GOLD BULLION
DEVELOPMENT CORP

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Form 51-102F1

Management's Discussion & Analysis for the three months Ended September 30, 2009

DATE: November 18, 2009

This Management's Discussion and Analysis ("MD&A") of Gold Bullion Development Corp. (the "Company") has been prepared by management as of November 18, 2009 and should be read in conjunction with the interim financial statements for the three months ended September 30, 2009 and the audited financial statements for the year ended June 30, 2009 and related notes thereto, which are prepared in accordance with Canadian generally accepted accounting principles. 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

The Company 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 annual financial statements for the years ended June 30, 2009 and 2008. 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 under the symbol GBB. The Company's shares also trade on the Frankfurt Stock Exchange under the symbol "B6D".

The Company's head office is located at 1868 King George Highway, South Surrey, BC V4A 5A1.

CORPORATE

Financing

On July 16, 2008 the Company issued 6,950,000 common shares with warrants for the right to purchase up to 6,950,000common shares, exercisable at the price of $0.12 in the first year and $0.16 in the second year, expiring July 10, 2010. Canaccord Capital Corp. received an agent's option on 256,000 compensation warrants that are exercisable into units at a price of $0.10 until July 10, 2010 and a cash commission of $32,000. Each unit is comprised of one common share and one common share purchase warrant exercisable at the price of $0.12 in the first year and $0.16 in the second year, expiring July 10, 2010. Cash commissions were also paid to Dresden Capital as to $10,500 and Natalja Lacchozka as to $7,000.

On July 30, 2008 the Company issued 3,050,000 common shares with warrants for the right to purchase up to 3,050,000 common shares, exercisable at the price of $0.12 in the first year and $0.16 in the second year, expiring July 30, 2010. Dresden Capital received a cash finder's fee of $30,500.

On February 20, 2009 the Company issued 2,036,000 units at $0.05 per unit pursuant to a non-brokered private placement to raise gross proceeds of $101,800. Each unit consists of one (1) common share and one common share purchase warrant. Each common share purchase warrant entitles the holders to purchase one common share at $0.10 per share for two years.

Board Changes

On July 7, 2008, the board appointed Jacques F. Monette to serve as a director.

On September 4, 2008, Richard Diotte resigned as a director of the Company.

On October 10, 2008, Richard Fournier resigned as a director, secretary and Chief Financial Officer.

On October 22, 2008, the board appointed Roger Thomas a director.

On January 22, 2009, the board appointed Dr. G. Leonard Johnson a director.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Other than as described below, none of the directors, officers or promoters of the Company are, or within the past ten years prior to the date hereof have been, a director, officer, or promoter of any other issuer that, while that person was acting in that capacity:

(a) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

On November 6, 2008 a cease trade order was issued by the British Columbia Securities Commission for failing to file its annual audited financial statements, and management discussion and analysis, for the year ended June 30, 2008. The Company's shares remained suspended until the company met TSX Venture Exchange requirements and on February 17, 2009 the cease trade order was revoked and on February 18, 2009 the Company’s shares were reinstated for trading..

LITIGATION

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 $90,400. 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.

The Company intends to vigorously contest all of the statements of offence.

PERFORMANCE SUMMARY

The following is a summary of significant exploration events and transactions.

Granada Property

On March 14, 2006 the Company and Mousseau Tremblay Inc. (“MTI”) entered into a Memorandum of Understanding to lease-acquire 100% interest in the 2 mining leases located in Rouyn-Noranda, Quebec, more commonly known as the Granada Mine site. The Company and MTI entered into a formal Lease and Purchase Agreement dated July 4, 2006 and amended August 10, 2006, September 20, 2006 and October 19, 2006. General terms of the agreement are for staged cash payments totaling $350,000; $5,000 per month plus applicable taxes as equipment/building lease payments and $0.50 per tonne for each tonne deposited on the Granada site as tailings until such time as the Company has exercised its right to acquire 100% interest in the property. The first payment of $175,000 cash to MTI has been paid which gives the Company a 51% interest. The Company can exercise its remaining 49% interest early by making the final cash payment of $175,000 on or before October 1, 2009. MTI will retain a 3% NSR on the value of the gold and silver recovered from all the Granada ores extracted, with the Company having a right to purchase 1.5% for $1 million, such option to be exercised on the anniversary of the date of commencement of commercial production from the Granada site. The company is currently negotiating an extension for the $175,000 payment.

On March 26, 2008 the Company announced that the Company revised the terms of the memorandum of understanding to acquire from Mousseau Tremblay Inc. (MTI) a block of claims in consideration for a total of 500,000 common shares, at a deemed value of $0.15. This transaction increases the total surface area from 71.32 hectares to 1095.59 hectares. In addition, the Company will enter into an agreement to reprocess surface tailings with MTI. The agreement has not been finalized and the common shares have not been issued.

The Company has received a custom milling agreement and a delivery schedule for the mill feed that will be mined from the Granada Gold Mine. The company has also received permission from the owners of the mill that a gravity circuit be installed at their site at the Company's expense. This will dramatically enhance recovery of the 'native' or 'free gold' that has shown to be prevalent in the Granada's mill feed. The company has begun sourcing a mining and trucking contractor. The mill feed, after blasting would not require further crushing as the custom mill can accept pit run material. This will lower overall mining costs. Delivery of mill feed should begin prior to April 2010 for processing.

Genivar, the company's geological consultants, has already compiled an internal report for the company which includes 471 holes comprising in excess of 90,000 feet of drilling. As a result of this the company envisions an open pit operation.and has requested Genivar to redesign the open pit to extract mill feed from Veins 1 and 2 for processing in the custom mill. The company has begun revising and amending the site permits in line with developing the mine into an open pit operation.

Genivar has been retained to complete a National Instrument 43-101 resource calculation for the Granada Mine. Additional drilling will be undertaken to increase this resource calculation. The drill program has already been designed and a budget cost has been determined.

In addition to custom milling, the company has been working with Gekko an Australian based company with offices in Canada, to design a mill for construction at the Granada Mine site that would handle the company's long term production needs. This construction would be designed to have a limited environmental foot print. The whole project, from testwork through to commissioning a plant can be completed in less than 12 months (depending on the size and complexity of the plant). Gekko Systems has built two of these plant, one in Australian and one in South Africa, both of which have operated profitably for several years.

During the year ended June 30, 2009 the Company retained the services of Genivar to undertake technical programs including a resource estimate that management expects will lead to the completion of a preliminary feasibility study.

Castle (Milner) Property

On January 8, 2007, the Company announced that a letter of intent was signed with Milner Consolidated Silver Mines Ltd. (TSX: MCA) ("Milner") for the purchase of Milner's mining leases and licenses in the old Gowganda Silver Camp near Temiskaming. Subsequently, on February 15, 2007, the Company announced that it entered into a purchase and sale agreement with Milner. The terms stated that the purchase price consisted of a cash payment of $25,000 (paid), a sliding scale royalty on silver production which will start from 3% when the official price of silver is US $15 or lower per troy ounce. The terms also includes a provision for a 5% gross overriding royalty payable to Milner for the sale of products derived from the property, with deductions for smelter and refining charges and several other related expenses along with a minimum annual payment of $15,000 in the form of royalties on all future production from the property. All regulatory approvals have been obtained.

On June 5, 2008, the Company announced it had completed its preliminary metallurgical testing on a grab composite sample of silver tailings material extracted from the tailings pond at the mine. The test results indicated that it responds to gravity processing conditions. The sample used for testing was a composite made up of several grab samples taken at depth from one of the tailings ponds. The combined sample weighed in about 100 kilograms. The head assay of the test composite sample obtained was 293.88 grams per tonne silver (8.57 ounces per ton silver) 0.132 percent cobalt and 0.467 percent arsenic. After gravity concentration, the concentrate grade assayed 8408.75 grams per tonne silver (245.25 ounces per ton silver) 2.12% cobalt and 12.64% arsenic. The higher-grade silver concentrate may also result in cobalt returns.

In September, 2008 the Company entered into an MOU with BacTech Mining Corporation to investigate the use of bioleaching to reprocess the silver tailings at the Castle Mine. As part of the evaluation BacTech is proceeding with a sonic drill program on the Castle mine tailings which will determine the economic viability of the bioleach process.

Shareholders Gold Purchase Program

On June 4, 2008 the Company announced confirmation was received from the TSX Venture Exchange that they will not object to the gold program if it is within certain conditions, as follows:

- the program can only be offered to shareholders of the Company;
- the maximum subscription per shareholder should be proportional to share ownership;
- the right to purchase gold is non-transferable;
- the funds raised in the gold program can only be used for the financing of the project (i.e. bringing a mine into production);
- the maximum annual production allocated to the gold program shall not exceed 50% of the annual production;
- the program is to be properly disclosed by the Company to the public; and
- the legal counsel of the Company must provide a legal opinion to the Exchange that the future sale of gold (or the rights to purchase gold) is not considered as a "security" as defined under securities legislation in Canada.

The Company will file a formal application with the TSX Venture Exchange before going ahead with the gold program. The Company will make available the amount of ounces and costs to the shareholders at such time as a National Instrument 43-101 report is completed.

RISK FACTORS

Through its operations, the Company is exposed to various business risks outlined below. Additional risks and uncertainties, including those that we are not aware of now or that we currently deem immaterial, may also adversely affect our business.

Financing Risks
The development of the Company's properties will depend upon the Company's ability to obtain financing through private placement financing, public financing or other means. There is no assurance that the Company will be successful in obtaining any required financing.

Cash Flow
The Company's properties are currently being assessed for exploration and as a result, the Company has no source of operating cash flow. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Company will require new capital to continue to operate its business and to continue exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all.

Conflicts of Interest
Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Industry Risks

Exploration and Development Risks
The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing its mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and

others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Title Matters

The mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Mineral Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal, but believes that uncertainties and risks do exist in its business operations.

SELECTED ANNUAL INFORMATION

The following table provides a brief summary of the Company's financial operations for the last three fiscal years.

	Year-Ended June 30, 2009	**Year-Ended June 30, 2008**	**Year-Ended June 30, 2007**
Net Sales or Total Revenues	0	0	0
Loss before Other Items	($622,865)	($761,905)	($1,167,920)
Net Loss in total	($404,779)	($1,802,855)	($1,904,654)
Net Loss per fully diluted share basis	($0.01)	($0.04)	($0.07)
Total Assets	$2,821,858	$2,785,173	$3,881,835
Total long-term financial Liabilities	$8,166	$19,481	$29,382
Cash dividends declared per share	N/A	N/A	N/A

RESULTS OF OPERATIONS

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates.

The following schedules provide the details of the company's investment in resource properties.

Resource Properties.

	Balance September 30, 2009	Additions During Period	Balance June 30, 2009
Property			
Grenada (a)	**$ 2,515,804**	$ 52,176	**$ 2,463,628**
Milner (b)	**56,844**	-	**56,844**
	$ 2,572,648	$ 52,176	$ 2,520,472

The following schedule provides the details of the company's operating expenditures for the three months ended September 30..

-	**2009**	2008
Expenses		
Administrative and general expenses	**$16,890**	$ 102,143
Management fees	**31,913**	27,935
Professional fees	**9,056**	24,089
Filing costs and shareholders' information	**1,553**	142,008
Tax interest on flow-through funds	**6,018**	-
Stock option compensation	**97,000**	-
Depreciation	**4,186**	3,267
	$166,616	$ 299,442

Summary of Quarterly Results

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

	Fiscal 2010			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
				$
Total Revenues				-
Net loss (income)				166,359
Basic net loss per share				-
Diluted net loss per share				-

	Fiscal 2009			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
		$	$	$
Total Revenues	-	-	-	-
Net loss (income)	(52,282)	13,001	145,574	298,486
Basic net loss per share	-	-	-	0.01
Diluted net loss per share	-	-	-	0.01

	Fiscal 2008			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
		$	$	$
Total Revenues	-	-	-	-
Net loss (income)	1,228,654	244,745	178,094	151,362
Basic net loss per share	0.02	0.01	0.005	0.005
Diluted net loss per share	0.02	0.01	0.005	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 continues 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 Canadian generally accepted accounting principles on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise adequate financing or achieving 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.

At September 30, 2009 the Company had a $620,797 working capital deficiency (June 30, 2009 - $500,705), cumulative losses of $17,869,381 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for operations.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements

RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2009 the Company incurred management fees of $31,913 (2008 –$27,935) to a company owned by an officer and director of the Company.

Amounts due to related parties of $477,169 (2008: $423,165) are due to an officer and director of the Company and a Company controlled by the director. The amounts are unsecured and non-interest bearing.

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

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 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 $90,400. 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.

The Company intends to vigorously contest 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 charges, 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 31% (Federal and Provincial).

During the year ended June 30, 2009, the Company received $851,500 flow-through investments. According to the tax rules, the Corporation has until December 31, 2009 to fulfill its commitments. The Company has renounced all tax deductions as at June 30, 2009 and management is required to fulfill its commitments within the stipulated deadline.

COMMITMENTS

(a) Effective January 1, 2007, the Company entered into a management agreement with Grupo Moje Limited, a company owned by Frank Basa, a director and officer of the Company. The agreed fee for management services is 20 ounces of gold per month and is renewable on the annual basis. The dollar amount calculated is based on the gold rate as at the end of each quarter. Frank Basa also has the use of a vehicle which is owned by the Company.

(b) Pursuant to the issuances of 2,197,000 flow-through shares in May 2008 and 8,515,000 flow-through shares in July 2008 the Company has renounced in total of $1,068,604 of qualified exploration expenditures with an effective date of December 31, 2008. As at September 30, 2009 the Company has expended $613,990 of these funds and must spend the balance of $454,614 by December 31, 2009.

SUBSEQUENT EVENT

On November 10, 2009 the Company issued pursuant to a non-brokered private placement issued 4,300,000 units at a price of $0.07 per unit for gross proceeds of $301,000. Each Unit consists of one common share in the capital of the Company and one transferable share purchase warrant, each warrant entitling the holder to purchase one additional common share in the capital of the Company for a period of two years from the date of issuance, at a purchase price of $0.10 per share if exercised on or before November 8, 2010 and $0.12 per share if exercised from November 9, 2010 to November 8, 2011.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Estimates, Assumptions and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian GAAP 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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Areas requiring significant management estimates relate to the determination of impairment of mineral properties, expected tax rates for future income tax recoveries, fair value of stock-based payments and useful lives for amortization of long-lived assets.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Deferred Charges

The Company adopted Emerging Issues Committee (EIC) 94, “Accounting for Corporate Transaction Costs” and recorded the costs incurred in connection with the proposed corporate transaction eligible for deferral as a non-current deferred charge.

Marketable Securities

Marketable securities are classified as held for trading securities and are recorded at market value. Unrealized holding gains and losses on held for trade securities are included in the statement of operations in accordance with the Company’s designation of marketable securities as held for trading assets.

Foreign currency translation

Monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Income and expenses are translated at rates which approximate those in effect on transaction dates. Gains or losses arising on conversion are included in income or expense.

Mineral Properties

All costs related to the acquisition, exploration and development of mineral properties, less option payments received, are capitalized by property. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If the Company transfers its right, title and interest in a property to a third party, a disposition is recorded. The proceeds less the accumulated costs related to the acquisition, exploration and development of the property is recognized as a gain or loss.

The amount shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The Company currently does not have any significant asset retirement obligations.

Impairment of Long-Lived Assets

The Company follows the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is an impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using discounted cash flows when quoted market prices are not available.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share is equal to the basic loss per share as there were no dilutive securities as at June 30, 2008 and 2007.

Income Taxes

The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the carrying values of the asset and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income taxes and liabilities of a change in rates is included in operations in the period that includes the substantive enactment date. To the extent that the Company does not consider it more likely than not that a future income tax asset will be recovered, it provides a valuation allowance against the excess.

Stock-Based Compensation

The Company accounts for stock options granted using CICA Section 3870,"Stock-Based Compensation and Other Stock-Based Payments". Under this Handbook section, the Company is required to expense, over the vesting period, the fair value of the options and awards granted. Accordingly, the fair value of the options at the date of grant is accrued and charged to operations, with a corresponding credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

Risk Management

The Company is engaged in mineral exploration and development and is accordingly exposed to environmental risks associated with mineral exploration activity. The Company is currently in the initial exploration stages on its property interests and has not determined whether significant site reclamation costs will be required. The Company would only record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified.

Segmented Information

The Company currently conducts substantially all of its operations in Canada in one business segment.

Comprehensive income

Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income comprises items recognized in comprehensive income, but excluded from net income calculated in accordance with Canadian GAAP.

Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other liabilities.
(1) Financial assets and liabilities classified as held-for-trading are required to be measured at fair value, with gains and losses recognized in net income.
(2) Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost using effective interest method of amortization.
(3) Available-for-sale financial assets are required to be measured at fair value with unrealized gains and losses recognized in Other Comprehensive Income (loss). Investments in equity instruments classified as available-for-sale that do not have a quoted market price in active market should be measured at cost.

The Corporation has implemented the following classification:
(1) Cash, accounts receivable and due from related parties are classified as loans and receivables.
(2) Term deposits and long-term debt are classified as held-to-maturity,
(3) Accounts payable and accrued liabilities and due to related parties are classified as other liabilities.

FUTURE ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board confirmed that public companies will be required to prepare interim and annual financial statements under IFRS for fiscal years beginning on or after January 1, 2011. Management is currently assessing the impact of adopting IFRS.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS lAS 27 - Consolidated and Separate Financial Statements. The Company is currently in the process of evaluating the impact of these standards.

OTHER MD&A REQUIREMENTS

The Company's President & Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.

In accordance with the requirements of National Instrument NI52-109, Certification and Disclosure in the Company's annual and interim filings, evaluations of the design and operating effectiveness of disclosure controls and procedures and the design effectiveness of internal control over financial reporting were carried out under the supervision of the CEO and CFO as of the end of the period covered by this report.

The CEO and the CFO of the Company are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian generally accepted accounting principles. We have designed and implemented a system of internal controls over financial reporting which we believe is effective for a company of our size. During the review of the design of the Company's control system over financial reporting it was noted that due to the limited number of staff, there is an inherent weakness in the system of internal controls due to our inability to achieve appropriate segregation of duties. The limited number of staff may also result in identifying weaknesses with respect to accounting for complex and non-routine transactions due to a lack of technical resources, and a lack of controls governing our computer systems and applications within the Company. While management of the Company has put in place certain procedures to mitigate the risk of a material misstatement in the Company's financial reporting, it is not possible to provide absolute assurance that this risk can be eliminated.

There were no changes that occurred for the most recent fiscal period that have materially affected the Company's internal control procedures.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Disclosure Controls and Procedures

Management has evaluated the effectiveness of the Corporation's disclosure controls and procedures, As defined in Multilateral Instruments 52-109, and concluded that these controls and procedures ere adequate and effective to provide reasonable assurance that the material information regarding the Company was accumulated and communicated to them, as appropriate to allow timely decisions to be made by them regarding required disclosure.

Internal Control over Financial Reporting

Management evaluated the effectiveness of the Company's internal controls over financial reporting. These controls were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Management has concluded that these internal controls were adequate and effective to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

OUTSTANDING SHARE DATA

The Company's authorized capital is an unlimited number of common shares without par value. As at September 30, 2009, there were 60,037,681 shares issued and outstanding.

The following table summarizes the outstanding share capital as at September 30, 2009 and November 18.2009:

Common Shares	60,037,681
Stock Options	4,100,000
Warrants	14,770,056

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under TSX Venture Exchange policies), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted under the plan vest immediately, except for consultants conducting investor relations activities.

APPROVAL

The Board of Directors of the Company have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.goldbulliondevelopmentcorp.com as well as numerous news releases and National Instrument #43-101 reports, which are filed on SEDAR at www.sedar.com.

LISTING:

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