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GOLD BULLION DEVELOPS PLANS TO SPIN OFF ITS CASTLE SILVER MINE

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Mr. Frank J Basa reports:

Gold Bullion Development Corp. (TSXV:GBB) (OTCPINK:GBBFF) (the “Company” or “Gold Bullion”) announces its intention to spin off its silver mine, the Castle (Milner) Property in the Gowganda mining district of Ontario, to Gold Bullion shareholders. The Company expects that the proposed spin-off will be in the form of shares of a newly-incorporated, public company called “Castle Silver Mines Inc.”

The Company holds a 100% interest in the Castle (Milner) Property encompassing 34 claims and 2 parcels located in the Haultain and Nicol Townships of Ontario, subject to the royalties stated below.

Gold Bullion has engaged GENIVAR to prepare a technical report in accordance with National Instrument 43-101. There is no current resource estimate for the Castle (Milner) Property.

The 1989 Cobalt Residents Geologist's Office reported that the Castle Mine, in operation since 1917, produced 763,127 kilograms (22.26 million ounces) of silver to 1989, from the No. 3 shaft alone. Included in this total is the most recent production from the Castle Mine during the 1979 to 1989 term by Agnico-Eagle Mines Limited which was reported as follows: 101,024 tonnes milled, 91,421 kilograms (2.67 million ounces) silver, 34,597 kilograms cobalt and 10,180 kilograms copper. Operations ceased in 1989 due to low silver prices. There are two other shafts in existence on the property, but the records are not complete enough to declare their full historical production numbers.

The Company has initiated a small orientation IP geophysical grid across the Castle (Milner) Property. In addition, a drill program begun mid-February, 2011, is also now in progress. A total of 6,000m drilling is planned. This is intended to test for continuation of known structures, as well as test horizons within and adjacent to the Nipissing diabase in the Gowganda area, which are still unexplored.

Historically, exploration in the Gowganda - Elk Lake area of the Nipissing diabase has focused on the upper 1/3 of the sill. Most of the resulting production has been mined from this horizon. However, looking at the entire Nipissing diabase, an estimated 75% or more of the silver - in silver mines between Gowganda and Silver Centre in South Lorrain, Cobalt, Ontario (about 160 km to the south) - has been mined from outside this horizon.

Compilation of all existing and available information on the property is underway and will be digitized in 2011 to allow a more thorough analysis of the geology and known mineralization. A great deal of

information and historic underground geological information has recently been acquired and is currently being added to the existing database.

Frank Basa, President and CEO, said, *‘Our strategy is to find past producing mines in mining-friendly jurisdictions, look to increase the resource and then put them back into production. We adopt this strategy because, with infrastructure and historical drilling already in place, this a comparatively quick and economic way to move forward. Some of the historical production at the Castle Silver Mine has been very exciting with grades up to 26 ounces per tonne.*

With all the success we’ve been having over at our Granada project, the Castle Silver project has, in my view, been rather overlooked. We felt the best way to realize its value for our shareholders is to spin it off into a separate company. At around \$36 an ounce, silver prices look very strong and there is so much future potential for it both as an industrial and a monetary metal. Yet quality companies that are entirely focused on silver seem in such short supply. So, going forward, we are very excited about Castle Silver Mines Inc.

In addition, we’re very excited about the cobalt.’

Gold Bullion is in the process of analyzing the most efficient and expeditious transaction structure for the spin-off. The details of the proposed transaction, the number of shares of Castle Silver Mines Inc. to be distributed to Gold Bullion shareholders, and the record date for the proposed share distribution have yet to be determined. The proposed transaction is subject to the Company obtaining all necessary board and regulatory approvals. Gold Bullion expects that the proposed transaction will be completed before the third quarter of 2011.

The royalties payable on the Castle Silver Mine are as follows;

- i) 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;
- ii) 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.

Gold Bullion's Qualified Person has not done sufficient work to classify the historical estimates referred to above as current mineral resources or mineral reserves, and the Company is not treating the said historical estimate as current mineral resources or mineral reserves. Accordingly, the historical estimates should not be relied upon. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

This news release was written by Frank J Basa P.Eng., President and Chief Executive Officer of Gold Bullion Development Corp. in his capacity as a qualified person under NI 43-101.

About Gold Bullion Development Corp.

Gold Bullion Development Corp. is a TSX Venture listed junior natural resource company focusing on the exploration and development of its Granada Gold Property near Rouyn-Noranda, Quebec, and its high grade Castle Silver Mine in Gowganda, Ontario.

For more information on Gold Bullion Development Corp. (TSXV:GBB) (OTCPINK:GBBFF), visit our web site: <http://www.GoldBullionDevelopmentCorp.com>.

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