 flow-through units at $0.15 per share for gross proceeds of $1,219,984. Each Unit consists of one flow-through common share and one-half of a transferable share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of twelve months from the date of issuance, at a purchase price of $0.175 per share.

In connection with the private placement, Gold Bullion paid a finder's fee of $87,999 and issued 586,658 non-transferable share purchase warrant to Meadowbank Asset Management Inc. Each warrant entitles the holder to purchase one common share for a period of twelve months from the date of issuance, at a purchase price of $0.175 per share.

16. EXPLANATION OF TRANSITION TO IFRS

As stated in Note 2(a), these condensed interim financial statements are prepared in accordance with IFRS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the periods ended March 31, 2012 and 2011, and the comparative balance sheet as at March 31, 2012 and as at June 30, 2011.

IFRS Exemption Options

1. Business combinations – IFRS 1 provides the option to apply IFRS 3, Business combinations retrospectively or prospectively from the transition date. The company elected to apply IFRS 3 prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the transition date. The Company did not apply IFRS 3 retrospectively to business combinations that occurred prior to its transition date and such business combinations have not been restated. Any goodwill arising on such business combinations before the transition date has not been adjusted from the carrying value previously determined under Canadian GAAP as a result of applying the exemption.

2. Share-based payments – IFRS 2 encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the transition date. The Company elected to avail itself of the exemption provided under IFRS 1 and applied IFRS for all equity instruments granted after November 7, 2002 that had not vested by its transition date.

In preparing its opening IFRS balance sheet, Gold Bullion has adjusted amounts reported previously in financial statements prepared in accordance with predecessor Canadian GAAP in effect for the Company prior to the transition date ("pre-transition Canadian GAAP"). An explanation of how the transition from pre-transition Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified, where necessary to conform to the current presentation.

GOLD BULLION DEVELOPMENT CORP.
Consolidated Balance Sheets

	Notes	March 31, 2011 Pre-transition Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current				
Cash		$ 3,446,088	$ -	$ 3,446,088
Reiceivables		1,225,285	-	1,225,285
Deposits and prepaid expenses		473,800	-	473,800
		5,145,173	-	5,145,173
Plant, buildings and equipment		420,869	-	420,869
Resource properties	a	13,878,187	(13,878,187)	-
		19,444,229	(13,878,187)	5,566,042
Liabilities				
Current				
Trade and oyher payables		459,736	-	459,736
Due to related parties		-	-	-
Deferred liability		-	1,571,409	1,571,409
Current portion of long-term debt		-	-	-
		459,736	1,571,409	2,031,145
Shareholders' Equity				
Share capital	c	35,892,346	(899,982)	34,992,364
Warrants	c	3,484,414	(3,484,414)	-
Contributed surplus	c	6,528,627	(6,528,627)	-
Share based payments reserve	c	-	9,341,614	9,341,614
Deficit	a	(26,920,894)	(13,878,187)	(40,799,081)
		18,984,493	(15,449,596)	3,534,897
		$ 19,444,229	$ (13,878,187)	$ 5,566,042

GOLD BULLION DEVELOPMENT CORP.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

	Notes	Pre-transition Canadian GAAP	Effect of Transition to IFRS	IFRS
		for the three months ended March 31, 2011		
Expenses				
Exploration and evaluation				
Acquisition	a	$ -	$ -	$ -
Assaying and testing	a	-	343,570	343,570
Depreciation	a	-	22,176	22,176
Drilling	a	-	1,574,551	1,574,551
Equipment	####	-	247,205	247,205
Facility expenses	a	-	46,435	46,435
Personnel costs	a	-	595,907	595,907
Program management and engineering	a	-	492,446	492,446
Royalty	a	-	-	-
Security	a	-	48,078	48,078
Taxes, permits and licencing		-	14,211	14,211
		-	3,384,579	3,384,579
Corporate				
Administrative and general expenses		252,755	(165,424)	87,331
Consulting fees		-	92,570	92,570
Management fees		88,562	(7,626)	80,936
Professional fees		8,203	-	8,203
Filing costs and shareholders' information		203,825	-	203,825
Depreciation		22,176	(22,176)	-
Travel		-	66,268	66,268
Stock-based compensation		1,622,850	-	1,622,850
		2,198,371	(36,388)	2,161,983
Other items				
Interest and other income		-	-	-
Net loss and comprehensive loss for the period		$ (2,198,371)	$ (3,348,191)	$ (5,546,562)
Net loss per share - basic and fully diluted		$ (0.01)	$ (0.02)	$ (0.04)
Weighted average number of shares outstanding basic and fully diluted		156,839,852	156,839,852	156,839,852

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

	Notes	for the nine months ended March 31, 2011 Pre-transition Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Exploration and evaluation				
Acquisition	a	$ -	$ 1,586,000	$ 1,586,000
Assaying and testing	a	-	656,736	656,736
Depreciation		-	66,528	66,528
Drilling	a	-	4,108,905	4,108,905
Equipment	a	-	602,291	602,291
Facility expenses	a	-	226,802	226,802
Personnel costs	a	-	1,441,213	1,441,213
Program management and engineering	a	-	1,388,114	1,388,114
Royalty	a	-	15,000	15,000
Security	a	-	139,574	139,574
Taxes, permits and licencing	a	-	18,360	18,360
		-	10,249,523	10,249,523
Corporate				
Administrative and general expenses		852,929	(466,020)	386,909
Cossulting fees		-	287,415	287,415
Management fees		269,540	(49,030)	220,510
Professional fees		27,232	-	27,232
Filing costs and shareholders' information		565,411	-	565,411
Depreciation		66,528	(66,528)	-
Travel		-	197,071	197,071
Stock-based compensation		3,172,994	-	3,172,994
		4,954,634	(97,092)	4,857,542
Other items				
Interest and other income		(12,204)	12,204	-
Net loss and comprehensive loss for the period		$ (4,942,430)	$ (10,164,635)	$ (15,107,065)
Net loss per share - basic and fully diluted		$ (0.03)	$ (0.07)	$ (0.11)
Weighted average number of shares outstanding basic and fully diluted		142,090,853	142,090,853	142,090,853

GOLD BULLION DEVELOPMENT CORP.
Consolidated Balance Sheets

	Notes	June 30, 2011 Pre-transition Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets				
Current				
Cash		$ 3,777,362	$ -	$ 3,777,362
Reiceivables		4,421,977	-	4,421,977
Deposits and prepaid expenses		359,273	-	359,273
		8,558,612	-	8,558,612
Tax credit receivable - long-term		428,820	-	428,820
Deposit - long-term		171,800	-	171,800
Plant, buildings and equipment		524,797	-	524,797
Resource properties	a	14,621,788	(14,621,788)	-
		24,305,817	(14,621,788)	9,684,029
Liabilities				
Current				
Trade and oyher payables		1,745,617	-	1,745,617
Deferred liability	b	-	1,571,409	1,571,409
		1,745,617	1,571,409	3,317,026
Shareholders' Equity				
Share capital	b,c	40,678,781	(899,982)	39,778,799
Warrants	c	3,310,389	(3,310,389)	
Contributed surplus	c	6,528,627	(6,528,627)	
Share based payments reserve	c		9,021,839	9,021,839
Deficit	a,c	(27,957,597)	(14,476,038)	(42,433,635)
		22,560,200	(16,193,197)	6,367,003
		$ 24,305,817	$ (14,621,788)	$ 9,684,029

GOLD BULLION DEVELOPMENT CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

	Notes	for the year ended June 30, 2011 Pre-transition Canadian GAAP	Effect of Transition to IFRS	IFRS
Expenses				
Exploration and evaluation				
Acquisition	a	$ -	$ 1,756,000	$ 1,756,000
Assaying and testing	a	-	1,011,522	1,011,522
Drilling	a	-	6,162,261	6,162,261
Equipment	a	-	1,915,633	1,915,633
Facility expenses	a	-	336,716	336,716
Personnel costs	a	-	1,110,237	1,110,237
Program management and engineering	a	-	1,896,780	1,896,780
Royalties	a		15,000	15,000
Security	a	-	201,470	201,470
Surveys	a	-	117,212	117,212
Less: Quebec tax Credits	a		(3,614,595)	(3,614,595)
		-	10,908,236	10,908,236
Corporate				
Administrative and general expenses		947,882	-	947,882
Management fees		342,105	-	342,105
Professional fees		145,621	-	145,621
Filing costs and shareholders' information		721,241	-	721,241
Depreciation		105,851	-	105,851
Stock-based compensation	**c**	3,172,994	(145,750)	3,172,994
		5,435,694	(145,750)	5,435,694
Other items				
Interest and other income		12,229	-	12,229
Loss on sale of equipment		(5,106)	-	(5,106)
Commodity tax assessment		(550,562)	-	(550,562)
		(543,439)	-	(543,439)
Net loss and comprehensive loss for the period		$ (5,979,133)	$ (10,762,486)	$ (16,887,369)
Net loss per share - basic and fully diluted		$ (0.04)	$ (0.07)	$ (0.11)
Weighted average number of shares outstanding basic and fully diluted		147,121,411	147,121,411	147,121,411

a) Exploration and Evaluation Projects

Under pre-transition Canadian GAAP, the Company capitalized its exploration and evaluation costs. At the date of transition, the Company adopted the accounting policy to expense exploration and evaluation costs when incurred.

b) Flow-through share financing

Under pre-transition Canadian GAAP, the Company recorded the entire amount of financing received as equity in share capital with an appropriate apportionment of proceeds to any warrants issued. Under IFRS, the Company's selected accounting treatment requires an identification of the premium associated with the tax benefits passed on to the subscribers of the flow-through shares. Flow-through expenditures are sometimes made in different reporting periods than the one in which formal renunciation to the CRA takes place.

There is no applicable exemption available to the Company and the cumulative impact of the bifurcation of the flow-through premium as well as the different treatment of renunciation must be made. The Company made a best efforts attempt to calculate the historic impact of renunciation and premium recognition based upon the presently available information and determined that there were no premiums on flow through financing with the exception of the financing done on May 9, 2011. An adjustment has been made to record the deferred liability in the transition to IFRS.

c) Share Based Payments Reserve.

Under pre-transition Canadian GAAP, the Company recorded the fair value of warrants using the Black-Scholes option pricing model as warrants and if exercised this amount was transferred to share capitol, if expired the fair value amount was transferred to contributed surplus. And, under pre-transition Canadian GAAP, the Company recorded the fair value of options using the Black-Scholes option pricing model as Stock-based compensation expense wit an offsetting entry to contributed surplus. If exercised this amount in contributed surplus was transferred to share capital and if the options expired no further entries were recorded.. Under IFRS the fair value of all warrants, using the and options granted Black-Scholes option pricing model, are recorded as credits to share based payments reserve and when exercised or expired this amount is transferred to share capitol., And, under IFRS, the Company recordsd the fair value of options using the Black-Scholes option pricing model as stock-based compensation expense with an offsetting entry to contributed surplus. If exercised this amount in contributed surplus is transferred to share capital and if the options expire this amount is transferred to stock-based compensation expense.