GOLD BULLION DEVELOPMENT CORP.

Suite 1005, 1155 Rene Levesque West
Montreal, Quebec H3B 2J2
Tel: 514-397-4000 / Fax: 514-397-4002

March 4, 2014

TO OUR SHAREHOLDERS

From the Desk of Frank Basa, President and CEO

There is a new opportunity as mining activity in the region surrounding Granada has slowed leaving nearby mills with significant unused capacity. While owning our own mill remains on the agenda, the CAP-EX of an off-site custom milling arrangement reduces associated processing costs by up to two-thirds.

We are currently in discussions with those mills best positioned to meet our needs. Once a milling agreement is signed, the numbers for transport and processing will enable the rapid completion of the PFS.

In February we held public meetings with local residents in the communities surrounding the Granada mine site as part of our social and environmental responsibility as per the corporate communications plan.

We have also met with representatives from all levels of government; Federal, Provincial and Municipal to ensure regulatory, permitting, and environmental requirements are addressed in preparation for moving ahead.

The macro environment for junior miners and explorers appears to be changing. The gold price is up over 10% so far in 2014, acquisition activity has increased and money is beginning to flow back into this sector. We have never, nor are we now, counting on a $2,000 gold price for our mining plans to be economic; our strategy has always been to ensure positive cash flow even in a subdued gold price environment.

I have communicated openly with shareholders as many of you have taken advantage of the on-site forum platform during the past year. I have also appreciated the dozens of supportive comments recorded on the site.

I invite you to join us at the AGM in Montreal at 10:00 a.m. on Friday, April 4th to see exactly how close we are to the next milestones for Gold Bullion Development Corp.

Sincerely,

Frank J. Basa

Frank J. Basa
President and CEO
Gold Bullion Development Corp.

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General and Special Meeting (the "Meeting") of the shareholders of Gold Bullion Development Corp. (the "Company") will be held at Le Centre Sheraton Montreal, 1201 Boulevard Rene Levesque West, Montreal, Quebec on Friday, April 4, 2014 at 10:00 a.m. (Quebec time), for the following purposes:

1. To receive the audited financial statements of the Company for its financial year ended June 30, 2013 and the report of the auditors thereon.
2. To set the number of directors of the Company to be elected at five (5).
3. To elect directors of the Company for the ensuing year.
4. To appoint auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration for the ensuing year.
5. To ratify and approve adoption of the Company's advance notice policy.
6. To ratify and approve adoption of the Company's Share Option Plan, as more particularly described in the Information Circular and authorize the directors to make modifications thereto in accordance with the Stock Option Plan and the policies of the TSX Venture Exchange.
7. To approve a special resolution authorizing an amendment to the Notice of Articles and Articles of the Company so as to create "Granada Royalty Shares", as more particularly described in the Information Circular.
8. To ratify and approve, with or without modification, adoption of the Company's 2014 Shareholder Rights Plan, as more particularly described in the Information Circular.
9. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof. Management is not currently aware of any other matters that could come before the Meeting.

Accompanying this Notice of Annual General and Special Meeting are: (1) a letter to shareholders from the President and Chief Executive Officer of the Company; (2) a Management Information Circular, which provides additional information relating to the matters to be dealt with at the Meeting; (3) a Form of Proxy or Voting Instruction Form; (4) a return envelope for use by the shareholders to send in their Proxy or Voting Instruction Form; and (5) a financial statement request form for use by shareholders who wish to receive the Company's future audited financial statements and/or interim financial statements together with related Management's Discussion and Analysis. The report of the auditor and the audited financial statements of the Company for the financial year ended June 30, 2013 together with the related Management's Discussion and Analysis can be accessed through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The record date for the determination of the shareholders entitled to receive this Notice and to vote at the Meeting has been established as February 28, 2014.

Shareholders who cannot attend the Meeting in person may vote by proxy if a registered shareholder or provide voting instructions if a non-registered shareholder. Instructions for voting by registered shareholders or providing voting instructions by non-registered shareholders by mail, by phone and over the internet are included in the Management Information Circular. To be valid, proxies must be received by Computershare Investor Services Inc., the Company's transfer agent at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof. The Chairman of the Meeting has the discretion to accept late proxies.

DATED at Montreal, in the Province of Quebec, this 4th day of March, 2014.

BY ORDER OF THE BOARD

"Frank J. Basa"

Frank J. Basa
Chairman, President, Chief Executive Officer and Director

GOLD BULLION DEVELOPMENT CORP.

Suite 1005, 1155 Rene Levesque West
Montreal, Quebec H3B 2J2
Tel: 514-397-4000 / Fax: 514-397-4002

INFORMATION CIRCULAR

as at March 4, 2014

This information circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management of GOLD BULLION DEVELOPMENT CORP. (the "Company") for use at the Annual General and Special Meeting of shareholders of the Company (the "Meeting") to be held on Friday, April 4, 2014 at the time and place and for the purposes set forth in the accompanying Notice of Annual General and Special Meeting.

Notice of the Meeting was provided to the TSX Venture Exchange (the "TSX-V") and to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

"Non-Registered Shareholders" means shareholders who do not hold common shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders of the common shares held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements by them in so doing.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors and officers of the Company (the "Management Designees"). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The Management Designees named in the proxy will vote or withhold from voting the common shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

THE COMMON SHARES REPRESENTED BY THE ACCOMPANYING FORM OF PROXY WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER, HOWEVER, IF SUCH A DIRECTION IS NOT MADE IN RESPECT OF ANY MATTER, THIS PROXY WILL BE VOTED AS RECOMMENDED BY MANAGEMENT.

Registered Shareholders

If you are a Registered Shareholder, you may elect to submit a proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

(a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;

(b) using a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy for the toll free number, the holder's account number and the proxy access number; or

(c) using the internet through the website of the Company's transfer agent at www.computershare.com/ca/proxy. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting in his or her discretion, however the Chairman is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive this time limit for receipt of proxies without notice.

Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares) or as set out in the following disclosure.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. You are encouraged to follow the instructions provided by your Intermediary to provide your voting instructions. Your Intermediary will not vote your common shares without receiving instructions from you.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote your common shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a Voting Instruction

Form (“VIF”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your common shares at the Meeting. You have the right to appoint a person (who need not be a Non-Registered Shareholder of the Company), other than any of the persons designated in the VIF, to represent your common shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your common shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your common shares at the Meeting.

Non-Objecting and Objecting Beneficial Owners

There are two types of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs” or “Non-Objecting Beneficial Owners”. Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as “OBOs” or “Objecting Beneficial Owners”. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issue* (“NI 54-101”), the Company has elected to send the meeting materials to the NOBOs utilizing the services of Broadridge and indirectly to the OBOs through their Intermediaries. Please return your voting instructions as specified in the VIF or form of proxy delivered to you.

Please vote in sufficient time to allow your Intermediary to provide the proxy at least 48 hours *(excluding* Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related material in connection with the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

A Registered Shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by:

(a) depositing an instrument in writing, including another completed proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the

registered and records office of the Company located at Suite 401, 1231 Barclay Street, Vancouver, British Columbia V6E 1H5, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, (ii) with Computershare Investor Services Inc., Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof;

(b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or

(c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's common shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company.

A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Record Date

In accordance with applicable laws, the Board of Directors of the Company has provided notice of and fixed the record date as of February 28, 2014 (the "Record Date") for the purposes of determining shareholders entitled to receive notice of, and to vote at, the Meeting, and has obtained a list of all persons who are Registered Shareholders at the close of business on the Record Date and the number of common shares registered in the name of each Registered Shareholder on that date. Each Registered Shareholder as at the close of business on the Record Date will be entitled to receive notice of the Meeting and will be entitled to one vote at the Meeting for each common share registered in his or her name as it appears on the list.

Description of Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at February 28, 2014, the Company had outstanding 257,606,874 fully paid and non-assessable common shares without par value, each common share carrying the right to one vote. The Company has no other classes of voting securities.

Ownership of Securities of the Company

To the knowledge of the directors and executive officers of the Company, no individual person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the common shares of the Company.

The directors and officers of the Company collectively own or control, directly or indirectly, in the aggregate, 14,605,225 common shares of the Company, representing approximately 5.7% of the outstanding common shares as at February 28, 2014.

VOTES NECESSARY TO PASS RESOLUTIONS

The Articles of the Company provide that at least one person present in person or by proxy, being a shareholder entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled constitutes a quorum for the Meeting in respect of holders of the common shares of the Company. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a “special resolution”). If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS.

STATEMENT OF EXECUTIVE COMPENSATION

A. Named Executive Officers

For the purposes of this Information Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

(a) “CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

(b) “CFO” means an individual who acted as chief financial officer of the Company; or acted in a similar capacity, for any part of the most recently completed financial year;

(c) each of the Company’s three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 of National Instrument 51-102 which deals with Continuous Disclosure Obligations, for that financial year; and

(d) each individual who would be a Named Executive Officer under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During its financial year ended June 30, 2013, the following individuals were Named Executive Officers of the Company, namely:

1. Frank J. Basa, Chairman, President and Chief Executive Officer (June 18, 2004 to present). Frank Basa was also Acting Chief Financial Officer from October 10, 2008 to July 3, 2009. He has also been President and Chief Executive Officer of Castle Silver Mines Inc., the Company's wholly owned subsidiary, since its incorporation on March 10, 2011 to present.

2. Thomas P. Devlin, Chief Financial Officer of the Company (July 3, 2009 to present) and Chief Financial Officer of Castle Silver Mines Inc. (March 10, 2011 to February 15, 2013 and from April 30, 2013 to present).

3. Derrick West, Chief Financial Officer of Castle Silver Mines Inc. (February 15, 2013 to April 30, 2013).

Roger Thomas, the Corporate Secretary, is the only other officer of the Company. He has held the position since March 19, 2010.

B. Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers.

The Company is an exploration stage company and currently has interests in exploration and development properties in Canada, namely the Granada Gold Property located in Rouyn-Noranda, Quebec, the Beaver and Violet silver properties located in the township of Coleman, Ontario and, through its wholly-owned subsidiary, Castle Silver Mines Inc., the Castle Silver Mine Property in Gowganda, Ontario. Substantially all of the Company's efforts are devoted to financing and developing these properties, with emphasis on the Granada Gold Property. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

The Company has, as of yet, no significant revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the Board of Directors has to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long-term. An important element of executive compensation is that of stock options, which do not require cash disbursement by the Company. Additional information about the Company and its operations is available at its website http://www.goldbulliondevelopmentcorp.com, and in its audited financial statements and Management's Discussion & Analysis for the year ended June 30, 2013, which were filed with regulators on October 25, 2013 and are available for viewing through the internet on SEDAR, which can be accessed at www.sedar.com.

Compensation Objectives and Principles

Given the Company's current size and stage of development, the Board of Directors has not appointed a compensation committee and accordingly the Board as a whole is responsible for determining the compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risk associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

The Board reviews on an annual basis the corporate goals and objectives relevant to executive compensation, evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns and the awards given to executive officers in past years. The Board may also take into consideration the value of similar incentive awards to executive officers at comparable junior resource companies listed on the TSX-V, however, as of the date of this Information Circular, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board.

Compensation Process

Executive compensation is comprised of three elements: (i) base fee or salary (or alternatively in the form of consulting fees); (ii) short-term incentive compensation (discretionary cash bonuses); and (iii) long-term incentive compensation (stock options). The Board reviews all three components in assessing the compensation of individual executive officers and of the Company as a whole.

Base fees, salaries or consulting fees and bonuses are intended to provide current compensation and a short-term incentive for executive officers to meet the Company goals, as well as to remain competitive with the industry. Base fees, salaries or consulting fees are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers and the amount of time and energy devoted to the Company's business and affairs. See "Termination of Employment, Change in Responsibilities and Employment Contracts" below for a summary of the services provided to the Company by certain executive officers of the Company or private companies controlled by such officers. Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, his or her achievement of individual and corporate objectives and the Company's financial performance. No cash bonuses were paid to the Company's executive officers for the financial year ended June 30, 2013. See "Summary Compensation Table" below.

Stock options are an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and is intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company's shares and enables executives to acquire and maintain a significant ownership position in the Company. See "Option-Based Awards" below.

Option Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's share option plan to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer first joins the Company based on his or her level of responsibility with the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company. The Board also evaluates the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants.

Risks Associated with Compensation Policies and Practices

The Company's compensation policies and practices are intended to align management incentives with the long-term interests of the Company and its shareholders. In each case, the Company seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation, (ii) balancing base salary and variable compensation elements, (iii) spreading compensation across short and long-term programs; and (iv) vesting of stock options over a period of time.

Financial Instruments

The Company does not currently have a policy with respect to whether or not a Named Executive Officer or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director**.**

C. Summary Compensation Table

The following table contains information about the compensation paid to, or earned by, those who were during the financial year ended June 30, 2013 the Company's Named Executive Officers.

Name and principal position	Year	Salary ($)	Share based awards ($)	Option based awards ($)[1]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compen-sation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Frank J. Basa[2] Chairman, President, and CEO	2013	Nil	Nil	Nil	Nil	Nil	Nil	414,064[4]	414,064
	2012	Nil	Nil	192,000[3]	Nil	Nil	Nil	562,628[4]	754,628
	2011	Nil	Nil	489,600[3]	Nil	Nil	Nil	329,175[4]	818,775
Thomas P. Devlin[5] CFO	2013	Nil	Nil	Nil	Nil	Nil	Nil	109,536[7][8]	109,536
	2012	Nil	Nil	72,000[6]	Nil	Nil	Nil	103,032[7][8]	175,032
	2011	Nil	Nil	Nil	Nil	Nil	Nil	73,256[7][8]	73,256
Derrick West[9] Former CFO of Castle Silver Mines Inc.	2013	Nil	Nil	30,600[10]	Nil	Nil	Nil	168,254[11]	198,854
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) The estimated fair value of the stock options granted during the years ended June 30, 2013, 2012 and 2011 was determined using a Black-Scholes option pricing model with the following weighted average assumptions:

(a) for 2013, (i) risk-free interest rate of 1.08% - 1.63%; (ii) expected volatility of 99% - 150%; (iii) expected dividend yield of 0.0; (iv) expected life (years) of 1-5 years; and (v) estimated fair value at grant date of $0.019 – 0.062.

(b) for 2012, (i) risk free interest rate of 1.83%; (ii) expected volatility of 85%; (iii) expected dividend yield of 0.0; (iv) expected life (years) of 0.46 years; and (v) estimated fair value at grant date of $0.027.

(c) for 2011, (i) risk free interest rate of 2.00%; (ii) expected volatility of 107%; (iii) expected dividend yield of 0.0; (iv) expected life (years) of 0.35 years; and (v) estimated fair value at grant date of $0.22.

The Company chose the Black-Scholes model because it is recognized as the most common methodology for valuing option and doing value comparisons.

(2) Frank J. Basa has been Chairman, President and Chief Executive Officer of the Company since June 18, 2004. He was Acting Chief Financial Officer of the Company from October 10, 2008 until July 3, 2009 when Thomas P. Devlin was appointed. He has held the position of President and Chief Executive Officer of Castle Silver Mines Inc., the Company's wholly owned subsidiary, since its incorporation on March 10, 2011 to present.

(3) The options granted in 2012 to purchase 1,200,000 shares at $0.13 per share were valued using an accounting value of $0.16 per share. The options granted in 2011 to purchase 900,000 shares at $0.48 per share were valued using an accounting value of $0.544 per share.

(4) Frank J. Basa received compensation pursuant to a management agreement dated January 1, 2007, as amended December 1, 2010, and May 16, 2013, between Grupo Moje Limited, a company beneficially owned by Frank J. Basa, and Gold Bullion. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" for details.

(5) Thomas P. Devlin was appointed Chief Financial Officer of the Company on July 3, 2009. He was also Chief Financial Officer of Castle Silver Mines Inc., the Company's wholly owned subsidiary, from March 10, 2011 to February 15, 2013 and from April 30, 2013 to present.

Name and principal position	Year	Salary ($)	Share based awards ($)	Option based awards ($)[1]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compen-sation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			

(6) The options granted in 2012 to purchase 450,000 shares at $0.13 per share were valued using an accounting value of $0.16 per share.

(7) Thomas P. Devlin received compensation pursuant to a consulting agreement dated March 1, 2011, as amended February 1, 2012. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" for details.

(8) Based on exchange rate of US$ = CDN $1.05 calculated as at June 30, 2013, US$1 = CDN $1.02 calculated as at June 30, 2012, US$1 = CDN $0.96 as at June 30, 2011.

(9) Derrick West was appointed Chief Financial Officer of the Company' wholly-owned subsidiary, Castle Silver Mines Inc., on February 15, 2013 and resigned on April 30, 2013.

(10) The options granted in 2013 to purchase 600,000 shares at $0.10 per share were valued using an accounting value of $0.051 per share.

(11) Derrick West received $102,110 pursuant to a consulting agreement dated February 15, 2013 with Gold Bullion and $66,144 pursuant to a consulting agreement with Castle Silver Mines Inc. dated February 15, 2013. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" for details.

D. Incentive Plan Awards

Option-Based Awards and Share-Based Awards

The following table sets out for each Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2013.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Frank J. Basa	600,000 500,000 2,278,000 900,000 1,200,000	$0.10 $0.10 $0.46 $0.48 $0.13	Sept. 9, 2014 Feb. 12, 2015 June 21, 2015 October 6, 2015 January 4, 2022	Nil Nil Nil Nil Nil	Nil	Nil	Nil
Thomas P. Devlin	360,000 450,000	$0.46 $0.13	June 21, 2015 January 4, 2022	Nil Nil	Nil	Nil	Nil
Derrick West	600,000[2]	$0.10	February 15, 2018	Nil	Nil	Nil	Nil

Notes:

(1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX-V on June 28, 2013 ($0.03), the last day the common shares traded on the Exchange for the financial year ended June 30, 2013.

(2) Derrick West resigned on April 30, 2013 as Chief Financial Officer of Castle Silver Mines Inc., the Company's wholly owned subsidiary. Pursuant to the terms of the Company's Stock Option Plan, these options subsequently expired unexercised.

Value Vested or Earned During the Year

There was no value vested or earned during the year ended June 30, 2013 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by Named Executive Officers of the Company. All option-based awards vest immediately upon date of grant.

E. Pension Plan Benefits and Deferred Compensation Plans

There are no pension plan benefits or deferred compensation plans in place for the Named Executive Officers.

F. Termination of Employment, Change in Responsibilities and Employment Contracts

The Company is not party to any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any compensation from the Company in the event of resignation, retirement or any other termination of employment of such persons, change of control of the Company of the Company, or a change in the Named Executive Officer's responsibilities following a change of control, except as disclosed below:

Frank J. Basa, Chairman, President and Chief Executive Officer

Effective January 1, 2007, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by Frank J. Basa, a director, Chairman, President and Chief Executive 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 which is quoted in U.S. dollars and converted into Canadian dollars on the same date 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. Effective May 16, 2013, this agreement was amended to change the management fee from 20 ounces of gold per month to $25,000 per month for the services of Mr. Frank Basa and to $11,666.67 per month for the services of Ms. Elaine Basa. Effective January 1, 2014 this agreement was further amended to reflect that Grupo would provide the management services of Frank Basa in consideration for a nominal annual fee of $1.00 (but retaining the change in control or change in management payout) whilst Mineral Recovery Management Systems Corp., a company controlled by Frank Basa and his spouse, Elaine Basa, would provide project management, engineering and geological services to Gold Bullion in connection with its Granada gold project, Castle Silver Mine, Beaver Mine and Violet Mine in consideration for a monthly fee of $25,000 for Frank Basa and $11,666 for Elaine Basa. Such consulting fees shall not exceed an annual fee of $300,000 for services provided by Frank J. Basa and $140,000 for services provided by Elaine Basa.

Thomas P. Devlin, Chief Financial Officer

Effective March 1, 2011, the Company entered into a consulting agreement with Thomas P. Devlin, the Chief Financial Officer of the Company at a monthly fee of US $6,000. 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 US $72,000. Effective February 1, 2012, this agreement was amended as follows: The fee for consulting services is US $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 US $96,000.

Derrick West, Chief Financial Officer, Castle Silver Mines Inc.

Effective February 15, 2013 Castle Silver Mines Inc. entered into a consulting agreement with Derrick West at a monthly fee of $3,000 to provide the services of Chief Financial Officer. The agreement provides for reimbursement of out-of-pocket expenses and costs of up to $4,000 to cover installation of a home office. The agreement provided

for four months' notice to terminate subject to certain provisions and was subsequently terminated on April 30, 2013 when Mr. West resigned.

Effective February 15, 2003 Gold Bullion entered into a consulting agreement with 607346 NB Inc., a private company wholly owned by Derrick West, to provide consulting services in connection with debt and equity fund raising at a monthly fee of $13,666. The agreement included reimbursement of out-of-pocket expenses. The agreement provided for four months' notice to terminate subject to certain provisions and was subsequently terminated on April 30, 2013 when Mr. West resigned.

Certain directors of the Company are also entitled to receive compensation from the Company in the event of change of control or change of control of the Company. Refer to "Management Contracts" below for details.

G. Compensation of Directors

Compensation of Directors

The Company does not pay its directors a fee for their services as such, except as disclosed herein in the form of consulting fees or grant of stock options. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Company may, from time to time, grant incentive stock options to purchase common shares to its directors.

The following table sets forth information in respect of all compensation paid to, or earned by, the directors of the Company during the financial year ended June 30, 2013, but excludes compensation paid to Frank Basa in his capacity as a director of the Company as he is a Named Executive Officer whose compensation is disclosed above.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)[(1)]	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Roger Thomas	Nil	Nil	Nil	Nil	Nil	114,000[(4)]	114,000
Jacques F. Monette	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ronald J. Goguen, Sr.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Annemette Jorgensen	Nil	Nil	Nil	Nil	Nil	96,000[(5)]	96,000

Notes:

(1) Roger Thomas received compensation pursuant to a consulting agreement dated July 1, 2010, as amended January 1, 2012 and July 1, 2013. Refer to "Management Contracts" below for details.

(2) Annemette Jorgensen received compensation pursuant to a consulting agreement dated December 1, 2010, as amended October 1, 2011 and July 1, 2013. Refer to "Management Contracts" below for details.

Option-Based and Share-based Awards to Directors

The following table sets out for each director, other than a director who is also a Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2013.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Roger Thomas	400,000 760,000 600,000	$0.10 $0.46 $0.13	Sept. 9, 2014 June 21, 2015 January 4, 2022	Nil Nil Nil	Nil	Nil	Nil
Jacques F. Monette	200,000 360,000 600,000	$0.10 $0.46 $0.13	Sept. 9, 2014 June 21, 2015 January 4, 2022	Nil Nil Nil	Nil	Nil	Nil
Ronald J. Goguen, Sr.	600,000 600,000	$0.35 $0.13	March 25, 2016 January 4, 2022	Nil Nil	Nil	Nil	Nil
Annemette Jorgenson	125,000 260,000 300,000	$0.15 $0.46 $0.13	March 3, 2015 June 21, 2015 January 4, 2022	Nil Nil Nil	Nil	Nil	Nil

Notes:

(1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the Exchange on June 28, 2013 ($0.03), the last day the common shares traded on the Exchange for the financial year ended June 30, 2013.

Value Vested or Earned During the Year

There was no value vested or earned during the year ended June 30, 2013 in respect of option-based awards, share-based awards and non-equity incentive plan compensation by directors of the Company. All option-based awards vest immediately upon date of grant.

H. Management Contracts

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" above for details of management/consulting contracts with executive officers of the Company.

Roger Thomas, Director and Corporate Secretary

Effective July 1, 2010, the Company entered into a consulting agreement with Roger Thomas, a director and Corporate Secretary of the Company at a monthly fee of $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. Effective January 1, 2012, this agreement was amended as follows: The fee for consulting services is $9,500 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 $114,000. Effective July 1, 2013 this agreement was amended to change the fee for consulting services to approximately $60 per hour. Effective September 16, 2013, the director agreed to forgive 50% of the fee for a period of six months.

Annemette Jorgensen, Director

Effective December 1, 2010, the Company entered into a consulting agreement with Annemette Jorgensen, a consultant of the Company at a monthly fee of $6,500 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 $78,000. Effective October 1, 2011, this agreement was amended as follows: The fee for consulting services is $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 $96,000. On April 12, 2012 this consultant was appointed a director of the Company. Effective July 1, 2013 this agreement was amended to change the fee for consulting services to $50 per hour. Effective September 16, 2013, the director agreed to forgive 50% of the fee for a period of six months.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The only equity compensation plan which the Company has in place is its Share Option Plan (the "Plan") which was previously approved by shareholders of the Company on March 22, 2013. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of common shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding common shares at the date of grant. All current options expire on a date not later than ten years after the issuance of such option.

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as at the financial year ended June 30, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	19,490,000	$0.29	3,358,697[(1)]
Equity compensation plans not approved by securityholders	N/A		
Total	19,490,000	$0.29	3,358,697[(1)]

Notes:

(1) Calculated based on 10% of the issued and outstanding share capital as at June 30, 2013 of 228,486,974 (being 22,848,697 less the number of options outstanding of 19,490,000. The stock options are governed by the Company's Share Option Plan, as more particularly described below.

CORPORATE GOVERNANCE DISCLOSURE

General

Corporate governance relates to the activities of the board of directors of the Company (the "**Board**"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company annually discloses information relating to its system of corporate governance which disclosure is set out below.

Structure and Composition

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, Section 5.7 of Policy 3.1 of the TSX-V requires that each listed company must have at least "two" independent directors, as that term is defined in NI 52-110.

During the financial year ended June 30, 2013 the Board was composed of five directors, namely: Frank J. Basa, Roger Thomas, Jacques F. Monette, Ronald J. Goguen, Sr. and Annemette Jorgensen. Of the current directors, Jacques F. Monette and Ronald J. Goguen, Sr. are deemed to be "independent". Frank Basa, as Chairman, President and Chief Executive Officer of the Company, and Roger Thomas, Corporate Secretary, are not independent by virtue of being officers of the Company and receiving management and consulting fees. Annemette Jorgensen is not independent by virtue of receiving consulting fees.

The Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

As of the date of this Circular, certain directors of the Company are also directors and/or officers of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction as follows:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director or Officer
Frank J. Basa	Nil
Roger Thomas	Nil
Ronald J. Goguen, Sr.	Colibri Resource Corporation
Jacques F. Monette	Fletcher Nickel Inc. Excel Gold Mining
Annemette Jorgensen	Nil

Orientation and Continuing Education

The Company does not currently have any formal orientation for new directors and this is considered to be appropriate, given the Company's size and current level of operations. Orientation and education of new directors is carried out through an informal process. New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies and are provided with access to recent, publicly filed documents of the Company, technical reports and internal financial information. The Company also provides technical presentations and/or information to new directors where necessary to ensure that they possess or have access to the technical skills and knowledge necessary for them to meet their obligation as directors.

In addition, the skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds. who have, collectively, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading “Election of Directors” for a description of the current principal occupations of the Company's Board.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. On February 16, 2007 the Company adopted a formal Code of Conduct, a copy of which is available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Company also adopted an Insider Trading Policy on August 18, 2006, a copy of which is available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of

the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees (see "Other Board Committees" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

The Board is not, however, involved in the day to day operations of the Company. Such operations are delegated to the Company's management, more specifically the President/CEO and CFO. Specifically, the Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

Nomination of Directors

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President/CEO, and the Board considers the advice and input from all directors regarding, inter alia, the appropriate size of Board. the necessary qualifications and skills of the Board as a whole and of each director individually, and the recommendation of new individuals willing to serve as directors who offer experience and expertise in an area of strategic interest to the Company as well as the ability to devote the time required.

Compensation

The Company does not have a Compensation Committee.

Given its relatively small size the entire Board currently performs the functions of a Compensation Committee of the Company with the responsibility for reviewing the adequacy and form of compensation of executive officers and directors having regard to, among other things, the responsibilities and risks associated with each executive officer's and director's position, the Company's overall performance and shareholder returns.

Meeting Attendance

As Board members reside in many different geographic locations, a director is considered in attendance regardless of whether he or she attends by conference call or in person. Non-independent directors may be asked to attend committee meetings in order to benefit from presentations or discussions.

The table below details the attendance of Board members at director and committee meetings since the beginning of the Company's most recently completed financial year ended June 30, 2013:

Name of Director	Number of Meetings Attended	Type of Meeting
Frank J. Basa	6 of 6	Director
Roger Thomas	6 of 6	Director
Ron Goguen, Sr.	5 of 6	Director
Jacques Monette	5 of 6	Director
Annemette Jorgensen	6 of 6	Director

The majority of the Board's decisions during the year were passed by way of written consent resolutions following informal discussions amongst the directors and management.

Other Board Committees

The current operations of the Company do not support a large Board of Directors and the Board has determined that the current composition of the Board is appropriate for the Company's current stage of development. Given its relatively size the entire Board takes responsibility for the overall stewardship of the Company an accordingly, other than the Audit Committee, the Company does not have any other Board committees.

Assessments

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual director, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individuals directors on an ad hoc basis.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 (NI 52-110) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "Audit Committee") and its relationship with its independent auditors, as set forth in the following:

Composition of the Audit Committee

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

During the financial year ended June 30, 2013 the Audit Committee consisted of Frank J. Basa, Jacques F. Monette and Ronald J. Goguen, of which Frank Basa is the Chair. All members are directors of the Company. Frank Basa is not deemed to be independent in that he is an officer of the Company. Jacques F. Monette and Ronald J. Goguen are deemed to be independent. All members of the Audit Committee are “financially literate” as that term is defined in NI 52-110.

The Audit Committee's Charter

The Company adopted a charter (the "Charter") of the Audit Committee on November 29, 2007, a copy of which may be viewed through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and forms part of the Management Information Circular filed November 30, 2007. A copy of the Charter was also filed on SEDAR on February 8, 2010.

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

(a) Review and update this Charter annually.

(b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

(a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

(b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

(e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

(i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the financial year in which the non-audit services are provided;

(ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

(e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

(i) Review certification process.

(j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Relevant Education and Experience

Frank J. Basa, Chairman, President, CEO and Director

Mr. Basa has over 28 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is President of Grupo Moje Ltd. And Mineral Recovery Management Services Corporation and a director, President and Chief Executive Officer of Castle Silver Mines, a wholly owned subsidiary of Gold Bullion, since March 10, 2011.

Jacques F. Monette, Director

Although Mr. Monette does not have the benefit of a formal university education he has extensive practical experience, a career miner who has been engaged in every facet of underground mining for more than 40 years. His previous positions included Shaft Project Coordinator with Cementation Canada Inc., Vice President of Operations/Mining Division for Wabi Development Corp., Vice President of Development for CMAC Mining Group, Operations Manager for Moran Mining and Tunneling, as well as Area Manager for J.S. Redpath Group. Mr. Monette is also a director of Castle Silver Mines Inc. since March 10, 2011.

Ronald J. Goguen, Sr.

Mr. Goguen was the president and CEO of Major Drilling from the early 1980's until 2000, building the firm into one of the largest drilling companies in the world with 33 operations in 15 countries. Since leaving Major Drilling, Mr. Goguen was chairman and co-founder of Beaver Brook Antimony Mine Inc., which is the largest antimony mine outside China. He remains one of its directors. He was a member of the board of directors of Northeast Bancorp for 20 years (1990 to 2010). In 1995, he was named Atlantic Canada's Entrepreneur of the year as presented by Government General of Canada.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

Exemption

As a "venture issuer" as defined in NI 52-110, the audit committee of the Company relies on the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Bratt Fremeth Star, S.E.N.C. to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two financial years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended	
	June 30, 2012	June 30, 2013
Audit Fees[(1)]	$80,000	$52,000
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	Nil	$10,500
All Other Fees[(4)]	Nil	Nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fes also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that a traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended June 30, 2013, or has any interest in any material transaction in the current year other than as set out herein or disclosed below:

1. On October 21, 2013 the Company closed a non-brokered private placement financing by the issuance of 13,857,200 units at a purchase price of $0.07 per unit for gross proceeds of $970,004. Each unit consists of one flow-through common share in the capital of the Company and one-half of a non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share in the capital of the Company on or before April 21, 2015, at a purchase price of $0.10 per share. Of the foregoing, 1,000,000 units were subscribed for by Mineral Recovery Managements Systems Corp., a company controlled by Frank Basa and his spouse, Elaine Basa. Frank Basa is a director and executive officer of Gold Bullion.

2. On January 31, 2014 the Company closed a non-brokered private placement financing by the issuance of 15,212,700 units at a purchase price of $0.05 per unit for gross proceeds of $760,635. Each unit consists of one flow-through common share in the capital of the Company and one-half of a non-transferable share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share in the capital of the Company on or before January 31, 2017, at a purchase price of $0.10 per share. Of the foregoing, 2,800,000 units were subscribed for by Mineral Recovery Management Systems Corp., a company controlled by Frank Basa and his spouse, Elaine Basa. 570,000 units were subscribed for by Roger Thomas and 480,000 units by Annemette Jorgensen. Frank Basa, Roger Thomas and Annemette Jorgensen, are directors of Gold Bullion.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed in this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate or affiliate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. PRESENTATION OF FINANCIAL STATEMENTS

At the Meeting, the Chairman of the Meeting will present to shareholders the financial statements of the Company for the year ended June 30, 2013 and the auditors' report thereon.

2. ELECTION OF DIRECTORS

(a) Setting Number of Directors

The board of directors of the Company presently consists of five directors. The term of office of each of the present directors expires at the Meeting. Shareholders will be asked at the Meeting to approve an ordinary resolution that the number of directors elected be set at five (5) for the ensuing year, subject to such increase as may be permitted by the articles of the Company and the provisions of the *Business Corporations Act* ((British Columbia).

MANAGEMENT RECOMMENDS THE APPROVAL OF THE RESOLUTION TO SET THE NUMBER OF DIRECTORS OF THE COMPANY AT FIVE. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION SETTING THE NUMBER OF DIRECTORS AT FIVE.

(b) Election of Directors

The term of office of each of the current directors expires at the Meeting. The Company's board of directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) or he or she becomes disqualified to act as a director.

On January 6, 2014 the Company's board of directors adopted an advance notice policy (the "Advance Notice Policy") which policy is being put forth to shareholders at this Meeting to be ratified, approved and confirmed. The policy provides shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders. A copy of the Company's Advance Notice Policy is attached to this Information Circular as Schedule "B" and may also be viewed under the Company's profile on SEDAR at www.sedar.com.

The table below sets forth for each management nominee for election as director, (i) their name, (ii) the province or state and country where they reside, (iii) all offices of the Company now held by each of them, including committees on which they serve, (iv) their principal occupations, businesses or employments, (v) the period of time during which each has been a director of the Company, and (vi) the number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed, as of the date of this Information Circular.

Name, Province or State and Country of Residence, and Current Position with the Company	Occupation, Business or Employment[1]	Director of Company Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised[1][2]
Frank J. Basa[3] Haileybury, Ontario Canada Chairman, President, Chief Executive Officer and Director	Chairman, President and Chief Executive Officer of the Company since 2004; Acting Chief Financial Officer of the Company, October 2008 to July 2009; President, Chief Executive Officer and Director, Castle Silver Mines Inc. 2011 to present; President, Grupo Moje Ltd. and Mineral Recovery Management Services Corp.	June 10, 2004	10,824,500[4]
Roger Thomas Nepean, Ontario Canada Director and Corporate Secretary	Corporate Secretary of the Company since March 2010; Director, Castle Silver Mines Inc., 2011 to present; Mr. Thomas retired after more than 30 years as an investment advisor in the securities industry, for such firms as Blackmont Capital Inc. from 2003 to 2008, Orion Securities Inc. (previously called Yorkton Securities Inc.) from 2000 to 2003, Research Capital Corporation from 1991 and 1998.	October 22, 2008	2,451,725[5]
Jacques F. Monette[3] Dieppe, New Brunswick Canada Director	Shaft Project Coordinator, J.S. Redpath Group, 2012 to present; VP Marketing, Landdrill International Inc., 2009 to 2012; Staff Coordinator, Sanitation Canada, 2007 to 2009; previously Vice-President of Business Development of Wabi Development Corp., a contract mining company; Vice-President, Operations of CMAC, a contract mining company.	July 7, 2008	200,000[6]
Ronald J. Goguen, Sr.[3] Moncton, New Brunswick Canada Director	President and Chief Executive Officer, Landdrill International Inc., 2005 to 2013; President and CEO of Major Drilling Group International Inc. from 1995 to 2000; Chairman and co-founder of Beaver Brook Antimony Mines Inc., Director, Northeast Bank for 20 years (1990 to 2010).	March 24, 2011	399,000[7]
Annemette Jorgensen Vancouver, British Columbia Canada Director	Head of the Company's Corporate Development since February 2010; Media Content Manager, BTV Business Television, February 2008 to January 2010; Residential Leasing Manger, Bentall Capital Corp., December 2002 to February 2007; Manager of Debenture Investments, Samoth Capital Corporation, Public Company Merchant Banking, 1994 to 2001.	April 12, 2012	480,000[8]

Notes:

(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.

Name, Province or State and Country of Residence, and Current Position with the Company	Occupation, Business or Employment[(1)]	Director of Company Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised[(1)(2)]

(2) The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by insider reports filed on SEDI and by the nominees themselves.

(3) Member of the Company's Audit Committee, of which Frank Basa is the Chair.

(4) Of these shares, 4,349,500 are held indirectly by Grupo Moje Limited, a private company controlled by Mr. Basa and 4,349,500 are held indirectly by Mineral Recovery Management Systems Corp., a private company controlled by Mr. Basa and his spouse. In addition, Mr. Basa holds incentive stock options entitling him to purchase up to an aggregate of 5,478,000 common shares in the capital of the Company, consisting of: (i) 600,000 options at an exercise price of $0.10 per share for a five year term expiring on September 9, 2014; (ii) 500,000 options at an exercise price of $0.10 per share for a five year term expiring on February 12, 2015; (iii) 2,278,000 options at an exercise price of $0.46 per share for a five year term expiring June 21, 2015; (iv) 900,000 options at an exercise price of $0.48 per share for a five year term expiring October 6, 2015; and (v) 1,200,000 options at an exercise price of $0.13 per share for a ten year term expiring January 4, 2022. Mr. Basa also holds share purchase warrants entitling him to purchase up to an aggregate of 1,900,000 common shares in the capital of the Company, consisting of: (i) 500,000 warrants exercisable at $0.10 per share on or before April 21, 2015; and (ii) 1,400,000 warrants exercisable at $0.10 per share on or before January 31, 2017.

(5) Mr. Thomas also holds incentive stock options entitling him to purchase up to an aggregate of 1,760,000 common shares in the capital of the Company, consisting of (i) 400,000 options at an exercise price of $0.10 per share for a five year term expiring September 9, 2014; (ii) 760,000 options at an exercise price of $0.46 per share for a five year term expiring June 21, 2015; and (iii) 600,000 options at an exercise price of $0.13 per share for a ten year term expiring January 4, 2022. He also holds 100,000 warrants exercisable at $0.175 per share on or before April 23, 2013. Mr. Thomas holds share purchase warrants entitling him to purchase up to 385,000 common shares in the capital of the Company exercisable at $0.10 per share on or before January 31, 2017.

(6) Mr. Monette holds incentive stock options entitling him to purchase up to an aggregate of 1,160,000 common shares in the capital of the Company, consisting of (i) 200,000 options at an exercise price of $0.10 per share for a five year term expiring September 9, 2014; (ii) 360,000 options at an exercise price of $0.46 per share for a five year term expiring June 21, 2015; and (iii) 600,000 options at an exercise price of $0.13 per share for a ten year term expiring January 4, 2022.

(7) Mr. Goguen holds incentive stock options entitling him to purchase up to an aggregate of 1,200,000 common shares in the capital of the Company, consisting of (i) 600,000 options at an exercise price of $0.35 per share for a five year term expiring March 25, 2016; and (ii) 600,000 options at an exercise price of $0.13 per share for a ten year term expiring January 4, 2022.

(8) Ms. Jorgensen holds incentive stock options entitling him to purchase up to an aggregate of 685,000 common shares in the capital of the Company, consisting of (i) 125,000 options at an exercise price of $0.15 per share for a five year term; (ii) 260,000 options at an exercise price of $0.46 per share for a five years term; and (iii) 300,000 options at an exercise price of $0.13 per share for a ten year term. Ms. Jorgensen holds share purchase warrants entitling her to purchase 240,000 common shares in the capital of the Company exercisable at $0.10 per share on or before January 31, 2017.

Frank J. Basa, P. Eng., President, CEO & Chairman

Frank Basa joined the Board in 2004. He has over 28 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is also President of Grupo Moje Ltd. and Mineral Recovery Management Services Corporation and a director, President and Chief Executive Officer of Castle Silver Mines Inc. since March 10, 2011, which company was incorporated as a wholly-owned subsidiary of

Gold Bullion with the intention of taking over the silver assets and exploration activities currently carried on by Gold Bullion.

Roger Thomas, Director and Corporate Secretary

Roger Thomas is a valuable member of the Gold Bullion team and brings a career in the investment industry that spanned some 3 decades. He joined Gold Bullion as a director in 2008 after gaining considerable expertise in finance and marketing with The National Bank, Blackmont Capital and B.C.E among others. He holds an O.N.C. in Engineering from Garretts Green Tech. (England), an H.N.C. in Electronics from South Birmingham Tech (England), and a B.A. (Economics) from Carleton University. Previous to that he used his expertise with the U.S. Air Force and Canadian Military to ensure optimum performance from their sophisticated communication systems.

Jacques F. Monette, Director

Jacques Monette has been a Gold Bullion director since 2008. He is a career miner who has been engaged in every facet of underground mining for more than 40 years. His previous positions included Shaft Project Coordinator with Cementation Canada Inc., Vice President of Operations/Mining Division for Wabi Development Corp., Vice President of Development for CMAC Mining Group, Operations Manager for Moran Mining and Tunneling, as well as Area Manager for J.S. Redpath Group. He is also a director of Castle Silver Mines Inc. since March 10, 2011.

Ronald Goguen, Director

Ronald Goguen, Sr. has been a director of Gold Bullion since 2011. He purchased his first exploration drilling company, Ideal Drilling, in 1980. In 1981, he added a second exploration drilling company and increased sales and net income significantly. Those companies were combined to become Major Drilling Group International Inc., a publicly traded company that has traded on the TSX-V since March 1995. He served as President and Chief Executive officer until 2000 and during this time was a key driving force in building Major Drilling into one of the largest mineral drilling service companies in the world (33 operations in 15 countries). Since leaving Major Drilling in 2000, Mr. Goguen was chairman and co-founder of Beaver Brook Antimony Mine Inc., which is the largest antimony mine outside China. He remains one of its directors. He was a member of the board of directors of Northeast Bank of 20 years (1990 to 2010). During 1995, he was named Atlantic Canada's Entrepreneur of the year as presented by Government General of Canada.

Annemette Jorgensen, Director

Annemette Jorgensen has been head of Corporate Development with Gold Bullion since February 2010. Recently appointed Director in April 2012, she brings two decades of finance, media, marketing and investor relations' expertise to the Gold Bullion Board. As Manager of Debentures Investments with Samoth Capital Corporation she was responsible for raising over a million dollars per month. Other executive positions held include Residential Leasing Manager at Bentall Capital Corporation and Corporate Sales Manager with The Vancouver Board of Trade.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders and Bankruptcies

No proposed director (including any personal holding company of a proposed director):

(a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including Gold Bullion) that

    (i) was the subject of a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30

consecutive days, (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director chief executive officer or chief financial officer;

Except as follows:

On November 6, 2008 the British Columbia Securities Commission (the "BCSC") issued a cease trade order against the Company under Section 164 of the *Securities Act* (British Columbia) for failure to file audited financial statements for the year ended June 30, 2008 together with related Management's Discussion and Analysis and certification of annual filings within the required time period. As a result, the TSX-V suspended trading in the Company's shares. The required financial material was filed and a Revocation Order was issued by the BCSC on December 9, 2008. Trading in the shares of the Company remained suspended by the TSX-V until February 18, 2009 in order for the Company to meet the TSX-V's listing requirements. Frank J. Basa, Roger Thomas and Jacques F. Monette were all directors of the Company during this period.

On September 6, 2011 the Autorité des marchés financiers issued a cease trade order against Excel Gold Mining Inc. ("Excel") for failure to file audited financial statements for the year ended April 30, 2011 together with related Management's Discussion and Analysis and certification of annual filings within the required time period. As a result of the foregoing, Excel's common shares were suspended for trading by the TSX-V on September 6, 2011. Prior to the suspension in trading, the shares of Excel were halted by the TSX-V on July 18, 2011 pending clarification of Excel's affairs. On September 7, 2011 the BCSC issued a similar cease trade order against Excel, followed by a cease trade order issued by the Alberta Securities Commission on December 20, 2011. Effective December 22, 2011 the common shares of Excel were transferred from the TSX-V to the NEX Board as a result of Excel not being able to evidence its ability to meet the Tier 2 continued listing requirements. Excel was subsequently delisted from the NEX Board on October 10, 2012 for failure to pay listing maintenance fees and remains cease traded. Jacques F. Monette, a director of Gold Bullion, is a director and officer of Excel.

On October 12, 2012 the New Brunswick Securities Commission issued a cease trade order against Landdrill International Inc. ("Landdrill") under Section 188.2 of the *Securities Act* (New Brunswick) for failure to file interim financial statement together with related Management's Discussion and Analysis and certification of interim filings for the period ended June 30, 2012. On October 15, 2012 the BCSC issued a similar cease trade order under Section 164 of the *Securities Act* (British Columbia). On January 11, 2013 the Alberta Securities Commission issued a cease trade order under Section 33.1 of the *Securities Act* (Alberta) for failure to file interim financial statements together with related Management's Discussion and Analysis and certification of interim filings for the periods ended June 30, 2012 and September 30, 2012. The TSX-V suspended trading in Landdrill's shares on October 12, 2012. On May 30, 2013 Landdrill announced that it had been declared bankrupt as of May 30th, 2013 pursuant to the Bankruptcy and Insolvency Act. Immediately prior to the Bankruptcy, all directors of Landdrill tendered their resignations. Jacques F. Monette and Ron Goguen, Sr., directors of Gold Bullion, were directors of Landdrill.

(b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including Gold Bullion) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

Except as follows:

On August 31, 2012, Landdrill announced it obtained an Initial Order from the Court of Queen's Bench of New Brunswick under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"). The Court granted

Landdrill and certain of its subsidiaries protection under the CCAA for an initial period in order to grant Landdrill time to conduct a going concern sale process. On May 30, 2013 Landdrill announced that it had been declared bankrupt as of May 30th, 2013 pursuant to the *Bankruptcy and Insolvency Act*. Immediately prior to the Bankruptcy, all directors of Landdrill tendered their resignations. Jacques F. Monette and Ron Goguen, Sr., directors of Gold Bullion, were directors of Landdrill.

or

(c) has, within the 10 years before the date of this Information Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

or

(d) has been subject to:

(i) since December 31, 2000, any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or before December 31, 2000, the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director;

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE LISTED NOMINEES.

IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

3. APPOINTMENT OF AUDITORS

Bratt Fremeth Star, S.E.N.C. of Montreal Quebec, served as the Company's auditors since their appointment on November 27, 2007. Effective February 15, 2013, Bratt Fremeth Star, S.E.N.C. resigned at the request of the Company and McGovern, Hurley, Cunningham LLP, Chartered Accountants, of 2005 Sheppard Ave. E., Suite 300, Toronto, Ontario M2J 5B4 were appointed auditors of the Company. In connection with the change of auditors, the Company provided a notice to each of Bratt Fremeth Star, S.E.N.C. and McGovern, Hurley, Cunningham LLP and obtained from each of them a response confirming that no "reportable event" within the meaning of *National Instrument 51-102 - Continuous Disclosure Obligations* occurred prior to or in connection with the change of auditors. A copy of that notice, together with the responses received (the "Reporting Package") was filed with regulators on the securities commission on March 15, 2013 and is appended to this Information Circular as Schedule "A".

Management proposes that McGovern, Hurley, Cunningham, Chartered Accountants, be appointed auditors of the Company for the ensuing year, until the close of the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAV0UR OF THE RE-APPOINTMENT OF MCGOVERN, HURLEY, CUNNINGHAM LLP, CHARTERED ACCOUNTANTS. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPOINTING MCGOVRN, HURLEY, CUNNINGHAM, CHARTERED ACCOUNTANTS, AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AT A REMUNERATION TO BE FIXED BY THE DIRECTORS.

4. CONFIRMATION AND APPROVAL OF ADVANCE NOTICE POLICY

Background

Effective January 6, 2014, the Board of Directors of the Company adopted an advance notice policy (the "Advance Notice Policy") with immediate effect for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders, a copy of which is attached to this Information Circular as Schedule "B". In order for the Advance Notice Policy to remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified, confirmed and approved at the Meeting, as set forth more fully below.

Purpose of the Advance Notice Policy

The directors of the Company are committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Terms of the Advance Notice Policy

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy, a copy of which is attached as Schedule "B". The terms of the Advance Notice Policy are summarized below:

The Advance Notice Policy provides that advance notice to the Company must be made in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company other than pursuant to: (i) a "proposal" made in accordance with Division 7 of the *Business Corporations Act* (British Columbia) (the "Act"); or (ii) a requisition of the shareholders made in accordance with section 167 of the Act.

Among other things, the Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the secretary of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the secretary of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the

annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The board of directors of the Company may, in its sole discretion, waive any requirement of the Advance Notice Policy.

Confirmation and Approval of Advance Notice Policy by Shareholders

If the Advance Notice Policy is approved at the Meeting, the Advance Notice Policy will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. Thereafter, the Advance Notice Policy will be subject to an annual review by the board of directors of the Company, and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

If the Advance Notice Policy is not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution:

> "BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:
>
> 1. The Company's Advance Notice Policy (the "Advance Notice Policy") in the form attached to the Information Circular dated March 4, 2014 as Schedule "B", be and is hereby ratified, approved and confirmed approved;
>
> 2. The board of directors of the Company be authorized in its absolute discretion to administer the Advance Notice Policy and amend or modify the Advance Notice Policy in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, so as to meet industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and
>
> 3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS RATIFY, APPROVE AND CONFIRM ADOPTION OF THE ADVANCE NOTICE POLICY. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION RATIFYING, APPROVING AND CONFIRMING ADOPTION OF THE ADVANCE NOTICE POLICY.

5. APPROVAL OF THE COMPANY'S SHARE OPTION PLAN

The Company received shareholder approval on January 30, 2009, as amended January 1, 2011, of a "rolling" stock option plan (the "Original Plan"), whereby a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options. The TSX-V requires listed companies that

have “rolling” stock option plans in place to receive shareholder approval of such plans on a yearly basis at the Company’s annual general meeting.

The Original Plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX-V. As at the date of this Information Circular, the Company was eligible to grant up to 25,760,687 options under its Original Plan. There are presently 17,955,000 options outstanding and 7,805,687 are reserved and available under the Original Plan.

The purpose of the Original Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase common shares of the Company and benefit from any appreciation in the value of the Company’s shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the common shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

On February 21, 2014 the Board of Directors approved the adoption of a new share option plan (the “New Option Plan”), subject to shareholder and TSX-V acceptance, which shall replace and supersede the current share option plan of the Company. A copy of the New Option Plan is attached to this Information Circular as Schedule “C”. The New Option Plan is substantially similar to the current share option plan, except that it has been revised to comply with the amendments made to the TSX-V *Policy 4.4 Incentive Stock Options*, which became effective as at May 8, 2013.

The following is a summary of the principal terms of the New Option Plan.

The New Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding common shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the New Option Plan. Any stock option outstanding when the New Option Plan is terminated will remain in effect until it is exercised or it expires.

The New Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the New Option Plan, the terms “employees”, “consultants” and “management company employees” have the meanings set out in Exchange Policy 4.4. Under the New Option Plan, the Company’s Board of Directors may, from time to time, designate a committee for the purposes of administering the New Option Plan.

Should the Expiry Date for an Option fall within a Blackout Period of the Company (as such time period may be determined by the Board of Directors where one or more Optionee may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company), or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX-V, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan.

The New Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

(a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death;

(b) options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a “blackout period”, as disclosed above);

(c) the aggregate number of options granted to any one option holder (including companies wholly owned by that option holder) in a 12 month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the option holder;

(d) the aggregate number of options granted to any one consultant in a 12 month period must not exceed 2% of the issued shares of the Company, calculated at the date an option is granted to the consultant;

(e) the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in TSX-V Policy 1.1) must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date an option is granted to any such option holder;

(f) at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares;

(g) at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12 month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider;

(h) options held by an option holder who is a director, employee, consultant or management company employee must expire within one year after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;

(i) options held by an option holder who is engaged in Investor Relations Activities must expire within 30 days after the option holder ceases to be employed by the Company to provide Investor Relations Activities;

(j) in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one year following the option holder's death;

(k) options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and

(l) options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider of the Company at the time of the proposed amendment; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued common shares.

The New Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board on a case by case basis. Stock options granted to consultants performing Investor Relations Activities, will vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period.

In addition, under the New Option Plan a stock option will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

The price at which an option holder may purchase a common share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the discounted market price of the Company's common shares as of the date of the grant of the stock option (the "Award Date").

The market price of the Company's common shares for a particular Award Date will typically be the closing trading price of the Company's common shares on the day immediately preceding the Award Date, or otherwise in accordance with the terms of the New Option Plan. Discounted market price means the market price less a discount of up to 25% if the market price is $0.50 or less; up to 20% if the market price is between $2.00 and $0.51; and up to 15% if the market price is greater than $2.00. Where the exercise price of the stock option is based on a discounted market price, a four month hold period will apply to all common shares issued under each option, commencing from the date of grant.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

The New Option Plan complies with the current policies of the Exchange and is subject to TSX-V acceptance and approval of shareholders.

Shareholder Approval

Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution:

> "BE IT RESOLVED that:
>
> 1. Adoption of the Company's New Option Plan, in the form attached as Schedule "C" to the Company's Information Circular dated March 4, 2014 be and is hereby ratified and approved, subject to regulatory approval, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be and are hereby approved for granting as options;
>
> 2. The New Option Plan shall become effective on the date final acceptance is received by the TSX-V (the "New Option Plan Effective Date");
>
> 3. On the New Option Plan Effective Date, the New Option Plan shall supersede and replace the current share option plan of the Company and all outstanding options granted thereunder shall be rolled over into and be subject to the terms and conditions of the New Option Plan; and
>
> 4. The Board of Directors be and are hereby authorized, without further shareholder approval, to make such changes to the Share Option Plan as may be required or approved by regulatory authorities."

The full text of the New Option Plan will be available at the Meeting. The Stock Option Plan is available on www.sedar.com and may also be obtained by a Shareholder, without charge, upon request by contacting the Company's corporate office located at 401 – 1231 Barclay Street, Vancouver, British Columbia V6E 1H5, by telephone at 604-306-8854 or by facsimile at 604-259-0339.

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS APPROVE THE ADOPTION OF THE NEW OPTION PLAN. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPROVING ADOPTION OF THE NEW OPTION PLAN.

6. AMENDMENT OF ARTICLES AND CREATION OF GRANADA ROYALTY SHARES

At the Meeting, shareholders will be asked to consider, and if though advisable, to adopt, a special resolution amending the Articles of the Company so as to create a new class of royalty shares without par value, referred to as

"Granada Royalty Shares". The text of the special resolution creating the Granada Royalty Shares is set out below. In order to be adopted, the special resolution must be approved by a vote of at least 66 2/3% of the votes cast at the Meeting in person or by proxy. In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote any common shares represented by proxies held by them in favour of the special resolution.

The purpose of the Granada Royalty Shares will be to allow investors to participate in the security of gold ownership if and when the Company's Granada Gold Property, near Rouyn-Noranda, Québec, enters into commercial production. The Company cannot guarantee that the Granada Gold Property will enter into commercial production, that the proposed Granada Royalty Shares will be issued or listed on any stock exchange or, if issued, the amount of funds that the Company will raise from any such issuance. Any issuance of Granada Royalty Shares may be subject to regulatory approval.

The terms and conditions of the Granada Royalty Shares will be set out in proposed Part 27 of the Articles of the Company, the full text of which is annexed to this Information Circular as Schedule "D". The terms and conditions of the Granada Royalty Shares are summarized below.

Unlimited Number

The Company will be authorized to issue an unlimited number of Granada Royalty Shares. The Company may issue Granada Royalty Shares at any time, and from time to time, in one or more series, each series to consist of an unlimited number of shares or such number of shares as may, before the issue thereof, be determined by resolution of the Board of Directors of the Company.

Rights, Privileges, Conditions and Restrictions

The rights, privileges, conditions and restrictions attaching to the Granada Royalty Shares will be as follows:

1. Following the commencement of commercial production of gold at the Company's Granada Gold Property in northwestern Québec, as determined by the Company, each series of Granada Royalty Shares will entitle the holders thereof, in the aggregate, to receive a percentage of the refined gold produced from the Granada Gold Property for so long as the Company has an ownership interest in the Granada Gold Property. The aggregate percentage of the refined gold to which any series of Granada Royalty Shares is entitled will be determined by resolution of the Board of Directors of the Company prior to the issuance of the series. Once the percentage is so determined, it may not thereafter be reduced. The percentage of refined gold to which any series of Granada Royalty Shares is entitled need not be the same as that of any other series of Granada Royalty Shares.

2. Payments to the holders of Granada Royalty Shares will be made no later than the 30th day after the end of each calendar quarter (being March 31, June 30, September 30 and December 31).

3. The Company will effect payment to holders of Granada Royalty Shares by depositing the refined gold to which the holder is entitled or its equivalent in a metal account or other account designated by the holder. The manner of payment will be determined by the Company in its sole discretion. Any determination by the Company as to the quantity of refined gold or its equivalent to which any holder of Granada Royalty Shares is entitled, and any determination by the Company as to the manner of payment, will be final and binding on the holders.

4. If a holder has not designated a metal account or other account into which the refined gold or its equivalent is to be deposited, the Company on a timely basis will sell, or cause the sale of, the refined gold to which the holder is otherwise entitled and will pay the proceeds from the sale to the holder, net of commissions, applicable taxes and any related expenses incurred by the Company with respect to such sale. The holder will save harmless, and will not have any claim against, the Company arising directly or indirectly from the sale of the refined gold, including without limitation with respect to the amount of net proceeds derived therefrom.

5. Payments made by the Company to holders will be accompanied by a statement prepared by the Company showing, in reasonable detail: (a) the quantities and grades of gold mined by the Company from the Granada Gold Property in the preceding calendar quarter; (b) the quantity of refined gold produced from the Granada Gold Property in the preceding calendar quarter; (c) the pro rata portion of refined gold or its equivalent to which the holder of Granada Royalty Shares is entitled; and (d) other pertinent information in sufficient detail to explain the calculation of the payment.

6. The payments to holders of Granada Royalty Shares will be calculated and made without any deductions or adjustments on account of any taxes, costs or expenses or any other deductions or adjustment of any nature or kind, except for any withholding tax that may be required in respect of the payment to the holder of Granada Royalty Shares pursuant to applicable law.

Voting Rights

Granada Royalty Shares will not have attached to them any right to vote at any meeting of shareholders other than as provided for pursuant to the *Business Corporations Act* (British Columbia).

Rights on Liquidation, Dissolution or Winding up of the Company

In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Granada Royalty Shares of each series will receive, before any distribution of the assets of the Company is made among the holders of the common shares and any other shares of the Company ranking junior to Granada Royalty Shares, an amount equal to the "Liquidation Price" for such Granada Royalty Shares, as defined below, plus an amount equal to any dividends declared thereon but unpaid and no more. Granada Royalty Shares of each series will also be given such other preferences over the common shares and any other shares of the Company ranking junior to the Granada Royalty Shares as may be determined as to their respective series authorized to be issued.

The term "Liquidation Price" for any Granada Royalty Share means: (i) where such share was issued for money, the amount for which such share was issued; and (ii) where such share was issued in whole or in part for a consideration other than money, then the amount in money (if any) paid for the issue of such share, plus an amount equal to the fair market value of such other consideration received; such fair market value will be calculated as at the date of issue of such share and determined in accordance with recognized standards of valuation. The Liquidation Price will be reduced by the amount of any return of capital paid to the holder of any Granada Royalty Share as of the date of such return of capital.

Parity with Other Series

Granada Royalty Shares of each series will be on a parity basis with Granada Royalty Shares of every other series with respect to payment of refined gold, dividends and return of capital, if any.

Redemption at the Company's Option

The Company may at any time, upon giving notice, redeem the whole or from time to time any part of the then-outstanding Granada Royalty Shares on payment of the Redemption Price, as defined below, for each Granada Royalty Share to be redeemed. It will not be necessary for any redemption of Granada Royalty Shares to be made on a pro rata basis, but Granada Royalty Shares to be redeemed may be selected by the Board of Directors in its absolute discretion.

Redemption Price

The term "Redemption Price" for any Granada Royalty Share means the volume weighted average trading price of the Granada Royalty Shares on the stock exchange on which the Granada Royalty Shares are then listed for the last five days on which the Granada Royalty Shares traded on such exchange immediately prior to the date of a notice in writing of the intention of the Company to redeem Granada Royalty Shares. In the event that the Granada Royalty

Shares are not listed or posted for trading on a stock exchange, "Redemption Price" will be the fair market value of the Granada Royalty Shares as determined by the Board of Directors of the Company in its sole discretion.

Sale of Granada Gold Property and Registration

In the event that the Company sells or otherwise disposes of the Granada Gold Property, it will use its commercially-reasonable best efforts to ensure that the purchaser or other transferee of the Granada Gold Property acknowledges the rights associated with Granada Royalty Shares and assumes the obligation, in place of the Company, to pay the holders thereof in accordance with the terms and conditions of the Granada Royalty Shares. In that regard, the Company will use its best efforts to register the rights given by Granada Royalty Shares in the appropriate public registers maintained by the Ministère des Ressources naturelles of the Province of Québec.

Conversion of Common Shares into Granada Royalty Shares

The Board of Directors of the Company in its discretion may determine by resolution, when creating a series of Granada Royalty Shares, that payment for such Granada Royalty Shares may be made in whole or in part through the conversion of common shares of the Company, following which such common shares shall be cancelled. For purposes of such conversion, the common shares will be valued at a price equal to the volume weighted average trading price of the common shares on the stock exchange on which such shares are then principally traded for the 20 trading days ending two business days before the date of issuance of the Granada Royalty Shares, and the Granada Royalty Shares will be valued at their issue price. Any determination by the Company as to such volume weighted average trading price of the common shares will be final and binding on holders of the common shares.

In the event that the Board of Directors determines that payment for Granada Royalty Shares may be made in whole or in part through the conversion of common shares of the Company, holders of the common shares will have the right to require the Company to acquire their common shares in payment for Granada Royalty Shares, and the common shares will be deemed to be acquired by the Company under the exercise of such right, subject to the right of the Company to: (i) fix a maximum number of Granada Royalty Shares for which payment may be made through the conversion of common shares of the Company, and (ii) issue Granada Royalty Shares on a pro rata basis to holders of the Company's common shares. The Company will have the right to establish procedures for the tendering of certificates representing common shares of the Company to be converted into Granada Royalty Shares.

Restrictions on Modifications

The special rights and restrictions attached to Granada Royalty Shares will not be modified, abrogated, dealt with or affected unless the holders of Granada Royalty Shares consent thereto by separate resolution obtained in writing signed by the holders of all the issued Granada Royalty Shares or by a resolution passed by a majority of not less than 75% of the votes cast at a meeting of the holders of Granada Royalty Shares who are present in person or represented by proxy.

Shareholder Approval

Shareholders will be asked at the Meeting to approve, with or without variation, the following special resolution:

"BE IT RESOLVED, as a special resolution of the shareholders of the Company, that:

1. The Authorized Share Structure of the Company set out in the Notice of Articles of the Company be amended by creating an unlimited number of Granada Royalty Shares without par value, having the special rights and restrictions set out in Part 27 of the Articles of the Company in the form attached to the Information Circular of the Company dated March 4, 2014 as Schedule "D";

2. The Articles of the Company be amended by adding Part 27 thereto, in the form attached to the Information Circular of the Company dated March 4, 2014 as Schedule "D";

3. Any one or more of the directors and officers of the Company is authorized and directed to perform all such acts, deed and things and execute, under the seal of the Company or otherwise, all such documents and other writings, as may be required to give effect to the true intent of this special resolution; and

4. The directors of the Company be and they are hereby authorized to revoke this special resolution before it is acted on, without further approval of the shareholders."

THE BOARD BELIEVES THAT THE CREATION OF GRANADA ROYALTY SHARES IS IN THE BEST INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS AND, ACCORDINGLY, RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE SPECIAL RESOLUTION. IN ORDER TO BE PASSED, AT LEAST 66 2/3% OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE SPECIAL RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE SPECIAL RESOLUTION.

7. APPROVAL OF SHAREHOLDER RIGHTS PLAN

On February 12, 2012, the Board approved the adoption of a Shareholder Rights Plan Agreement (the "Rights Plan") between the Company and Computershare Investor Services Inc., the Company's transfer agent, which was ratified and approved by shareholders of the Company at the Annual General and Special Meeting held April 12, 2012.

The terms of the Rights Plan provide that it will remain in effect until termination of the annual general and special meeting to be held in 2014 (unless terminated earlier) or unless the term of the Shareholder Rights Plan is extended beyond such date by resolution of Shareholders at such Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the 2014 Shareholder Rights Plan, which plan includes certain amendments made by the Board on February 12, 2014 to reflect changes in applicable legislation and regulations. Subject to approval by the shareholders of the Company and the TSX-V, the 2014 Shareholder Rights Plan will replace the current Rights Plan and be effective April 5, 2014. The following is a brief summary of the 2014 Shareholder Rights Plan which is qualified in its entirety by reference to the complete text of the 2014 Shareholder Rights Plan.

Unless otherwise defined below, all capitalized terms shall have the meanings specified in the 2014 Shareholder Rights Plan Agreement.

Purpose of the Plan

The objectives of the 2014 Shareholder Rights Plan are to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any takeover bid for the Company. Takeover bids may be structured to be coercive or may be initiated at a time when the Board will have a difficult time preparing an adequate response to the offer. Accordingly, such offers do not always result in Shareholders receiving equal or fair treatment or full or maximum value for their investment. Under current Canadian securities legislation, a takeover bid is required to remain open for 35 days, a period of time which may be insufficient for the directors to: (i) evaluate a takeover bid (particularly if it includes share consideration); (ii) explore, develop and pursue alternatives which are superior to the takeover bid and which could maximize Shareholder value; and (iii) make reasoned recommendations to the Shareholders.

The 2014 Shareholder Rights Plan discourages discriminatory, coercive or unfair takeovers of the Company and gives the Board time if, in the circumstances, the Board determines it is appropriate to take such time, to pursue alternatives to maximize Shareholder value in the event an unsolicited takeover bid is made for all or a portion of the outstanding common shares. As set forth in detail below, the 2014 Shareholder Rights Plan discourages coercive hostile takeover bids by creating the potential that any common shares which may be acquired or held by such a bidder will be significantly diluted. The potential for significant dilution to the holdings of such a bidder can occur as the 2014 Shareholder Rights Plan provides that all holders of common shares who are not related to the bidder

will be entitled to exercise rights issued to them under the 2014 Shareholder Rights Plan and to acquire common shares at a substantial discount to prevailing market prices. The bidder or the persons related to the bidder will not be entitled to exercise any Rights (defined below) under the 2014 Shareholder Rights Plan. Accordingly, the 2014 Shareholder Rights Plan will encourage potential bidders to make takeover bids by means of a Permitted Bid (as defined below) or to approach the Board to negotiate a mutually acceptable transaction. The Permitted Bid provisions of the 2014 Shareholder Rights Plan are designed to ensure that in any takeover bid for outstanding common shares of the Shareholders, all Shareholders are treated equally and are given adequate time to properly assess such takeover bid on a fully-informed basis.

The 2014 Shareholder Rights Plan is not being proposed to prevent a takeover of the Company, to secure the continuance of management or the directors of the Company in their respective offices or to deter fair offers for the common shares.

Term

Provided the 2014 Shareholder Rights Plan is approved at the Meeting, the 2014 Shareholder Rights Plan (unless terminated earlier) will remain in effect until termination of the annual meeting of Shareholders in 2017 unless the term of the 2014 Shareholder Rights Plan is extended beyond such date by resolution of Shareholders at such meeting.

Issuance of Rights

The 2014 Shareholder Rights Plan provides that one right (a "Right") will be issued by the Company pursuant to the 2014 Shareholder Rights Plan in respect of each Voting Share outstanding as of the close of business (Vancouver time) (the "Record Time") on the Effective Date. "Voting Shares" include the common shares and any other shares of the Company entitled to vote generally in the election of all directors. One Right will also be issued for each additional Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time, subject to the earlier termination or expiration of the Rights as set out in the Rights Agreement.

As of the Effective Date, the only Voting Shares outstanding will be the common shares. The issuance of the Rights is not dilutive and will not affect reported earnings or operating cash flow per share until the Rights separate from the underlying common shares and become exercisable or until the exercise of the Rights. The issuance of the Rights will not change the manner in which Shareholders trade their common shares.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for common shares issued after the Record Time. Rights are also attached to common shares outstanding on the Effective Date, although share certificates issued prior to the Effective Date will not bear such a legend. Shareholders are not required to return their certificates in order to have the benefit of the Rights. Prior to the Separation Time, Rights will trade together with the common shares and will not be exercisable or transferable separately from the common shares. From and after the Separation Time, the Rights will become exercisable, will be evidenced by Rights Certificates and will be transferable separately from the common shares.

Separation of Rights

The Rights will become exercisable and begin to trade separately from the associated common shares at the "Separation Time" which is generally (subject to the ability of the Board to defer the Separation Time) the close of business on the tenth trading day after the earliest to occur of:

1. a public announcement that a person or group of affiliated or associated persons or persons acting jointly or in concert has become an "**Acquiring Person**", meaning that such person or group has acquired Beneficial Ownership (as defined in the Rights Plan) of 20% or more of the outstanding Voting Shares other than as a result of: (i) a reduction in the number of Voting Shares outstanding; (ii) a "Permitted Bid" or "Competing Permitted Bid" (as defined below); (iii) acquisitions of Voting Shares in respect of which the Board has waived the application of the Rights Agreement; (iv) other specified exempt

acquisitions and pro rata acquisitions in which shareholders participate on a pro rata basis; or (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person in the circumstances described in (ii), (iii) or (iv) above;

2. the date of commencement of, or the first public announcement of an intention of any person (other than the Company or any of its subsidiaries) to commence a takeover bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares subject to the bid owned by that person (including affiliates, associates and others acting jointly or in concert therewith) would constitute 20% of more of the outstanding Voting Shares; and

3. the date upon which a Permitted Bid or Competing Permitted Bid ceases to qualify as such.

Promptly following the Separation Time, separate certificates evidencing rights ("Rights Certificates") will be mailed to the holders of record of the Voting Shares as of the Separation Time and the Rights Certificates alone will evidence the Rights.

Rights Exercise Privilege

After the Separation Time, each Right entitles the holder thereof to purchase one common share at an initial "Exercise Price" equal to three times the "Market Price" at the Separation Time. The Market Price is defined as the average of the daily closing prices per share of such securities on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time. Following a transaction which results in a person becoming an Acquiring Person (a "Flip-In Event"), the Rights entitle the holder thereof to receive, upon exercise, such number of common shares which have an aggregate Market Price (as of the date of the Flip-In Event) equal to twice the then Exercise Price of the Rights for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and other acting jointly or in concert therewith), or a transferee of any such person, will be null and void. A Flip-In Event does not include acquisitions approved by the Board or acquisitions pursuant to a Permitted Bid or Competing Permitted Bid.

Permitted Bid Requirements

A bidder can make a takeover bid and acquire Voting Shares without triggering a Flip-In Event under the Rights Plan if the takeover bid qualifies as a Permitted Bid.

The requirements of a "Permitted Bid" include the following:

- the takeover bid must be made by means of a takeover bid circular;

- the takeover bid is made to all holders of Voting Shares on the books of the Company, other than the offeror;

- no Voting Shares are taken up or paid for pursuant to the takeover bid unless more than 50% of the Voting Shares held by Independent Shareholders: (i) shall have been deposited or tendered pursuant to the take-over bid and not withdrawn; and (ii) have previously been or are taken up at the same time;

- the takeover bid contains an irrevocable and unqualified provision that, no Voting Shares will be taken up or paid for pursuant to the takeover bid prior to the close of business on the date which is not less than 60 days following the date of the takeover bid;

- the takeover bid contains an irrevocable and unqualified provision that, Voting Shares may be deposited pursuant to such takeover bid at any time during the period of time between the date of the takeover bid and the date on which Voting Shares may be taken up and paid for and any Voting Shares deposited pursuant to the takeover bid may be withdrawn until taken up and paid for; and

- the takeover bid contains an irrevocable and unqualified provision that, if on the date on which Voting

Shares may be taken up and paid for under the takeover bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited pursuant to the takeover bid and not withdrawn, the offeror will make public announcement of that fact and the takeover bid will remain open for deposits and tenders of Voting Shares for not less than 10 business days from the date of such public announcement.

The 2014 Shareholder Rights Plan also allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days (the minimum period required under Canadian securities laws).

Permitted Lock-Up Agreements

A person will not become an Acquiring Person by virtue of having entered into an agreement (a "Permitted Lock-Up Agreement") with a Shareholder whereby the Shareholder agrees to deposit or tender Voting Shares to a takeover bid (the "Lock-Up Bid") made by such person, provided that the agreement meets certain requirements including:

1. the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has not been made prior to the date on which such agreement is entered into, not later than the first business day following the date of such agreement;

2. the holder who has agreed to tender Voting Shares to the Lock-Up Bid made by the other party to the agreement is permitted to terminate its obligation under the agreement, and to terminate any obligation with respect to the voting of such Voting Shares, in order to tender Voting Shares to another takeover bid or to support another transaction where: (i) the offer price or value of the consideration payable under the other takeover bid or transaction is greater than the price or value of the consideration per share at which the holder has agreed to deposit or tender Voting Shares to the Lock-Up Bid, or is greater than a specified minimum which is not more than 7% higher than the price or value of the consideration per share at which the holder has agreed to deposit or tender Voting Shares under the Lock-Up Bid; and (ii) if the number of Voting Shares offered to be purchased under the Lock-Up Bid is less than all of the Voting Shares held by Shareholders (excluding Voting Shares held by the offeror), the number of Voting Shares offered to be purchased under the other takeover bid or transaction (at an offer price not lower than in the Lock-Up Bid) is greater than the number of Voting Shares offered to be purchased under the Lock-Up Bid or is greater than a specified number which is not more than 7% higher than the number of Voting Shares offered to be purchased under the Lock-Up Bid; and

3. no break-up fees, top-up fees, or other penalties that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-Up Bid and 50% of the increase in consideration resulting from another takeover bid or transaction shall be payable by the holder if the holder fails to deposit or tender Voting Shares to the Lock-Up Bid.

Waiver and Redemption

If a potential offeror does not desire to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a takeover bid by way of a takeover bid circular sent to all holders of Voting Shares on terms which the Board considers fair to all Shareholders. In such circumstances, the Board may waive the application of the 2014 Shareholder Rights Plan thereby allowing such bid to proceed without dilution to the offeror. Any waiver of the application of the 2014 Shareholder Rights Plan in respect of a particular takeover bid shall also constitute a waiver of any other takeover bid which is made by means of a takeover bid circular to all holders of Voting Shares while the initial takeover bid is outstanding. The Board may also waive the application of the 2014 Shareholder Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding Voting Shares within 14 days or such earlier or later date as may be specified by the Board. With the prior consent of the holders of Voting Shares, the Board may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of Voting Shares otherwise than pursuant to the foregoing, waive the application of the 2014 Shareholder Rights Plan to such Flip- in Event.

The Board may, with the prior consent of the holders of Voting Shares, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a takeover bid in respect of which the Board has waived the application of the Rights Plan.

Protection Against Dilution

The Exercise Price, the number and nature of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding common shares, pro rata distributions to holders of common shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Exemptions for Investment Advisors

Investment advisors (for client accounts), trust companies (acting in their capacity as trustees or administrators), statutory bodies whose business includes the management of funds (for employee benefit plans, pension plans, or insurance plans of various public bodies) and administrators or trustees of registered pension plans or funds acquiring greater than 20% of the Voting Shares are exempted from triggering a Flip- in Event, provided they are not making, either alone or jointly or in concert with any other person, a takeover bid.

Duties of the Board

The adoption of the 2014 Shareholder Rights Plan will not in any way lessen or affect the duty of the Board to act honestly and in good faith with a view to the best interests of the Company. The Board, when a takeover bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to Shareholders as are considered appropriate.

Amendment

The Company may make amendments to the 2014 Shareholder Rights Plan at any time to correct any clerical or typographical error and may make amendments which are required to maintain the validity of the 2014 Shareholder Rights Plan due to changes in any applicable legislation, regulations or rules. The Company may, with the prior approval of Shareholders (or the holders of Rights if the Separation Time has occurred), supplement, amend, vary, rescind or delete any of the provisions of the 2014 Shareholder Rights Plan.

Vote Required and Recommendation of the Board

The text of the resolution, which will be submitted to Shareholders at the Meeting, is set forth below. In addition to approving the 2014 Shareholder Rights Plan, the resolution also approves any amendments to the 2014 Shareholder Rights Plan to respond to any requirements which may be raised by any stock exchange or professional commentators on shareholder rights plans in order to conform the 2014 Shareholder Rights Plan to versions of shareholder rights plans currently prevalent for reporting issuers in Canada. The Company believes that the 2014 Shareholder Rights Plan is consistent with the form of shareholder rights plans now prevalent for public Companies in Canada and so does not anticipate that any such further amendments will be required, but the resolution provides the Company with the necessary authority to make any such amendments should the need arise.

> "BE IT RESOLVED that:
>
> 1. The 2014 Shareholder Right Plan between the Company and Computershare Investor Services Inc. as described in the Information Circular of the Company dated March 4, 2014 is hereby approved, confirmed and ratified and the Company is authorized to issue Rights pursuant thereto, and

2. The making on or prior to the date hereof of any other amendments to the 2014 Shareholder Rights Plan as the Company may consider necessary or advisable to satisfy the requirements of any stock exchange or professional commentators on shareholder rights plans in order to conform the 2014 Shareholder Rights Plan to versions of shareholder rights plans currently prevalent for reporting issuers in Canada is hereby approved."

If the 2014 Shareholder Rights Plan is not approved at the Meeting, then the current Rights Plan and all Rights issued thereunder will cease to have any force and effect following the termination of the Meeting.

THE BOARD BELIEVES THAT THE ADOPTION OF THE 2014 SHAREHOLDER RIGHTS PLAN IS IN THE BEST INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS AND, ACCORDINGLY, RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE RESOLUTION. TO BE APPROVED, SUCH RESOLUTION MUST BE PASSED BY THE AFFIRMATIVE VOTES CAST BY INDEPENDENT SHAREHOLDERS OF NOT LESS THAN A MAJORITY OF THE COMMON SHARES REPRESENTED IN PERSON OR BY PROXY AT THE MEETING THAT VOTE ON SUCH RESOLUTION. IN EFFECT, ALL SHAREHOLDERS WILL BE CONSIDERED INDEPENDENT SHAREHOLDERS PROVIDED THEY ARE NOT, AT THE RELEVANT TIME, AN ACQUIRING PERSON OR MAKING A TAKEOVER BID FOR THE COMPANY. THE COMPANY IS NOT AWARE OF ANY SHAREHOLDER WHOSE VOTE AT THE MEETING WOULD BE EXCLUDED FOR PURPOSES OF THE APPROVAL REQUIREMENT UNDER THE 2014 SHAREHOLDER RIGHTS PLAN. THE TSX-V REQUIRES THAT THE RESOLUTION BE PASSED BY THE AFFIRMATIVE VOTES CAST BY HOLDERS OF NOT LESS THAN A MAJORITY OF THE COMMON SHARES REPRESENTED IN PERSON OR BY PROXY AT THE MEETING. EXCEPT WHERE A SHAREHOLDER WHO HAS GIVEN THE PROXY DIRECTS THAT HIS OR HER COMMON SHARES BE VOTED AGAINST SUCH RESOLUTION, THE APPOINTEES NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY FOR SUCH RESOLUTION.

A copy of the 2014 Shareholder Rights Plan will be available for inspection at the Meeting. The 2014 Shareholder Rights Plan is also available for viewing on www.sedar.com and may also be obtained by a Shareholder, without charge, upon request from the corporate office of the Company located at 401 – 1231 Barclay Street, Vancouver, British Columbia V6E 1H5, by telephone at 604-306-8854 or by facsimile at 604-259-0339.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

As of the date of this Information Circular, management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters not known to the management should properly come before the Meeting, the accompanying proxy will be votes on such matters in accordance with the best judgment of the persons voting the proxy.

ADDITIONAL INFORMATION

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of this Information Circular:

(a) the audited financial statements of the Company for the financial year ended June 30, 2013, together with the accompanying report of the auditors thereon and related Management's Discussion and Analysis and any interim financial statements of the Company for periods subsequent to June 30, 2013 and related Management's Discussion and Analysis;

(b) the Company's Audit Committee Charter;

(c) the Company's Code of Conduct;

(d) the Company's Insider Trading Policy;

(e) Advance Notice Policy;

(f) Shareholder Rights Plan; and

(g) Share Option Plan.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the corporate office of the Company located at 401 – 1231 Barclay Street, Vancouver, British Columbia V6E 1H5, by telephone at 604-306-8854 or by facsimile at 604-259-0339. These documents are also available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

APPROVAL OF DIRECTORS

The contents of this Information Circular have been approved and this mailing has been authorized by the Board of Directors of the Company.

Where information contained in this Information Circular rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to sate a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated at Montreal, Quebec, this 4th day of March, 2014.

"Frank J. Basa"

Frank J. Basa
Chairman, President, CEO, and Director

SCHEDULE "A"

REPORTING PACKAGE

GOLD BULLION DEVELOPMENT CORP.

NOTICE OF CHANGE OF AUDITORS

TO: British Columbia Securities Commission
Alberta Securities Commission

AND TO: McGovern, Hurley, Cunningham, LLP
Bratt Fremeth Star, S.E.N.C.

RE: Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")

Pursuant to Section 4.11(7) of NI 51-102, Gold Bullion Development Corp. (the "Issuer") hereby gives notice of the change of auditor from Bratt Fremeth Star, S.E.N.C. to McGovern, Hurley, Cunningham, LLP. In accordance with NI 51-102, the Issuer hereby sates that:

1. Bratt Fremeth Star, S.E.N.C., Chartered Accountants, has resigned at the request of the Issuer as the Issuer's auditor effective February 15, 2013.

2. the resignation of Bratt Fremeth Star, S.E.N.C., Chartered Accountants, and the appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as the Issuer's auditor have been considered and approved by the Issuer's Audit Committee and the Board of Directors.

3. There have been no reservations in Bratt Fremeth Star's reports for the two most recently completed fiscal years of the Issuer nor for any subsequent period; and

4. There have been no "reportable events" within the meaning assigned under subsection 4.11(1) of NI 51-102.

DATED the 18th day of February, 2013.

GOLD BULLION DEVELOPMENT CORP.

Per: 

Thomas P. Devlin
Chief Financial Officer

BRATT FREMETH STAR S.E.N.C.
SOCIÉTÉ DE COMPTABLES PROFESSIONNELS AGRÉÉS
PARTNERSHIP OF CHARTERED PROFESSIONAL ACCOUNTANTS

1 PLACE VILLE-MARIE, BUREAU 1615
MONTRÉAL, QUÉBEC
CANADA H3B 2B6
TÉL.: (514) 875-5780
FAX: (514) 875-5785
info@brattfremethstar.com

February 26, 2013

To: Alberta Securities Commission

British Columbia Securities Commission

Gentlemen:

Re: Gold Bullion Development Corp. – Change of Auditor Dated February 18, 2013

Pursuant to section 4.11 of National Instrument 51-102 Continuous Disclosure Obligations, we have read the Notice of Change of Auditor of Gold Bullion Development Corp. dated February 18, 2013 (the "Notice") and confirm our agreement with the information contained in the Notice.

Yours very truly,

Bratt Fremeth Star senc

Bratt Fremeth Star s.e.n.c.

Chartered Professional Accountants

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

2005 Sheppard Avenue East, Suite 300
Toronto, Ontario
M2J 5B4, Canada
Phone 416-496-1234
Fax 416-496-0125
Web www.mhc-ca.com

February 26, 2013

To: Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs/Mesdames:

Re: Gold Bullion Development Corp. – Change of Auditor of Reporting Issuer

We have read the Notice of Change of Auditor dated February 18, 2013 of Gold Bullion Development Corp. and, in accordance with section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*, we confirm that we agree with the statements contained therein.

Yours very truly,

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern Hurley Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

SCHEDULE "B"

GOLD BULLION DEVELOPMENT CORP.
(the "Company")

ADVANCE NOTICE POLICY
(Initially adopted by the Board of Directors on January 6, 2014)

INTRODUCTION

The Company is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote.

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Company with direction on the nomination of directors. This Policy is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

It is the position of the Company that this Policy is beneficial to shareholders and other stakeholders. This policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATION OF DIRECTORS

1. Subject only to the *Business Corporations Act* (British Columbia) (the "**BCA**"), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA or a requisition of the shareholders made in accordance with the provisions of the BCA; or

(c) by any person (a "**Nominating Shareholder**"):

(i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and

(ii) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Policy and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §5 of this Policy.

3. To be timely under §2(i) of this Policy, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this §3.

4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under §2(i) of this Policy must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director:

(i) the name, age, business address and residence address of the person;

(ii) the principal occupation or employment of the person;

(iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(iv) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a Director at such meeting and the reasons and basis for such determination; and

(v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice:

(i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws, and

(ii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

5. To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this Policy and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

6. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCA. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

7. For purposes of this Policy:

(a) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(b) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(c) "**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(d) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(e) "**Meeting of Shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the Board by a Nominating Shareholder;

(f) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to

include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities;

(g) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(h) the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Policy so designated.

8. Notwithstanding any other provision to this Policy, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

9. In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §3 of this Policy or the delivery of a representation and agreement as described in §5 of this Policy.

CURRENCY

This Policy was last revised and approved by the Board on January 6, 2014.

SCHEDULE "C"

GOLD BULLION DEVELOPMENT CORP.
(the "Company")

SHARE OPTION PLAN
Dated for Reference February 21, 2014

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan

(a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

(b) **Associate** has the meaning set out in the Securities Act;

(c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

(d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

(e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

(i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

(ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

(g) **Company** means Gold Bullion Development Corp. and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Pric**e has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

(p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

(r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;

(s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

(t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

(v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(w) **Officer** means a Board appointed officer of the Company;

(x) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

(y) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;

(z) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

(aa) **Optionee** means the recipient of an Option hereunder;

(bb) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

(cc) **Participant** means a Service Provider that becomes an Optionee;

(dd) **Person** includes a company, any unincorporated entity, or an individual;

(ee) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;

(ff) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;

(gg) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

(hh) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;

(ii) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(jj) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(kk) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(ll) **Take Over Bid** means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(mm) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(nn) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time shall be ten percent (10%) of the issued and outstanding Common Shares at the time of the stock option grant, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

(a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the

previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;

(b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and

(c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

(a) allot Common Shares for issuance in connection with the exercise of Options;

(b) grant Options hereunder;

(c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

(a) it may make amendments which are of a typographical, grammatical or clerical nature only;

(b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;

(c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;

(d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;

(e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and

(f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:

(i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;

(ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares; or,

(iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Participants employed to provide Investor Relations Activities will vest:

(a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

(b) such longer vesting period as the Board may determine.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, except for Options granted to Consultants conducting Investor Relations Activities.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

(a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of

one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

(c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4
COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in§4.2 and elsewhere in this Plan, and as a condition of exercise:

(a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or

(b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written

notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5
GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Effective Date of Plan

5.4 The Plan will become effective on the date final acceptance is received by the TSX Venture Exchange, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval as required by the TSX Venture Policies.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A TO
SHARE OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this ____ day of _____, 20__ (the "Effective Date") **GOLD BULLION DEVELOPMENT CORP.** (the "Company") has granted to _____ (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the ____ day of _____, 20__ (the "Expiry Date") at an Exercise Price of CDN $_____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest *[INSERT VESTING SCHEDULE AND TERMS]*

The Option shall expire _____ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

> "WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

In the event that the Optionee is a resident of the United States, a certificate, or in the case of uncertificated shares, for the Optioned Shares so acquired will bear the following legend:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (9) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN

EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY·IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture on the date of this Option Commitment.

GOLD BULLION DEVELOPMENT CORP.

Per:

Authorized Signatory	[Insert Name of Optionee}

SCHEDULE "D"

PROPOSED PART 27 OF THE ARTICLES OF GOLD BULLION DEVELOPMENT CORP.

27. GRANADA ROYALTY SHARES

27.1 Unlimited Number

(1) The Company is authorized to issue an unlimited number of royalty shares without par value ("**Granada Royalty Shares**").

(2) The Granada Royalty Shares may at any time and from time to time be issued in one or more series, each series to consist of an unlimited number of shares or such number of shares as may, before the issue thereof, be determined by resolution of the Board of Directors of the Company.

27.2 Rights, Privileges, Conditions and Restrictions

The rights, privileges, conditions and restrictions attaching to the Granada Royalty Shares shall be as follows:

(1) Following the commencement of commercial production of gold at the Company's Granada Gold Property in northwestern Québec, as determined by the Company, each series of the Granada Royalty Shares shall entitle the holders thereof, in the aggregate, to receive a percentage of the refined gold, if any, produced from the Granada Gold Property for so long as the Company shall have an ownership interest in the Granada Gold Property. The aggregate percentage of the refined gold to which any series of Granada Royalty Shares is entitled shall be determined by resolution of the Board of Directors of the Company prior to the issuance thereof. For greater certainty, once such percentage is so determined, it may not thereafter be reduced, and the percentage of refined gold to which any series of Granada Royalty Shares is entitled need not be the same as that of any other series of Granada Royalty Shares.

(2) Payments to the holders of Granada Royalty Shares shall be made no later than the 30th day after the end of each calendar quarter (being March 31, June 30, September 30 and December 31).

(3) The Company shall effect payment to holders of Granada Royalty Shares by depositing the refined gold to which the holder is entitled or its equivalent in a metal account or other account designated by the holder. The manner of payment shall be determined by the Company in its sole discretion. Subject to this section 27, any determination by the Company as to the quantity of refined gold or its equivalent to which any holder of Granada Royalty Shares is entitled, and any determination by the Company as to the manner of payment, shall be final and binding on the holders.

(4) In the event that the holder has not designated a metal account or other account into which the refined gold or its equivalent is to be deposited, the Company on a timely basis shall sell, or cause the sale of, the refined gold to which the holder is otherwise entitled and shall pay the proceeds from the sale to the holder, net of commissions, applicable taxes and any related expenses incurred by the Company with respect to such sale. The holder shall save harmless, and shall not have any claim against, the Company arising directly or indirectly from the foregoing sale of the refined gold, including without limitation with respect to the amount of net proceeds derived therefrom.

(5) Payments made by the Company to holders will be accompanied by a statement prepared by the Company showing, in reasonable detail:

(a) the quantities and grades of gold mined by the Company from the Granada Gold Property in the preceding calendar quarter;

(b) the quantity of refined gold produced from the Granada Gold Property in the preceding calendar quarter;

(c) the *pro rata* portion of refined gold or its equivalent to which the holder of the Granada Royalty Shares is entitled; and

(d) other pertinent information in sufficient detail to explain the calculation of the payment.

(6) Subject to paragraph (4) above, the foregoing payment to holders of Granada Royalty Shares shall be calculated and made without any deductions or adjustments on account of any taxes, costs or expenses or any other deductions or adjustment of any nature or kind, except for any withholding tax that may be required in respect of the payment to the holder of the Granada Royalty Shares pursuant to applicable law.

27.3 Voting Rights

The Granada Royalty Shares shall not have attached to them any right to vote at any meeting of shareholders other than as provided for pursuant to the *Business Corporations Act*.

27.4 Rights on Liquidation, Dissolution or Winding up of the Company

In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Granada Royalty Shares of each series shall receive, before any distribution of the assets of the Company is made among the holders of the common shares and any other shares of the Company ranking junior to the Granada Royalty Shares, an amount equal to the Liquidation Price for such Granada Royalty Shares plus an amount equal to any dividends declared thereon but unpaid and no more. The Granada Royalty Shares of each series shall also be given such other preferences over the common shares and any other shares of the Company ranking junior to the Granada Royalty Shares as may be determined as to their respective series authorized to be issued.

For the purposes hereof, the term "**Liquidation Price**" for any Granada Royalty Share shall mean:

(1) Where such share was issued for money, the amount for which such share was issued; and

(2) Where such share was issued in whole or in part for a consideration other than money, then the amount in money (if any) paid for the issue of such share, plus an amount equal to the fair market value of such other consideration received; such fair market value shall be calculated as at the date of issue of such share and shall be determined in accordance with recognized standards of valuation.

The Liquidation Price shall be reduced by the amount of any return of capital paid to the holder of any Granada Royalty Share as of the date of such return of capital.

27.5 Parity with Other Series

Subject to paragraph 27.2(1), the Granada Royalty Shares of each series shall be on a parity basis with the Granada Royalty Shares of every other series with respect to payment of refined gold, dividends and return of capital, if any.

27.6 Redemption Price

For the purposes of paragraph 27.7, the term "**Redemption Price**" for any Granada Royalty Share shall mean the volume weighted average trading price of the Granada Royalty Shares on the stock exchange on which the Granada Royalty Shares are then listed for the last five days on which the Granada Royalty Shares traded on such exchange immediately prior to the date of the notice in writing of the intention of the Company to redeem Granada Royalty Shares referred to in paragraph 27.8(1) below. In the event that the Granada Royalty Shares are then listed on more than one stock exchange, reference shall be made to the stock exchange on which the greatest volume of trading of the Granada Royalty Shares occurred during the said five-day period. Volume weighted average trading price shall be calculated by dividing the total dollar value of Granada Royalty Shares traded during the relevant period by the total number of Granada Royalty Shares traded during the relevant period. In the event that the Granada Royalty Shares are not listed or posted for trading on a stock exchange, "Redemption Price" shall be the fair market value of the Granada Royalty Shares as determined by the Board of Directors of the Company in its sole discretion.

27.7 Redemption at the Company's Option

The Company may at any time, upon giving notice as provided below, redeem the whole or from time to time any part of the then-outstanding Granada Royalty Shares on payment of the Redemption Price for each Granada Royalty Share to be redeemed. It shall not be necessary for any redemption of Granada Royalty Shares to be made on a *pro rata* basis, but the Granada Royalty Shares to be redeemed may be selected by the Board of Directors in its absolute discretion.

27.8 Redemption Procedure by Company

If the Company desires to redeem all or a portion of any outstanding Granada Royalty Shares pursuant to paragraph 27.7:

(1) **Notice** - The Company shall, at least thirty (30) days before the date specified for redemption, mail to each person who at the date of mailing is a registered holder of Granada Royalty Shares to be redeemed, a notice in writing of the intention of the Company to redeem Granada Royalty Shares. The notice shall be mailed in a prepaid letter addressed to each holder at the holder's address as it appears on the register of shareholders of the Company or, if the register of shareholders does not have an address for the holder, then to the last known address of the holder, provided that the accidental failure to give any notice to one or more holders shall not affect the validity of the redemption. The notice shall set out the Redemption Price and the date on which the redemption is to take place and, if only part of the Granada Royalty Shares held by a holder is to be redeemed, the number thereof to be redeemed.

(2) **Payment** - On the date specified for redemption, the Company shall pay or cause to be paid to or to the order of the registered holders of the Granada Royalty Shares to be redeemed the Redemption Price for each Granada Royalty Share to be redeemed on presentation and surrender, at the registered office of the Company or at any other place designated in the notice, of the certificate or certificates for the Granada Royalty Shares of such holder called for redemption.

Those Granada Royalty Shares shall thereupon be deemed to be redeemed and shall be cancelled. If only part of the Granada Royalty Shares represented by any certificate is redeemed, a new certificate for the balance shall be issued to the holder thereof at the expense of the Company.

(3) **Rights** - From and after the date specified in the notice, the Granada Royalty Shares called for redemption shall cease to be entitled to dividends or payments hereunder and the holders thereof shall not be entitled to any of the rights of holders in respect thereof unless payment of the Redemption Price for each Granada Royalty Share to be redeemed is not made upon presentation of the share certificates in accordance with the foregoing provisions, in which case the rights of the holders thereof shall remain unaffected until payment of the Redemption Price for each Granada Royalty Share to be redeemed is made.

(4) **Failure to Present** - If the holders of any Granada Royalty Shares called for redemption fail to present, on the date specified for redemption, the certificate or certificates representing any Granada Royalty Shares of such holder called for redemption, the Company shall have the right to deposit the Redemption Price for each of those Granada Royalty Shares to a special account in any chartered bank or trust company in Canada to be paid without interest to or to the order of the respective holders of the Granada Royalty Shares called for redemption upon presentation and surrender to the bank or trust company of the certificate or certificates representing the Granada Royalty Shares of such holder called for redemption. Upon such deposit being made, the Granada Royalty Shares in respect of which the deposit was made shall be deemed to be redeemed, shall be cancelled and the rights of the holders thereof after the deposit shall be limited to receiving without interest their proportionate part of the aggregate Redemption Price deposited less any charges of the bank or trust company against presentation and surrender of the certificate or certificates representing the Granada Royalty Shares called for redemption held by them respectively.

(5) **Waiver** - Notwithstanding the foregoing, the holders of the Granada Royalty Shares may waive notice of any redemption by instrument or instruments in writing to the Company to that effect.

27.9 Restriction on Redemption Rights

Nothing herein shall be deemed to permit or oblige the Company to redeem or repurchase any Granada Royalty Shares if the redemption or repurchase would contravene any applicable statute, regulation or rule of law or equity.

27.10 Sale of Granada Gold Property and Registration

In the event that the Company sells or otherwise disposes of the Granada Gold Property, it shall use its commercially-reasonable best efforts to ensure that the purchaser or other transferee of the Granada Gold Property acknowledges the rights associated with the Granada Royalty Shares and assumes the obligation, in place of the Company, to pay the holders thereof in accordance with the terms and conditions of the Granada Royalty Shares. In that regard, the Company shall use its best efforts to register the rights given by the Granada Royalty Shares in the appropriate public registers maintained by the Ministère des Ressources naturelles of the Province of Québec.

27.11 Conversion of Common Shares into Granada Royalty Shares

The Board of Directors of the Company in its discretion may determine by resolution, when creating a series of Granada Royalty Shares, that payment for such Granada Royalty Shares may be made in whole or in part through the conversion of common shares of the Company, following which such common

shares shall be cancelled. For purposes of such conversion, the common shares shall be valued at a price equal to the volume weighted average trading price of the common shares on the stock exchange on which such shares are then principally traded for the twenty (20) trading days ending two (2) business days before the date of issuance of the Granada Royalty Shares, and the Granada Royalty Shares shall be valued at their issue price. Any determination by the Company as to such volume weighted average trading price of the common shares shall be final and binding on holders of the common shares.

In the event that the Board of Directors determines that payment for Granada Royalty Shares may be made in whole or in part through the conversion of common shares of the Company in the manner set out above, holders of the common shares shall have the right to require the Company to acquire their common shares in payment for Granada Royalty Shares, and the common shares shall be deemed to be acquired by the Company under the exercise of such right, subject to the right of the Company to: (i) fix a maximum number of Granada Royalty Shares for which payment may be made through the conversion of common shares of the Company, and (ii) issue Granada Royalty Shares on a *pro rata* basis to holders of the Company's common shares. The Company shall have the right to establish procedures for the tendering of certificates representing common shares of the Company to be converted into Granada Royalty Shares.

27.12 Restrictions on Modifications

The special rights and restrictions attached to the Granada Royalty Shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Granada Royalty Shares consent thereto by separate resolution pursuant to paragraph 27.12.

27.13 Consent to Modifications

The consent of the holders of the Granada Royalty Shares required pursuant to paragraph 27.11 may be obtained in writing signed by the holders of all the issued Granada Royalty Shares or by a resolution passed by a majority of not less than seventy-five percent (75%) of the votes cast at a meeting of the holders of the Granada Royalty Shares who are present in person or represented by proxy. At any meeting, all the provisions of the Articles of the Company relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall *mutatis mutandis* apply, except that the necessary quorum shall be one in number of the holders of Granada Royalty Shares holding or representing by proxy at least seventy-five percent (75%) of the issued Granada Royalty Shares, unless otherwise stated in these Articles.