NI 43-101 Technical Report
Preliminary Economic Assessment (PEA)
Granada Gold Project
Rouyn-Noranda, Quebec

Respectfully submitted to:
Gold Bullion Development Corporation

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Prepared By:
Claude Duplessis, Eng.
Gilbert Rousseau, Eng.
Gaston Gagnon, Eng.
Jonathan Gagné, Eng.

SGS Canada Inc.
Minerals Services
10 boul. de la Seigneurie Est, Suite 203, Blainville, Québec Canada, J7C3V5
t (450) 433 1050 **f** (450) 433 1048 www.geostat.com www.sgs.com
Member of SGS Group (SGS SA)

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1- Summary

1.1 General

The Granada Gold Mine property is located 5 kilometres south of the city center of Rouyn-Noranda in northwestern Quebec and 1.5 kilometers south east of the borough of Granada.

The Property is located in the municipality of Rouyn-Noranda (Granada sector) in northwestern Québec, the area is centered at 48°10' N Latitude and 79°01' W Longitude in National Topographic Map. This property comprises NTS map sheet 32D02 and 32D03.

The property covers a total area of 11,000 ha (110 km^2) and comprised 280 contiguous staked mining claims held 100% by Gold Bullion Development Corp. (TSX-V: GBB). Map-staked claim means a claim giving the holder the exclusive right to explore for minerals in the area.

Claims are all in good standing with renewals at variable due dates from 2012 to 2016. All the claims within the Granada Property are held 100% by Gold Bullion. The mining leases BM #813 covering 21.12 hectares and BM#852 covering 22.47 hectares have a 3% NSR payable to Mousseau Tremblay Inc.

The claims are valid for two-year periods and convey only exploration rights, no surface rights. The claims are in a good standing according to the claim system registry of Québec (Gestim). Grupo Moje is responsible for the submission of the assessment work for Gold Bullion and will be filing the required assessment work.

1.2 Scope of Work

Gold Bullion Development Corporation (GBB) has retained SGS Canada Inc Geostat group to prepare a preliminary economic assessment (PEA). The study is based on the latest resource estimate in order to present a preliminary economic analysis of a relatively large mining operation in form of an independent Technical Report for the Granada project. This Technical Report constitutes the first preliminary economic assessment based on the second NI 43-101 compliant mineral resource estimate conducted on the property by GBB. Database creation and validation with extensive independent sampling was performed to ensure that the resource estimate complies with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards and definitions referred to in Canadian National Instrument 43-101 (NI 43-101) with the current mineral resource effective November 15, 2012.

On August 08, 2012 Gold Bullion Development Corporation (GBB) retained SGS Canada Inc Geostat group to carry a study for a NI 43-101 Preliminary Feasibility Study (PFS) for a small open pit mining operation using custom milling in the region. During the course of the study it was found that limited availability was making this option not possible to achieve, the mandate was then changed to a Preliminary Economic Assessment (PEA), including a Technical Report for the Granada Gold Project. This Report includes the mineral resource estimate completed and filed on January 03, 2012.

1.3 Historical Tailings and Waste Pile

A part of the property is recovered by historical tailings and there are tailings in one of the old open water filled pits. The old tailings belongs to the " Ministère des Ressources Naturelles de la Faune, secteur Mines" (orphan site). Gold Bullion is taking actions to take care of them in direct communication with the MRNF and MDDEP. Test work has been undertaken at SGS Lakefield Laboratories indicating that it is viable to produce a marketable product.

For the onsite waste pile legacy of previous open pit operations, Gold Bullion has an authorization (CA) to use the rock for access road construction and it is also being used by local contractors for fill. Permits were not verified by the author but we are aware of one constraint, the fines from this rock pile must stay on site for now.

Permits to do exploration DDH on the property are in good standing. The property is outside Joanes wildlife preserve which is located further east of the property. A potential risk exists with a proposed new provincial law No14 that gives more power to Municipalities and MRC. These entities do not actually have qualified persons to review a mineral project which is one of the main concerns of the mineral industry. This situation applies to all mining and exploration projects in the Province of Quebec and is not specific to the Granada property.

1.4 Geology

The Granada Mine property occurs within rocks of the Temiscaming group, on the south limb of the regional east-west trending Granada synclinorium whose axial trace is located south of the Cadillac Fault. The property is underlain principally by east-west-trending, north-dipping interbedded polymictic conglomerate, porphyry-pebble conglomerate, greywacke and siltstone-mudstone of the Granada Formation.

The Cadillac Fault traverses the northern part of the property and within the Granada mine site itself a parallel set of shears (Granada Shear Zone) occur over a zone of 500 m width. The shears are characterized by intense sericite, iron carbonate plus minor chlorite alteration with disseminated pyrite and arsenopyrite and host quartz veins and stringers. The veins comprise boudinaged or en-echelon quartz lenses in the sediments and more continuous veins in the syenite intrusive bodies. A series of northeasterly trending sigmoidal faults occur between the Cadillac Fault and the Granada Shear Zone due to late shearing. This late shearing also imparted the fracturing and dilantancy in the quartz veins.

The gold mineralization is hosted by east-west trending smokey grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Late northeasterly-trending sigmoidal faults also host high grade gold mineralization. Accessory minerals include tourmaline, carbonate, chlorite, and disseminated sulphides. Pyrite is the dominant sulphide typically occurring within the immediate wall rock to the quartz veins. Minor pyrite does occur within the veins themselves. Additional sulphides such as chalcopyrite, arsenopyrite sphalerite, and

galena are present in trace amounts. Fuchsite (chromium mica) is present in the immediate wall rock to the quartz veins.

The gold grade at Granada varies due to coarse free gold in the mineralized structures. Apparently discontinuous, the mineralized structures are relatively continuous; this is shown by assay grade continuity on cross section and the associated geometry of the underground workings.
The mineralized zones are being cut in blocks which are shifted in majority to the north.
When looking at cross section near the shaft #1, the extent of the vein is over 250m and recognized by drill holes. An important point to mention is the fact that previous operators did not extract all the gold. It is possible to see the drift projection between recent mineralized core intersections into the foot wall vein

The Company has carried out three phases of exploration starting in 2009, another in 2010 and the third in 2011. All exploration works especially drilling has been done under supervision and management of the Company's previous consultant. The drilling was done by diamond drill using NQ core size. The Company has drilled a deep hole north extension program, Phase 4 in parallel to catching up the back-log.

In addition to an extensive independent sampling program at Granada, metallurgical test work done to determine the head grade of each composite by subjecting the entire sample to gravity concentration of the coarse gold followed by cyanide leaching of the gravity tailings. An overall (gravity + cyanidation) gold metallurgical balance was applied to calculate the head grade of each sample and the total gold recovery.

The gold recovery to the gravity concentrates ranged from 29.6% to 78% with an average of 54.0%.

The extraction of gold by cyanidation ranged from 83.5% to 94% with an average of 89.3%. The NaCN and lime consumptions ranged from 0.03 to 1.40 kg/t and 0.21 to 0.70 kg/t respectively. The overall extraction, gravity plus cyanidation ranged from 90.0 to 98.5% with an average of 94.9%.

1.5 Mineral Resource Estimate

SGS has conducted extensive validation and database construction to prepare a reliable resource estimate for the Granada Gold project. SGS considers the resource estimate to have been reasonably prepared and to conform to the current CIM standards and definitions for estimating resources, as required under NI 43-101 "Standards of Disclosure for Mineral Projects." Therefore, SGS accepts the public disclosure of the resource estimate as the basis for ongoing exploration at the Granada. However, the reader should be cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Estimated mineral resources of the Granada gold project are simply obtained by adding resources in blocks with an estimated grade above any given cut-off. Resource tonnage of a block is: 5mNx10mEx5mZx2.7t/m^3 = 675t for a full block (100% below overburden/topo surface).

Granada gold deposit In Situ Resource Estimates are:

Granada gold deposit In Situ Resource Estimates

Cut-off 0.4 g/t	Tonnage	Au g/t	Au Oz
Measured	28,735,000	1.02	946,000
Indicated	18,740,000	1.09	659,000
Total M+I	**47,475,000**	**1.05**	**1,605,000**
Inferred	**29,975,000**	**1.07**	**1,033,000**
Cut-off 1.0 g/t	Tonnage	Au g/t	Au Oz
Measured	7,810,000	2.14	536,000
Indicated	5,347,000	2.32	398,000
Total M+I	13,157,000	2.21	934,000
Inferred	8,600,000	2.23	617,000
Cut-off 2.0 g/t	Tonnage	Au g/t	Au Oz
Measured	2,533,000	3.76	306,000
Indicated	1,869,000	4.07	245,000
Total M+I	4,402,000	3.89	551,000
Inferred	3,030,000	3.89	379,000

Note: rounded numbers, base case cut-off >0.4 g/t shadowed. The historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935 are included in the resource statement(cannot physically remove from measured, indicated or inferred).

The *in situ* measured resource is 946,000 ounces (28.735 million tonnes grading 1.02 g/t), indicated resource is 659,000 ounces (18.740 million tonnes grading 1.09 g/t), inferred resource is 1,033,000 ounces gold (29.975 million tonnes grading 1.07 g/t Au) using a cut-off grade of 0.40 g/t.

There are no current mineral reserves at Granada project.

1.5.1 In-Pit Mineral Resource Estimate

In order to have an appraisal of resources within a potential open pit, a whittle pit optimizer has been run with the following parameters. An in-pit resource within a Whittle-optimized pit shell was estimated using a base case gold price of CAN$ 1450 per ounce. The table below summarizes the in-pit resources with the selected base case in Whittle optimizations:

In-pit Estimates*		CoG g/t	Ore M tonnes	Grade g/t	Au oz
Nov 2012 (within claims & Au = 1450 $/oz)	Measured	0.36	24,992,000	1.01	811,300
	Indicated	0.36	9,336,000	1.18	354,600
	Inferred	0.36	449,800	0.77	11,100
	Mea+Ind	0.36	34,328,900	1.06	1,166,000

*Rounded numbers

The in-pit estimate is based on a mining cost of CAN$2.00 per tonne and a processing cost of CAN$16.00 per tonne (including G&A), assuming gravity cyanidation treatment of the mineralized material.

Other assumptions include 94.1% recovery of gold in and pit wall slope angle of 45 degrees in the south footwall and 50 degrees in the north hanging wall.

The selected base case in-pit measured resource is 811,300 ounces (24.992 million tonnes grading 1.01 g/t), indicated resource is 354,600 ounces (9.336 million tonnes grading 1.18 g/t), inferred resource is 11,100 ounces gold (0.449 million tonnes grading 0.77 g/t Au) using an effective cut-off grade of 0.36 g/t based on a Whittle-optimized pit shell simulation using estimated operating costs, a 3 year trailing average gold price of CAN$1450 per ounce and a corresponding lower cut-off grade of 0.36 gram per tonne gold.

Again; previous small open pits have been taken into account and are starting surfaces of optimization while the historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935 are included in the resource statement.(the author cannot physically remove from measured, indicated or inferred).

Note: The economic parameters used at the time of the pit optimization do not necessarily confirm those stated in the economic model. The impact is negligible considering the size of the resource and the quality of initial estimates.

1.6 Exploration Program

The program of exploration expenditure in 2012-2013 is estimated as follow:

Exploration Budget on the Granada Project (CAN$)	
Diamond drilling 5,000m for	$1,000,000$
Assaying	$200,000
Consulting fees	$500,000
Environmental testing and hydrogeology	$1,500,000
Manpower	$75,000
Project other expenses	$150,000
Estimated total cost	**$3,425,000**

Of course, the proposal for further exploration on the Granada property as proposed is subject to either funding or other matters which may cause the proposed exploration program to be altered in the normal course business activities or alterations which may affect the program as a result of exploration activities themselves.

Effective date of the report of the Mineral Resource Update is November 15, 2012

The proposed budget of work in made in this direction, i.e. prepare the required work studies and permitting, a PFS for a the rolling start.

1.7 Mining Method and Planning

The PEA

Taking into account the geometry and the depth of the mineralized zone, both open-pit and underground mining methods, conducted simultaneously, has been considered in this study. No geotechnical parameters are available, but as the rock mechanical conditions are referred to as very good, standard parameters were retained. The open pit parameters are the following ones: Overall slope angle, 50° North wall / 45° South wall, face angle of 85°, bench height of 10 m in waste and 5 m in ore, safety berm of 12 m wide, ramp at 10% grade and 19.5 m wide for one-way traffic and 26.5 m for two-way traffic. The production is rated at 6,500 tonnes per day with an overall waste to ore ratio of 5.9.

The underground production is planned at 1,000 tonnes per day to last 11 years, same as the open pit. There is no shaft proposed, only one ramp. The existing two shafts will be rehabilitate as emergency exits and airways. Two mining methods are proposed, the first one is the Avoca, and the second is the Drift-and-Fill, both methods are variants of the Cut-and-Fill methods.

	Year		0	1	2	3	4	5	6
Open pit	Resources mined	tonnes	-	-	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
	Input grade	g/t	-	-	1.49	1.13	0.97	0.98	0.96
	Waste mined	tonnes	-	-	9,367,028	10,296,436	14,115,132	22,371,197	20,189,606
	Stripping ratio	t:t	-	-	4.1	4.5	6.2	9.8	8.9
U/G	Resources mined	tonnes	-	-	175,000	350,000	350,000	350,000	350,000
	Input grade	g/t	-	-	3.23	3.04	2.77	2.75	4.04
	Ramp	m	1,530	403	1,414	797	407	-	-
	Ramp	tonnes	92,948	24,482	85,901	48,418	24,725	-	-
	Stopes accesses	m	-	1,280	2,096	1,677	1,494	859	-
	Stopes accesses	tonnes	-	77,760	127,332	101,878	90,761	52,184	-
	Raises	m	-	285	203	330	-	-	246
	Raises	tonnes	-	6,733	4,796	7,796	-	-	5,812
	Ventilation accesses	m	-	406	435	521	487	424	564
	Ventilation accesses	tonnes	-	13,428	14,388	17,232	16,108	14,024	18,654
Open pit & U/G	Total resource mined	tonnes	**-**	**-**	**2,450,000**	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**
	Input grade	g/t	**-**	**-**	**1.62**	**1.38**	**1.21**	**1.22**	**1.37**

	Year		7	8	9	10	11	12	Total
Open pit	Resources mined	tonnes	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	24,890	**22,774,890**
	Input grade	g/t	0.97	1.01	1.11	1.05	1.07	0.99	**1.07**
	Waste mined	tonnes	15,298,731	15,413,884	11,780,394	8,073,822	7,560,663	29,294	**134,496,187**
	Stripping ratio	t:t	6.7	6.8	5.2	3.5	3.3	1.2	**5.9**
U/G	Resources mined	tonnes	350,000	350,000	350,000	350,000	350,000	322,997	**3,648,000**
	Input grade	g/t	4.06	4.17	3.60	3.60	3.60	3.60	**3.51**
	Ramp	m	-	-	-	-	-	-	**4,551**
	Ramp	tonnes	-	-	-	-	-	-	**276,473**
	Stopes accesses	m	70	40	-	342	715	-	**8,573**
	Stopes accesses	tonnes	4,253	2,430	-	20,777	43,436	-	**520,810**
	Raises	m	-	-	262	-	-	-	**1,326**
	Raises	tonnes	-	-	6,190	-	-	-	**31,327**
	Ventilation accesses	m	98	35	138	129	471	-	**3,708**
	Ventilation accesses	tonnes	3,241	1,158	4,564	4,267	15,578	-	**122,642**
Open pit & U/G	Total resource mined	tonnes	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**	**347,887**	**26,422,890**
	Input grade	g/t	**1.38**	**1.43**	**1.44**	**1.39**	**1.41**	**3.41**	**1.41**

1.8 Project Infrastructure

The main planned infrastructures are:

- Resources processing facilities
- Main building (offices and mechanical shop)
- Electrical substation
- Warehouse/Lay down yard
- Explosives magazines
- On-site roads
- Tailings management facilities
- Waste rock stockpile
- Underground ramp portal
- Underground heathers/ventilators
- ROM stock pile

1.9 Capital and Operating Costs

The Capex estimation is $259 M and comprises mainly the concentrator, maintenance and offices buildings and the underground developments done during the first two years. There are no mining fleets involved in the capital as mining for open pit and underground is planned to be done under subcontracting. The sustaining and working Capex is amounting to $16.4 M.

1.9.1 Operating Costs

The costs are estimated on a flat basis, in other words, there is no time impact on them.

The open pit mining cost is estimated at a total of $353.9 M which equates to $15.54 per tonne processed or to an average of $2.25 per tonne mined.

The underground mining cost is estimated at $155.0 M which equates to $42.50 per tonne processed.

The 26.42 Mt to be treated (open pit and U/G) are resulting from a processing cost of $370.0 M which equates to an average of $14.00 per tonne processed through the life of the mine.

1.10 Economic Analysis

SGS made a number of assumptions in order to develop the Granada Project financial model:

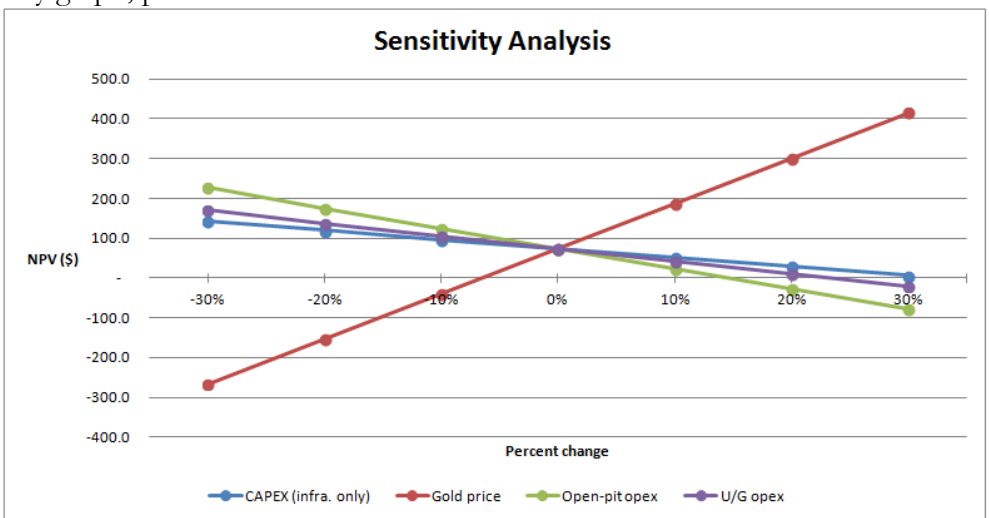
- price of gold at $1,470 USD per ounce troy (3 years trailing average);
- 3.0% NSR is attributable to a third party;
- processing rate of 7,500 tonnes per day (6,500 from open pit and 1,000 from U/G);
- constant exchange rate of $1.00 (US$:CDN$);
- discounting rate of 5.50 %.

The summary of economic results is shown below.

Items	Units	Value
Total Revenue	M$	1,656
Total Operating Costs	M$	1,113
Pre-production Capital Costs	M$	259
Sustaining Capital Costs	M$	16
Royalties paid	M$	49
Undiscounted benefits	M$	217
NPV discounted at 5.50%	M$	74.6
Internal rate of return	%	10.1
Payback period*	years	6.8

**from start of production*

The sensitivity graph, parameters and results are shown below.



Parameters	*Units*	*-30%*	*-20%*	*-10%*	*0%*	*10%*	*20%*	*30%*
CAPEX (infra. only)	$	162.5	185.8	209.0	232.2	255.4	278.6	301.9
NPV	$	142.4	119.8	97.2	74.6	52.0	29.4	6.7
IRR	%	16.6	14.1	12.0	10.1	8.5	7.1	5.9
Gold price	$	1,029	1,176	1,323	1,470	1,617	1,764	1,911
NPV	$	- 266.3	- 152.7	- 39.1	74.6	188.2	301.4	415.5
IRR	%	-	-	-	10.1	16.5	22.3	27.6
Open-pit opex	$	494.8	565.5	636.2	706.9	777.6	848.2	918.9
NPV	$	226.8	176.0	125.3	74.6	23.9	- 26.9	- 77.6
IRR	%	18.6	15.9	13.1	10.1	7.0	-	-
U/G opex	$	303.8	347.2	390.6	434.0	477.4	520.8	564.2
NPV	$	169.9	138.1	106.3	74.6	42.8	11.1	- 20.7
IRR	%	15.9	14.0	12.1	10.1	8.2	6.2	-

Note: *The PEA is preliminary in nature and it includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

1.11 Conclusions and Recommendations

From the cash flow results, the Mineral Resource of the Granada Project is economic and it is recommended to go ahead with the next study stage.

The Granada Project merits more detailed work to increase the economic robustness.

Additional drilling is required under old historical tailings, since it is not allowed by the Minister of Natural Resources. The few intersections in that sector reveal good potential near surface that can greatly impact the project economics.

With the latest development of public opinion and the community, plus the Provincial Government's decision about mining industry, the author is of the opinion that a Rolling Start Mine is highly recommended prior to proceeding with a larger scale mining scenario. A 2-3 year small Rolling Start Mine is proposed in the range of 450 to 475 tonnes per day. This would meet the following objectives:

1) Demonstrate to stakeholders that Gold Bullion Development Corp. is a good corporate citizen;
2) Demonstrate the Company compliance with all regulations and beyond;
3) Demonstrate the quality of the resource estimate and validate the gold recovery while pouring gold doré bars, for the mutual benefits of the stakeholders, the local community and of course the stockholders.

The proposed budget of work in made in this direction, i.e. prepare the required work studies and permitting, a PFS for a Rolling Start Operation.

SGS Canada Inc. SGS Geostat group
"Claude Duplessis"
Claude Duplessis, Eng.
Senior Geological Engineer
February 4, 2013

"Gilbert Rousseau"
Gilbert Rousseau, Eng.
Senior Mining-Metallurgical Engineer
February 4, 2013

"Gaston Gagnon"
Gaston Gagnon, Eng.
Senior Mining Engineer
February 4, 2013

"Jonathan Gagné"
Jonathan Gagné, Eng.
Mining Engineer
February 4, 2013

2- Introduction

The Granada Gold Project is located in Abitibi, 5 km south of the city of Rouyn-Noranda, Qc.

This NI 43-101 Report was prepared by SGS Geostat for Gold Bullion Development Corporation and includes:
an Update of the Mineral Resources that was completed and filed on January 03rd 2013, and
the full content of the PEA study completed on February 2013.

2.1 Mineral Resource Estimation

This technical report was prepared by SGS Canada Inc. – Geostat ("SGS Geostat") for Gold Bullion Development Corporation ("Gold Bullion") to support the disclosure of mineral resources for the Granada property ("Property" or "Project"). The report describes the basis and methodology used for modeling and estimation of the Granada gold deposit located on the property from drill holes completed by Gold Bullion during the 2009, 2010, 2011 and 2012 exploration programs (data received and validated on cut-off date of November7th 2012). The report also presents a review of the history, geology, sample preparation and analysis, and data verification of the project. The report also provides recommendations for future work.

SGS Geostat was initially commissioned by Gold Bullion in 2011 to prepare an independent estimate of the mineral resources of the Granada deposit and in 2012 for an update of resources with remaining back log and new drilling of 2012 under SGS Geostat staff supervision.

The reader must be advised that the content of this technical report is an update of the previously filed report on April 2nd 2012. Some sections remain the same and the new information has been added in the respective sections.

2.2 Preliminary Economic Assessment (PEA) Report

Following the completion of the updated mineral resource report, Gold Bullion Development Corporation ("Gold Bullion") has mandated SGS Canada Inc. – Geostat (SGS Geostat) to complete a PEA study compliant to NI 43-101 including a Technical Report (The Report). This report is based on the assumptions that the Granada gold deposit will be put in production at a rate of 7,500 tonnes per day over a period of 11years. An on-site concentrator with gravity-cyanidation processing is included in the economic study.

Production will come from an open pit designed to supply 6,500 tonnes per day (tpd) and an underground (U/G) mine supplying 1,000 tpd. The underground operation is planned to operate from a main ramp only, avoiding the cost of sinking a shaft. Two mining methods are proposed for the UG production, both as variants of the Cut-and-Fill methods. The economic results are shown in an annual cash flow with NPV discounted at 5.5%, sensitivity analysis, IRR, and payback period are also included in the report. This Technical Report is scheduled to be filed at the beginning of February 2013.

2.3 Terms of Reference

The initial report on the mineral resource estimation of the Granada deposit was prepared by Claude Duplessis Eng. and Mr. Gilbert Rousseau Eng. who was responsible for the section 13 of this report and both visited the site on November 2th and 3rd 2011. Mr. Duplessis visited the site for the independent sampling with Karina Sarabia GIT, Amanda Landriault GIT, Jean-Philippe Paiement GIT and Matthew Halliday GIT from November 27th to December 2nd in 2011 who contributed to the preparation of the technical report. Mr. Duplessis also visited the site on March 14th, mid-April and June 20th 2012 and was responsible for the data verification and validation, geological modeling, resource estimates and sections 1-26 of this technical report update. The Property was visited for a review of exploration methodology, sampling procedures, drill site inspection, wedge supervision and to conduct inspection of selected mineralized drill intervals.

This technical report was prepared according to the guidelines set under "Form 43-101F1 Technical Report" of National Instrument 43-101 Standards and Disclosure for Mineral Projects. The certificate of qualification for the Qualified Persons responsible for this technical report have been supplied to Gold Bullion as separate documents and can also be found at the very end of the report.

The author wants to thanks Karina Sarabia Geo in Training and Jonathan Gagné, Eng., for their contribution in the preparation of this mineral resource update report.

All measurements in this report are presented in "International System of Units" (SI) metric units, including metric tonnes (tonnes) or grams (g) for weight, metres (m) or kilometres (km) for distance, hectare (ha) for area, and cubic metres (m^3) for volume. All currency amounts are Canadian Dollars ($) unless otherwise stated. Abbreviations used in this report are listed in Table 1.

Table 1: List of Abbreviations

tonnes or t	Metric tonnes
kg	Kilograms
g	Grams
km	Kilometres
m	Metres
µm	Micrometres
ha	Hectares
m3	Cubic metres
km/h	Kilometre per hour
%	Percent sign
t/m^3	Tonnes per cubic metre
$	Canadian Dollars
°	Degree
°C	Degree Celcius
NSR	Net smelter return
ppm	Parts per million
ppb	Parts per billion
NQ	Drill core size (4.8 cm in diameter)
SG	Specific Gravity
NTS	National Topographic System
UTM	Universal Transverse Mercator
NAD	North America Datum
Ga	Billion years
Au	Gold
g/t	Gram per metric tonne
Oz	Ounce
Moz	Million ounces
SM	Screen Metallic
FA	Fire Assay

2.4 Source of Information

The information comes from the previous technical report and the new information was developed during SGS Geostat deep hole drilling program and the western extension drilling campaign in 2012. Drill holes were surveyed by Mazac independent surveyor.

Historical holes were integrated into the database in 2012, however decision was made by the author not to use the historical data of the 90's for resource estimation since drill cores were not sampled in full and it was not possible to carry a QA/QC program at this stage and significant difference in holes elevation was observed. Moreover, the new Gold Bullion drilling program covered the 90's drilling area and much more. Only one historic hole (90-01) to the north west was used to complete information between new deep drilling and the intensively drilled area.

Information in this report is based on critical review of the documents, information and maps provided by the personnel of Gold Bullion and independent 3rd parties like commercial laboratories, Quebec Ministry of Natural Resources and surveyors.

2.5 Site visit

Claude Duplessis, Eng., and a qualified person, visited the site on November 2nd and 3rd 2011 and from November 27th to December 2nd of the same year, he also visited the property on March 14th, mid-April and July 4th 2012.
Gilbert Rousseau, Eng., and a qualified person, visited the property on November 2nd and 3rd 2011.
Jonathan Gagné, Eng., and a qualified person, visited the property on December 21st 2012.

The personal inspections were positive; the work sites were clean and well maintained. Gold Bullion core shack and core splitting facilities were in good conditions. The drill cores are stored in covered core racks (Figure 1). The rejects and pulps are stored in containers. The site is constantly monitored.

Building with core logging and cutting facility

Core boxes in racks and on steel carrier

Figure 1: Photos of the site installations

Drill site with identified casing 2011 pit fence in the back

Identified casing 2011 campaign (GR-11-255)

Drill setting-up on western extension 2012

Drill pad site along the access road 2012

Figure 2: Pictures of drill sites encountered during field visits 2011 & 2012

2.6 Effective Date and Declaration

The present NI 43-101 Technical Report is considered effective as of December 21, 2012 and is the support of the Gold Bullion Development Corp press release of the same date, and entitled:"GOLD BULLION RECEIVES PRELIMINARY ECONOMIC ASSESSMENT FOR GRANADA, PROCEEDING TO PRELIMINARY FEASIBILITY STUDY"

2.7 Disclaimer

It should be understood that the mineral resources which are not mineral reserves do not have demonstrated economic viability. The mineral resources presented in this Technical Report are estimates based on available sampling and on assumptions and parameters available to the Authors.

The comments in this PEA Technical Report reflect the Authors' and SGS Geostat best judgment in light of the information available.

3- Reliance on Other Experts

The authors of this technical report are not qualified to comment on issues related to legal agreements, royalties, permitting, and environmental matters. The authors have relied upon the representations and documentations supplied by the Company management. The authors have reviewed the mining titles, their status, the legal agreement and technical data supplied by Gold Bullion, and public sources of relevant technical information.

As for common metals, precious metal like Gold is sold on public exchanges and evaluating their prices is relatively straightforward. Prices of metals tend to fluctuate strongly due to 1) market conditions; 2) European & USA debt crisis; 3) speculation as to the future demand. For this study metal prices were derived from a three year weighted average obtained from index Mundi. http://www.indexmundi.com/commodities/?commodity=gold&months=60

Comparisons were made with other recent technical reports and price assumptions available which showed that the price assumptions were well within range of other experts. These prices were used to establish a minimum cut-off grade for the Gold.

The author relies on independent surveyor (Mazac Geoservice inc.) for the accuracy of the diamond drill hole position and the survey along the holes for the deep holes.

4- Property Description and Location

4.1 Property location

The Granada Gold Mine property is located 5 kilometres south of the city center of Rouyn-Noranda in northwestern Quebec and 1.5 kilometres south east of the borough of Granada.

The Property is located in the municipality of Rouyn-Noranda (Granada sector) in northwestern Québec, the area is centered at 48°10' N Latitude and 79°01' W Longitude in National Topographic Map. This property comprises NTS map sheet 32D02 and 32D03.

The following figure presents the location of the property in the regional context (source from Gold Bullion Web site).

Figure 3: Location of property in the province of Quebec and within Abitibi region

4.2 Property description and ownership

The property covers a total area of 11,000 ha (110 km2) and comprised 280 contiguous staked mining claims held 100% by Gold Bullion Development Corp. (TSX-V: GBB). Map-staked claim means a claim giving the holder the exclusive right to explore for minerals in the area Figure 4.

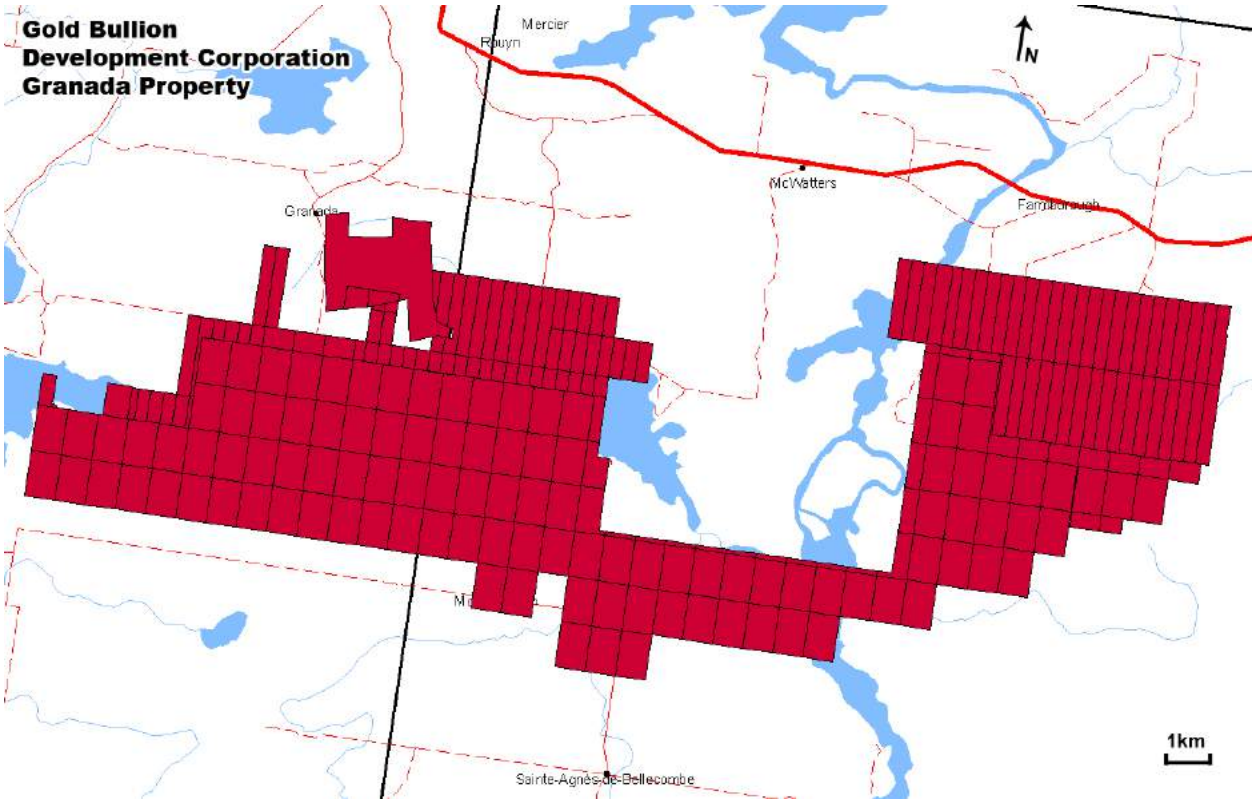


Figure 4: Claims of the Granada property from GESTIM Quebec

Claims are all in good standing with renewals at variable due dates from 2012 to 2016 and 2020 All the claims within the Granada Property are held 100% by Gold Bullion. The mining lease BM #813 covering 21.12 hectares and BM # 852 covering 22.47 hectares have a 3% NSR payable to Mousseau Tremblay Inc. The detailed definition of the NSR could not be verified by the author, the author has no confirmation the NSR is registered to the MRN. The location of these Mining Leases as per MRN Gestim system is presented in the followingFigure 5.

To the author knowledge there are no additional royalties.

The claims are valid for two-year periods and convey only exploration rights, no surface rights. The claims are in a good standing according to the claim system registry of Québec (Gestim). In general an average of $1200 work in exploration for each claim is required to maintain them in good standing. An assessment report must be filled to the MRNF with appropriate proof of exploration expenses. Grupo Moje is responsible for the submission of the assessment work for Gold Bullion and will be filing the assessment work.

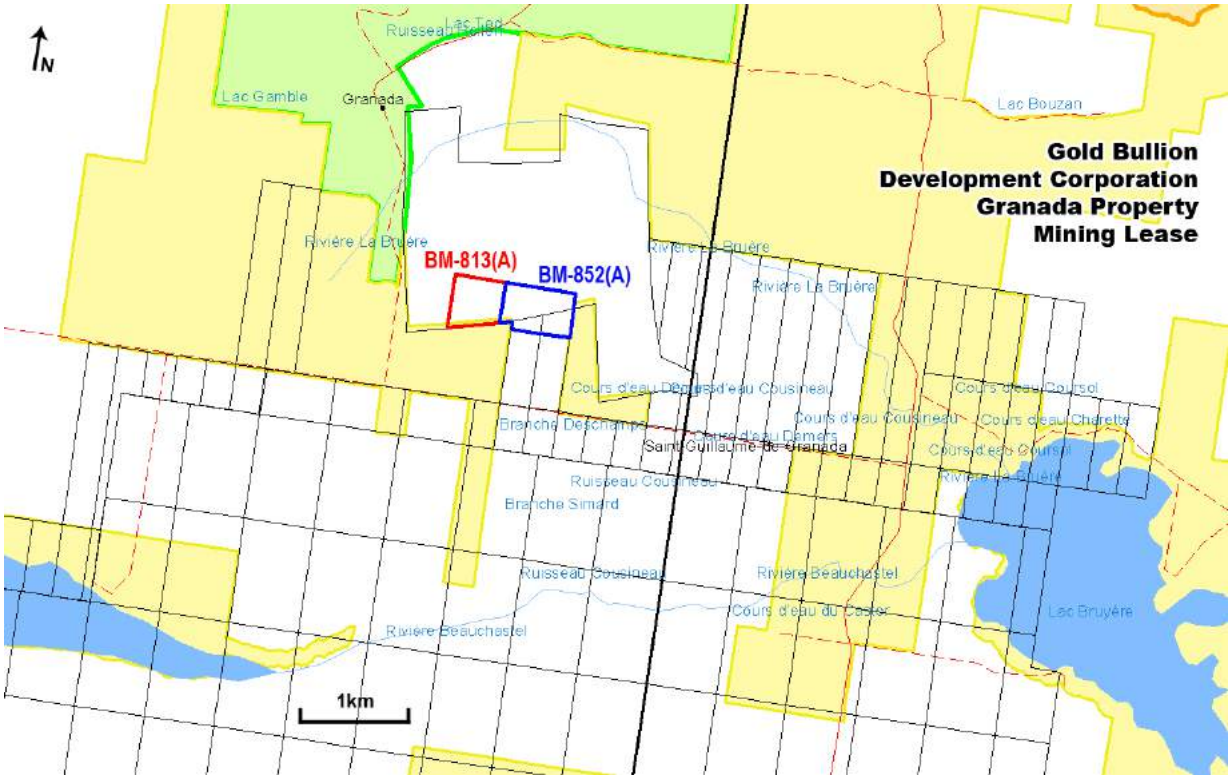


Figure 5: Location of the mining lease for which Mousseau Tremblay Inc has a 3% NSR

Surface rights on the Property are held by the Québec Government. A summary of the mineral claims holdings is presented in the Table 2.

Table 2: Summary of Granada claims held by the company as of January 2nd 2013 verification.

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CL	5109754	Active	21-Aug-93	20-Aug-13	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	5109755	Active	21-Aug-93	20-Aug-13	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	BM	813	Active	20-Sep-93	19-Sep-13	21 .12	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2190880	Active	6-Oct-09	5-Oct-13	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952881	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952882	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952883	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952884	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952891	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952892	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952893	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3952894	Active	3-Nov-80	15-Oct-13	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2192716	Active	26-Oct-09	25-Oct-13	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2192717	Active	26-Oct-09	25-Oct-13	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2197131	Active	9-Dec-09	8-Dec-13	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2197132	Active	9-Dec-09	8-Dec-13	42 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2197133	Active	9-Dec-09	8-Dec-13	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2197134	Active	9-Dec-09	8-Dec-13	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206417	Active	22-Feb-10	21-Feb-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206418	Active	22-Feb-10	21-Feb-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206419	Active	22-Feb-10	21-Feb-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206420	Active	22-Feb-10	21-Feb-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206421	Active	22-Feb-10	21-Feb-14	24 .94	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206422	Active	22-Feb-10	21-Feb-14	42 .27	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206423	Active	22-Feb-10	21-Feb-14	10 .62	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206424	Active	22-Feb-10	21-Feb-14	10 .62	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206425	Active	22-Feb-10	21-Feb-14	10 .64	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206426	Active	22-Feb-10	21-Feb-14	10 .64	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206427	Active	22-Feb-10	21-Feb-14	10 .64	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206428	Active	22-Feb-10	21-Feb-14	20 .29	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206429	Active	22-Feb-10	21-Feb-14	10 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206430	Active	22-Feb-10	21-Feb-14	10 .48	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206431	Active	22-Feb-10	21-Feb-14	10 .49	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206432	Active	22-Feb-10	21-Feb-14	10 .5	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D03	CDC	2206433	Active	22-Feb-10	21-Feb-14	8 .76	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206434	Active	22-Feb-10	21-Feb-14	10 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206435	Active	22-Feb-10	21-Feb-14	10 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206436	Active	22-Feb-10	21-Feb-14	10 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206437	Active	22-Feb-10	21-Feb-14	10 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206438	Active	22-Feb-10	21-Feb-14	10 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206439	Active	22-Feb-10	21-Feb-14	10 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206440	Active	22-Feb-10	21-Feb-14	16 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206441	Active	22-Feb-10	21-Feb-14	8 .13	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206442	Active	22-Feb-10	21-Feb-14	16 .67	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206443	Active	22-Feb-10	21-Feb-14	5 .1	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206444	Active	22-Feb-10	21-Feb-14	16 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206445	Active	22-Feb-10	21-Feb-14	16 .54	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206446	Active	22-Feb-10	21-Feb-14	57 .48	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206447	Active	22-Feb-10	21-Feb-14	57 .48	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206448	Active	22-Feb-10	21-Feb-14	57 .48	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206449	Active	22-Feb-10	21-Feb-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206450	Active	22-Feb-10	21-Feb-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2206451	Active	22-Feb-10	21-Feb-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206452	Active	22-Feb-10	21-Feb-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206453	Active	22-Feb-10	21-Feb-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206454	Active	22-Feb-10	21-Feb-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206455	Active	22-Feb-10	21-Feb-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206456	Active	22-Feb-10	21-Feb-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206457	Active	22-Feb-10	21-Feb-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206458	Active	22-Feb-10	21-Feb-14	34 .78	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206459	Active	22-Feb-10	21-Feb-14	42 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206460	Active	22-Feb-10	21-Feb-14	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206461	Active	22-Feb-10	21-Feb-14	42 .26	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206462	Active	22-Feb-10	21-Feb-14	42 .38	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2206463	Active	22-Feb-10	21-Feb-14	51 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2206464	Active	22-Feb-10	21-Feb-14	0 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2215455	Active	19-Apr-10	18-Apr-14	23 .97	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2215456	Active	19-Apr-10	18-Apr-14	42 .63	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224370	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224371	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2224372	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224373	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224374	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224375	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224376	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224377	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224378	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224379	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224380	Active	30-Apr-10	29-Apr-14	46 .08	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224381	Active	30-Apr-10	29-Apr-14	5 .35	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224382	Active	30-Apr-10	29-Apr-14	5 .36	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224383	Active	30-Apr-10	29-Apr-14	5 .42	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224384	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224385	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224386	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224387	Active	30-Apr-10	29-Apr-14	37 .4	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224388	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224389	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2224390	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224391	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224392	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224393	Active	30-Apr-10	29-Apr-14	20 .88	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224394	Active	30-Apr-10	29-Apr-14	10 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224395	Active	30-Apr-10	29-Apr-14	10 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224396	Active	30-Apr-10	29-Apr-14	10 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224397	Active	30-Apr-10	29-Apr-14	10 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224398	Active	30-Apr-10	29-Apr-14	10 .64	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2224399	Active	30-Apr-10	29-Apr-14	10 .63	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224400	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224401	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224402	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224403	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224404	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224405	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224406	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224407	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D03	CDC	2224408	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224409	Active	30-Apr-10	29-Apr-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224410	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224411	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224412	Active	30-Apr-10	29-Apr-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224413	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224414	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224415	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224416	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224417	Active	30-Apr-10	29-Apr-14	19 .52	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224418	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224419	Active	30-Apr-10	29-Apr-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224420	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224421	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224422	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224423	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224424	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224425	Active	30-Apr-10	29-Apr-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D03	CDC	2224426	Active	30-Apr-10	29-Apr-14	24 .98	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2224427	Active	30-Apr-10	29-Apr-14	25 .03	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02,32D03	CDC	2224428	Active	30-Apr-10	29-Apr-14	10 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2234923	Active	21-May-10	20-May-14	42 .63	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2238244	Active	16-Jun-10	15-Jun-14	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2240709	Active	14-Jul-10	13-Jul-14	33 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2249792	Active	14-Sep-10	13-Sep-14	10 .63	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251568	Active	28-Sep-10	27-Sep-14	28 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251569	Active	28-Sep-10	27-Sep-14	57 .42	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251570	Active	28-Sep-10	27-Sep-14	28 .26	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251571	Active	28-Sep-10	27-Sep-14	57 .41	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251572	Active	28-Sep-10	27-Sep-14	57 .41	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251577	Active	28-Sep-10	27-Sep-14	5 .42	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251598	Active	28-Sep-10	27-Sep-14	9 .97	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251625	Active	28-Sep-10	27-Sep-14	10 .02	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251643	Active	28-Sep-10	27-Sep-14	0 .63	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251653	Active	28-Sep-10	27-Sep-14	42 .67	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251654	Active	28-Sep-10	27-Sep-14	42 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2251655	Active	28-Sep-10	27-Sep-14	42 .65	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251656	Active	28-Sep-10	27-Sep-14	42 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251657	Active	28-Sep-10	27-Sep-14	42 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251658	Active	28-Sep-10	27-Sep-14	42 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251659	Active	28-Sep-10	27-Sep-14	42 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251660	Active	28-Sep-10	27-Sep-14	42 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251661	Active	28-Sep-10	27-Sep-14	42 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251662	Active	28-Sep-10	27-Sep-14	42 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251663	Active	28-Sep-10	27-Sep-14	42 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251664	Active	28-Sep-10	27-Sep-14	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251665	Active	28-Sep-10	27-Sep-14	42 .57	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251666	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251667	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251668	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251669	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251680	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251681	Active	28-Sep-10	27-Sep-14	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251682	Active	28-Sep-10	27-Sep-14	42 .55	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2251683	Active	28-Sep-10	27-Sep-14	42 .56	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251684	Active	28-Sep-10	27-Sep-14	42 .54	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251685	Active	28-Sep-10	27-Sep-14	42 .54	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251686	Active	28-Sep-10	27-Sep-14	42 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251687	Active	28-Sep-10	27-Sep-14	42 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251688	Active	28-Sep-10	27-Sep-14	42 .54	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251689	Active	28-Sep-10	27-Sep-14	42 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251690	Active	28-Sep-10	27-Sep-14	42 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2251691	Active	28-Sep-10	27-Sep-14	42 .53	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251926	Active	29-Sep-10	28-Sep-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251927	Active	29-Sep-10	28-Sep-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251928	Active	29-Sep-10	28-Sep-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251929	Active	29-Sep-10	28-Sep-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251930	Active	29-Sep-10	28-Sep-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251931	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251932	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251933	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251934	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D03	CDC	2251935	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251936	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251937	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251938	Active	29-Sep-10	28-Sep-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251939	Active	29-Sep-10	28-Sep-14	40 .32	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251940	Active	29-Sep-10	28-Sep-14	40 .29	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251941	Active	29-Sep-10	28-Sep-14	40 .26	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251942	Active	29-Sep-10	28-Sep-14	40 .29	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251943	Active	29-Sep-10	28-Sep-14	40 .36	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2251944	Active	29-Sep-10	28-Sep-14	40 .42	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2252324	Active	1-Oct-10	30-Sep-14	42 .29	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254672	Active	19-Oct-10	18-Oct-14	32 .97	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254673	Active	19-Oct-10	18-Oct-14	40 .39	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254674	Active	19-Oct-10	18-Oct-14	40 .38	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254675	Active	19-Oct-10	18-Oct-14	40 .38	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254676	Active	19-Oct-10	18-Oct-14	40 .37	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254677	Active	19-Oct-10	18-Oct-14	40 .36	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2254678	Active	19-Oct-10	18-Oct-14	40 .34	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D03	CDC	2254679	Active	19-Oct-10	18-Oct-14	33 .28	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2258227	Active	1-Nov-10	31-Oct-14	5 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2258228	Active	1-Nov-10	31-Oct-14	5 .6	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2258229	Active	1-Nov-10	31-Oct-14	57 .42	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2258230	Active	1-Nov-10	31-Oct-14	3 .73	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174143	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174144	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174145	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174146	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174147	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174148	Active	6-Nov-08	5-Nov-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174149	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174150	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174151	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174152	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174153	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2174154	Active	6-Nov-08	5-Nov-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260573	Active	15-Nov-10	14-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2260755	Active	17-Nov-10	16-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260756	Active	17-Nov-10	16-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260757	Active	17-Nov-10	16-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260758	Active	17-Nov-10	16-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260759	Active	17-Nov-10	16-Nov-14	57 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260760	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260761	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260762	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260763	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260764	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260765	Active	17-Nov-10	16-Nov-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260766	Active	17-Nov-10	16-Nov-14	5 .4	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260767	Active	17-Nov-10	16-Nov-14	5 .48	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260768	Active	17-Nov-10	16-Nov-14	5 .59	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2260769	Active	17-Nov-10	16-Nov-14	5 .61	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265413	Active	17-Dec-10	16-Dec-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265414	Active	17-Dec-10	16-Dec-14	57 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265415	Active	17-Dec-10	16-Dec-14	32 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2265416	Active	17-Dec-10	16-Dec-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265417	Active	17-Dec-10	16-Dec-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265418	Active	17-Dec-10	16-Dec-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265419	Active	17-Dec-10	16-Dec-14	57 .45	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265420	Active	17-Dec-10	16-Dec-14	29 .4	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265421	Active	17-Dec-10	16-Dec-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265422	Active	17-Dec-10	16-Dec-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265423	Active	17-Dec-10	16-Dec-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265424	Active	17-Dec-10	16-Dec-14	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265425	Active	17-Dec-10	16-Dec-14	28 .85	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265426	Active	17-Dec-10	16-Dec-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265427	Active	17-Dec-10	16-Dec-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265428	Active	17-Dec-10	16-Dec-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265429	Active	17-Dec-10	16-Dec-14	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265430	Active	17-Dec-10	16-Dec-14	24 .07	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265431	Active	17-Dec-10	16-Dec-14	24 .31	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2265432	Active	17-Dec-10	16-Dec-14	24 .37	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274418	Active	21-Feb-11	20-Feb-15	1 .46	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CDC	2274658	Active	21-Feb-11	20-Feb-15	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274659	Active	21-Feb-11	20-Feb-15	57 .44	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274660	Active	21-Feb-11	20-Feb-15	18 .84	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274661	Active	21-Feb-11	20-Feb-15	13 .77	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274662	Active	21-Feb-11	20-Feb-15	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274663	Active	21-Feb-11	20-Feb-15	55 .97	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274664	Active	21-Feb-11	20-Feb-15	57 .43	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274665	Active	21-Feb-11	20-Feb-15	26 .15	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274666	Active	21-Feb-11	20-Feb-15	24 .15	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CDC	2274667	Active	21-Feb-11	20-Feb-15	24 .22	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CLD	P780010	Active	13-Oct-72	24-Mar-15	350.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845641	Active	7-Nov-79	19-Oct-15	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845642	Active	7-Nov-79	19-Oct-15	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02,32D03	CL	3845841	Active	7-Nov-79	19-Oct-15	39.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845842	Active	7-Nov-79	19-Oct-15	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CL	3845851	Active	7-Nov-79	19-Oct-15	16.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CL	3845852	Active	7-Nov-79	19-Oct-15	28.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845853	Active	7-Nov-79	19-Oct-15	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No

NTS Map Sheets	Title	Claim number	Status	Issued Date	Expiry Date	Area (Ha)	Title Holder	Renewal treatment
SNRC 32D02	CL	3845631	Active	7-Nov-79	20-Oct-15	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845632	Active	7-Nov-79	20-Oct-15	40.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845651	Active	7-Nov-79	20-Oct-15	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845652	Active	7-Nov-79	20-Oct-15	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845653	Active	7-Nov-79	20-Oct-15	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D02	CL	3845654	Active	7-Nov-79	20-Oct-15	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2201165	Active	18-Jan-10	17-Jan-16	42 .8	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2201166	Active	18-Jan-10	17-Jan-16	42 .78	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CL	3878491	Active	11-Feb-80	20-Jan-16	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CL	3878492	Active	11-Feb-80	20-Jan-16	20.00	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	CDC	2203160	Active	26-Jan-10	25-Jan-16	8 .22	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
SNRC 32D03	BM	852	Active	28-Feb-00	29-Mar-20	22 .47	Gold Bullion Development Corporation inc. (85819) 100 % (responsible)	No
					Total Ha	**1013.00**		

As of the writing of this update report, SGS Geostat is not aware of any additional royalties, back-in rights, payments or other agreements, encumbrances and environmental liabilities to which the Property could be subject.

A part of the property is recovered by historical tailings and there are tailings in one of the old open water filled pits. The old tailings belongs to the " Ministère des Ressources Naturelles de la Faune, secteur Mines" (orphan site). Gold Bullion is taking actions to take care of them in direct communication with the MRNF and MDDEP. Test work has been undertaken at SGS Lakefield Laboratories indicating that it is viable to produce a marketable product.

For the onsite waste pile legacy of previous open pit operations, Gold Bullion has an authorization (CA) to use the rock for access road construction and it is also being used by local contractors for

fill. Permits were not verified by the author but we are aware of one constrain, the fines from this rock pile must stay on site for now.
Permits to do exploration DDH to the north of the property are in good standing.
The property is outside Joanes wildlife preserve which is located east of the property.

The next figure present parts of the property under urbanisation perimeter (green) and the outdoor activity (villegiature) perimeter (yellow) constrain system.

A potential risk exists with a proposed new provincial law N°14 that gives more power to Municipalities and MRC. These entities do not actually have qualified persons to review a mineral project which is one of the main concerns of the mineral industry. This situation applies to all mining and exploration projects in the Province of Quebec and is not specific to the Granada property.

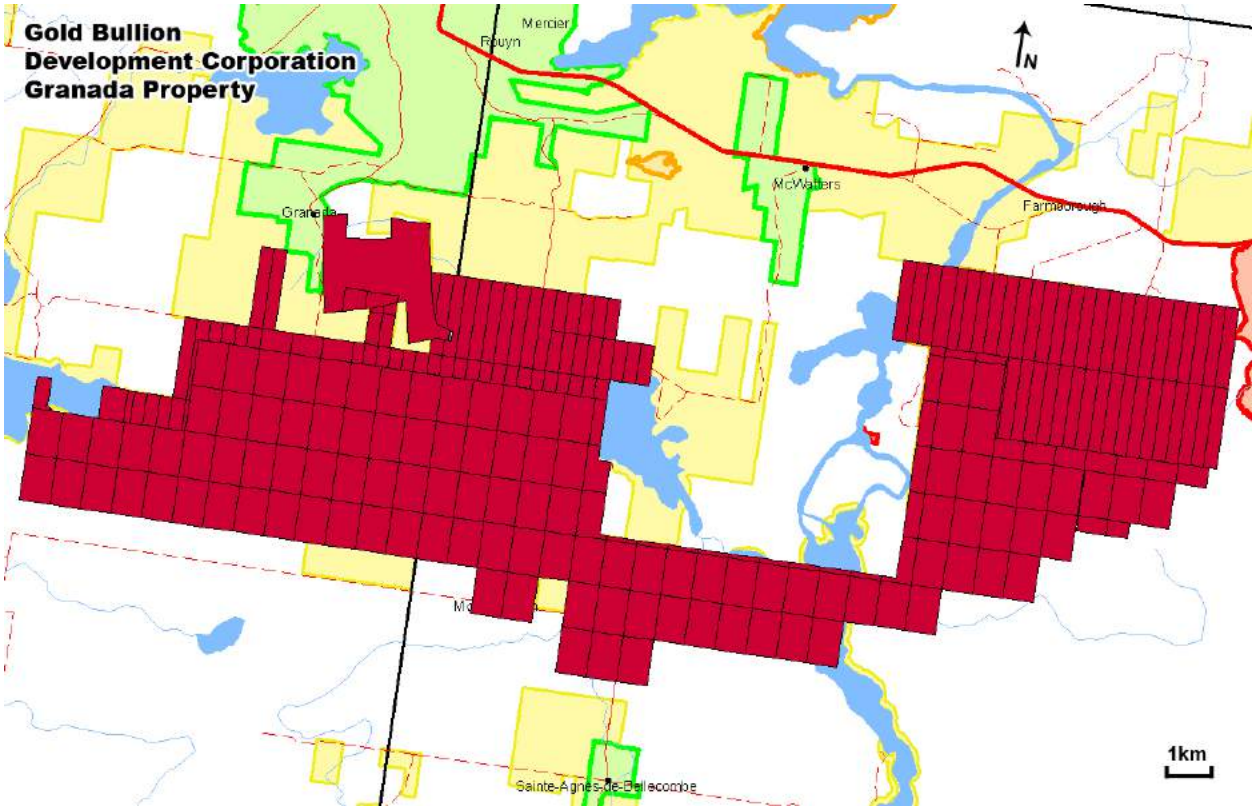


Figure 6: Property with Urban (Green) and Outdoor activities (Yellow) constraints perimeters

5- Accessibility, Climate, Local Resources, Infrastructure and Physiography

Parts of this section were summarized from previous Reports after validation for accuracy.

5.1 Topography & Physiography

The topography is characterized by low-lying lightly forested areas separated by low ridges the property is traversed by rare creeks which occupy swampy, shallow valleys. Relief is low, ranging from 274m to 315m above sea level, slopes are generally gentle (Figure 7).

The property is located within the Abitibi clay belt, the remnant of a glacial Lake Ojibway. Clusters of isolated rock outcrops are found locally. In the main active exploration area, natural overburden is thin ranging from 0 to 5m in the zone of interest.

5.2 Access

Access to the property is provided by the Rouyn-Granada asphalt road, which passes 500m to the west of the property main entry while access to the centre of the property is gained by gravel roads and a regional snowmobile trail in winter.

Figure 7: Satellite view from Google Earth

5.3 Climate

The Granada property area and vicinity has a subarctic climate an intermediary between the temperate and polar climate (Dfb: Humid Continental Climate according to the Köppen classification). Summers are hot and winters are more severe than in the most temperate climate. The vegetation is boreal and mixed in some places. The average temperatures range from -18º C and -19º C in January to 16º C and 17º C in July with cold and hot records such -49.5º C in 1984 and 34.5º C in 1995. In winters it is more common to encounter temperatures around -10 and -20º C and since summers are becoming warmer, in general the temperatures are between 20 to 25º C, often with a Humidex index.

Average annual rainfall is approximately 976 mm and snowfall 258 cm winters are harsh and often lead to poor flying conditions. The practical field season is from May through October. Snowfall in November, December, January and February generally exceeds 55 cm per month and the wettest summer month are August and September with an average rainfall of 100 mm. Lakes break-up usually occurs in early April, and freeze-up in November. These are normal climatic conditions for the Abitibi region, where exploration work is usually conducted year round.

5.4 Infrastructures

All the required services are provided on the property. Water supply is available from either Lake Pelletier/or Beauchastel but depends on the quantity required. In general, services and manpower necessary for a mining operation are already offered in Rouyn-Noranda and vicinity. Rail transportation is also available. Rouyn-Noranda is also serviced by an airport.

A 25,000-volt transmission line parallels the above Rouyn-Granada road and can provide up to 12,000 kW horsepower to the property. A natural gas pipeline services the borough of Granada and the headwaters to the La Bruére River originate along the western margin of the property. Water supply, depending on volume required, could be available from either Lake Pelletier and/or Beauchastel. Services and manpower necessary to a mining operation are readily available in Rouyn-Noranda. This being said, it is also known that additional electric power investment by Hydro Quebec for the region is required due to the booming of large scale high energy consuming projects and other high tonnage low grade ventures at development stage which may come to production in the coming years.

The area of the property is sufficient for an eventual mining operation with all required installations for mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant site. Air view of the existing infrastructures (2010 picture) is presented in the Figure 8. The mill does not belong to the company.

Figure 8: Air view of existing infrastructures looking South-East (in 2010)

A new Certificate of Authorization from the Ministère de l'Environnement du Québec will be required prior to milling should the existing mill be used.

6- History

Parts of this section were summarized from previous reports mainly (D. Robinson, October 2006) after validation for accuracy. The

Table 3 summarizes the historic work completed on the Granada property.

The Granada Mine was one of the three first gold mining ventures in the Abitibi Belt of Northwestern of Quebec with O'Brien in Cadillac and Siscoe mine near Val D'Or.

All numbers related to resources and reserves in this historical section are not NI 43-101 compliant and investors should not rely upon.

The former Granada mine claims were originally staked in 1922 by W.A and R.C Gamble. Gold bearing veinlets of the #1 Vein were subsequently discovered in 1923. The Granada Mine was brought into production in 1930 utilizing a vertical and an incline shaft. Five veins, named from north to the south, # 5, 1, 3, 2a, and 2 were identified at the time of the mines' commissioning.

The vertical shaft collared on the discovery outcrop accessed the #1 vein while the incline shaft accessed the workings on the #2 vein. A mill with a capacity of 181 tons per day processed 51 476 ounces from 181 744 tons of ore averaging 9.7 grams of gold per tonne and 1.5 grams per tonne silver up until a fire destroyed the surface structures in 1935. Following figure 6 presents historical longitudinal of vein #2.

Between the years of 1935 to 1947 the owners carried out minor surface work, including limited surface drilling. In 1950 the mine workings were dewatered to the 5th level and surface geophysics were conducted. The property reverted to the province shortly afterwards and was acquired in 1969 by Stanford Mining. Stanford Mining conducted geophysics and drilling to the west of the mine workings. The work failed to intersect the gold bearing structures and the property was again reverted to the government. In 1972, Goldsearch Inc. acquired the property and conducted minor stripping, geophysics, sampling of tailings and drilling of two diamond drill holes. Goldsearch Inc. subsequently optioned the property to Kewagama Gold Mines on a 50:50 joint venture basis with Kewagama Gold as the operator. The mine was pumped out in 1984 to the lowermost levels and partially mapped and sampled. The workings were allowed to flood and were again pumped out but only down to the 5th level in 1988. During the 1988 dewatering all openings were mapped and sampled plus, underground and surface drill programs were conducted. Encouraging results in and around the #1 and #2 vein systems prompted KWG to complete three raises along a 61 m distance in the footwall of the #2 vein system above the 125 level. Sampling from the raises yielded an average of 6.9 g/t over 1.5 m for 15 to 18 m up dip from the 125 level. Drifting along this structure exposed "spectacular patches" of visible gold ultimately outlining a 33 m long zone averaging 4.3 g/t over a 1.4 m width. Kewagama Gold restructured in 1991 as KWG Resources and the joint venture drilled the #1 and #2 veins on 7.6 and 15 m centres. The above mentioned footwall zone was also drilled off from surface but was not included in the reserve estimate later produced by A.C.A Howe International Ltd in 1994. A.C.A Howe International Ltd was contracted to complete an independent review of KWG's exploration activities on the property. Total surface drilling for 1992 on the #1 and #2 veins amounted to 2 973 m in 69 holes. In 1993 and 1994 two bulk samples were

taken from the #1 vein totaling 87 311 tonnes grading 5.2 g/t Au. The Vein #1 samples came from an open pit 38 m deep by 31 m wide by 76 m long and encompassed the crown pillar of shaft N1. The sample was processed at the Norebec-Manitou gold mill in Val d'Or, Quebec. In 1993 A.C.A Howe International Ltd completed reserve estimates for the property and undertook an outcrop mapping and sampling program over the entire property. In 1994 a final report by A.C.A Howe International Ltd summarized the potential for locating additional mineable reserves and presented a tonnage and grade estimate for Vein #1 and #2 zones.

In 1995 a 22 095 tonne bulk sample of the Vein #2 was taken and shipped to the Malartic Mine Mill producing a grade of 3.46 g/t Au. KWG Resources subsequently commissioned Met-Chem Pellemon to produce a technical economical study on the #2 vein to identify a means by which the gold mineralization could be exploited at a profit. Met-Chem Pellemon estimated a mineable reserve of 118 817 tonnes at 3.67 g/t to a depth of 26 m with SG of 2.91. A partially completed drill program of 55 holes outlined the western extension of the Vein #2 zone.

The authors of this report did not further evaluate, nor did they re-calculate or classify these historical figures to conform to current use of the terms reserve or resource. The company is not treating these historical estimates as current mineral resources or mineral reserves and the historical estimate should therefore not be relied upon. The reliability of this source cannot be commented on.

Further reference to mineral resource and mineral reserve estimates are referred to in a later section with that heading.

No further work was undertaken by KWG Resources. In August of 1998 KWG Resources sold the Granada Mine property to Mousseau Tremblay due to financial insolvency. In August of 1999, Mousseau Trembley entered into an agreement with RSW –Beroma for the mining of the Vein #2 reserves as outlined by Met-Chem Pellemon in 1995. During the months of April to October 2000 A mining contractor selectively mined the Vein#2 mineralization from two shallow pits producing 72 978 g of gold from RSW–Beroma's mobile gold mill. In June of 2000 Mr. Pierre Trudel of RSW completed an evaluation of the mineral potential of Granada Mine. The property has remained inactive since then.

Outside initial Granada property (mining leases) now part of the whole Gold Bullion Granada property, other exploration works occurred but information on these works are scarce and could not be considered as reliable as the information on the main Granada mine.

Government maps and KWG historical compilation refers to explorations shafts to the East like the Aukeko exploration shaft and Austin Rouyn, while the old Astoria Mine is north of the property.

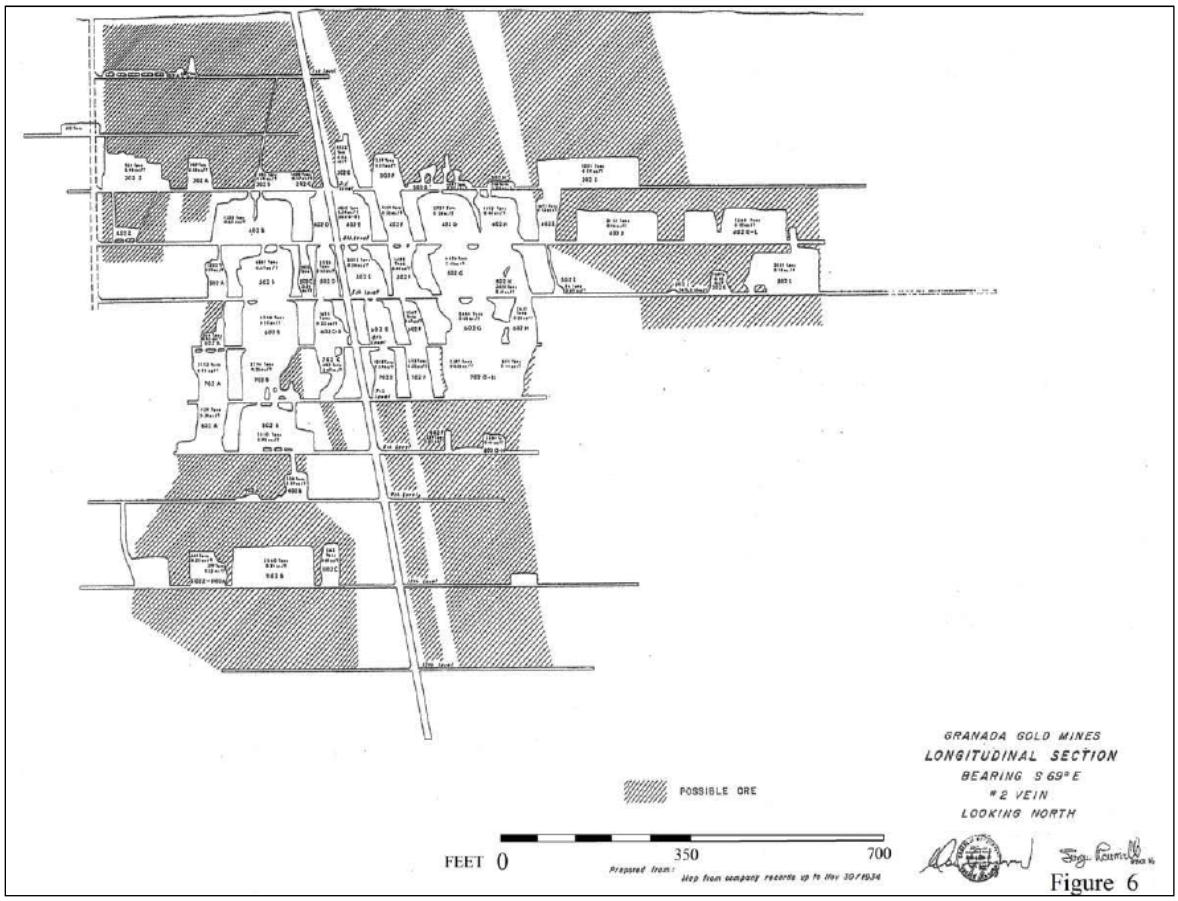


Figure 9: Historic 1934 Longitudinal of Vein #2 (source Douglas Robinson 2006)

A summary of the recorded work that had been carried out on the Granada property is presented in following table.

Table 3: Summary of previous work

1922	The property was prospected and staked by Robert Gamble in 1922. The Granada property included originally the Astoria property and a very large block of claims.
1923	Gold bearing veinlets of the #1 vein were discovered.
1927-1935	R.Gamble financed the initial underground development at Granada in 1927 and in 1930 the mine was brought into production. Five gold bearing quartz veins had been found on surface during this period. The veins were named from north to south with the following numbers #5, 1, 3, 2a and 2. A vertical shaft collared on the discovery outcrop accessed the #1 vein and while an incline shaft accessed the workings on the #2 vein. A new mill was installed and production started in June 1930. The mill with a capacity of 181 tons per day processed 51476 ounces from 181744 tons of ore averaging 9.7 grams of gold per tonne and 1.5 grams per tonne silver until a fire destroyed the mine surface structures in 1935.
1035-1947	During this period, the Owners carried out minor surfaces works with a limited surface drilling program.
1950	Geophysics were conducted and mine workings were at dewatered the 5th level.
1969	The property reverted to the Province shortly afterwards and then was acquired by Stanford Mining. The work failed to intersect the gold bearing structures and the property was again reverted to the government.
1972	Goldsearch Inc. acquired the property and conducted minor stripping, geophysics, sampling of tailings and two diamond drill holes. The company optioned the property to Kewagama Gold Mines on a 50:50 venture basis with Kewagama Gold as the operator.
1984-1988	In 1984 the mine was pumped out at the lowermost level and partially mapped and sampled. During the 1988 all opening were mapped and sampled plus underground and surface drill programs were conducted. Good values and interesting results in and around the #1 and #2 vein systems prompted KWG to complete three raises along 61 m distance in the footwall of the #2 vein system above the 125 m level. Sampling from the raises yielded had an average of 6.9 g/t over 1.5m for 15 to 18m.
1991	Kewagama Gold restructured as KWG Resources and the joint venture drilled #1 and #2 veins.
1992	Total surface drilling campaign on the #1 and #2 veins amounted to 2973m in 69 DDH.
1993-1994	Two bulk samples were taken from #1 vein totaling 87311 tonnes grading 5.2 g/t Au. The Vein #1 sample was taken in an open pit 38 m deep by 31m wide and by 76 m long. The sample was processed at the Norebec-Manitou gold mill in Val d'Or, Quebec, and Malartic mine mill. In 1993 A.C.A Howe International Ltd completed reserves estimates for the Granada property.
1994	A.C.A Howe International Ltd was contracted to complete an independent review of KWG's exploration activities on the property. A final report summarized the potential for locating additional mineable reserves and presented a tonnage and grade estimate for both zones on veins #1 and #2.

1995	A 22,095 tonnes bulk sample of the vein #2 was taken and shipped to the Malartic Mine mill, or Norebec-Manitou. This sample produced a grade of 3.46 g/t au. Met-Chem Pellemon elaborated a technical economic study on the #2 vein and estimated a mineable reserve of 118817 tonnes at 3.67 g/t to a depth of 26m. A partially completed drill program of 55 DDH outlined the western extension of Vein #2 zone.
1998	In August of 1998 KWG Resources sold the Granada Mine property to Mousseau Tremblay due to financial insolvency
1999	Mousseau Tremblay agreed with RSW-Beroma to continue with the mining of the Vein #2.
2000	During the months of April to October contractors mined the Vein #2 mineralization from two shallow pits and the production was 72978 g of gold from RSW-Beroma's mobile gold mill.
2000-2006	The property remained inactive.
2006	Gold Bullion Development Corp. acquired the property from Mousseau Tremblay Inc.
2006 -2009	The rest is the technical report of April 2nd and the current update report

7- Geological Setting and Mineralization

Parts of this section were summarized from previous reports mainly (D. Robinson, October 2006 and Couture, et al., 1997) after validation for accuracy with addition of the author.

7.1 Regional

The Granada Mine property lies within the Abitibi Greenstone Belt of the Superior Province (Figure 7& Figure 8). The oldest rocks in the immediate area are schists and migmatites belonging to the Pontiac Group. These are located from 100-200 meters south of the property. They are overlain by conglomerates, sandstones and siltstones of the Temiscaming Group. The contact between the latter and Timiskaming sediments exposed for over 400 m as an intensely altered 10-75 m wide shear zone. This group is capped by the Larder Lake Break rocks comprising carbonate rocks, talc-chlorite and chlorite, and minor sandstone interbeds. The Larder Lake Break rocks were laid down on Temiscaming paleosurfaces and thus belong to that group. The Temiscaming Group is in contact to the north with the Blake River Group. The contact area is composed of clastic sedimentary rocks having their source to the south with intercalated volcaniclastics and sediments derived from Blake River volcanism.

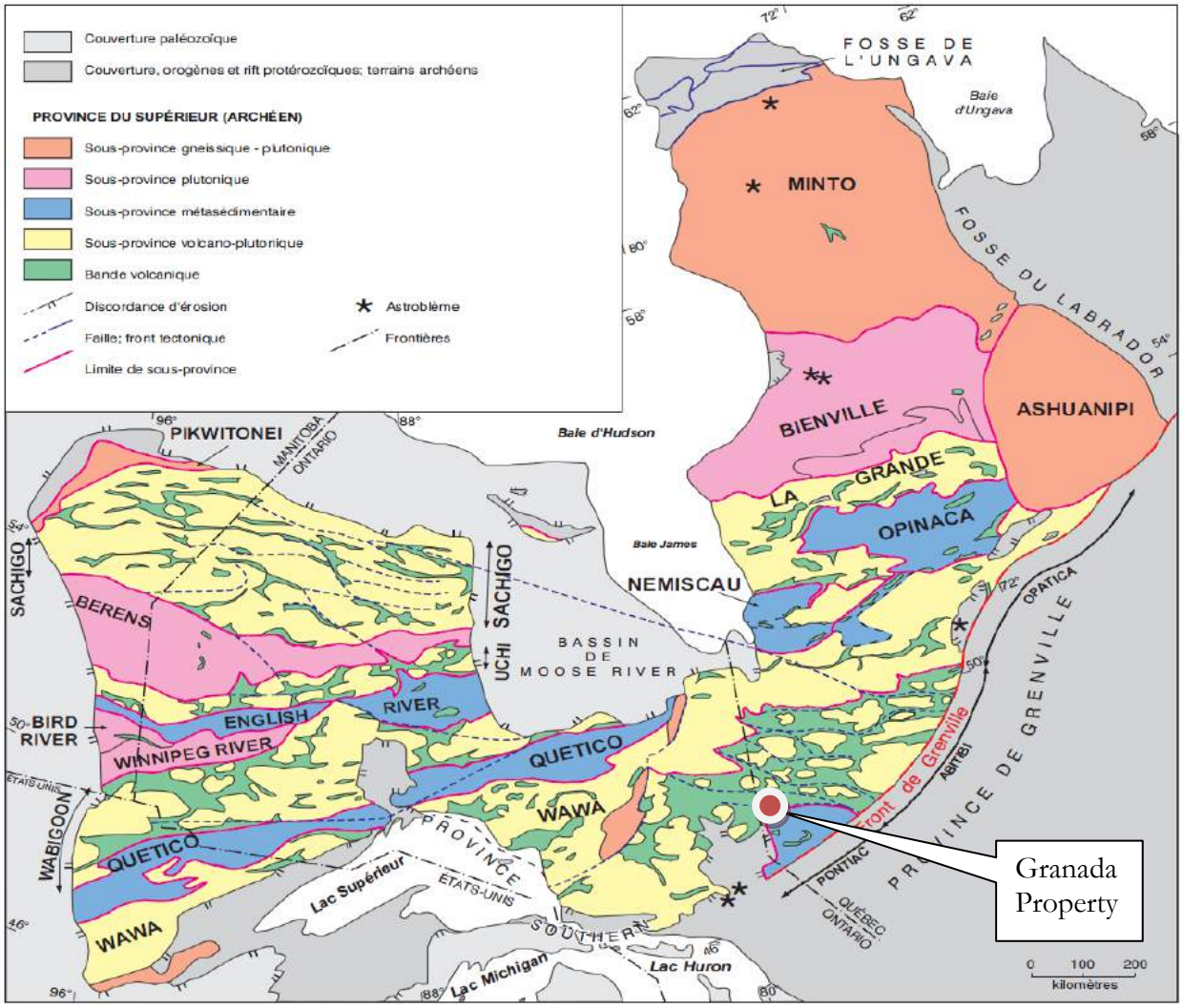


Figure 10: Geological map of the Superior Province showing the position of the Property

The base map was taken from the MRNF website.

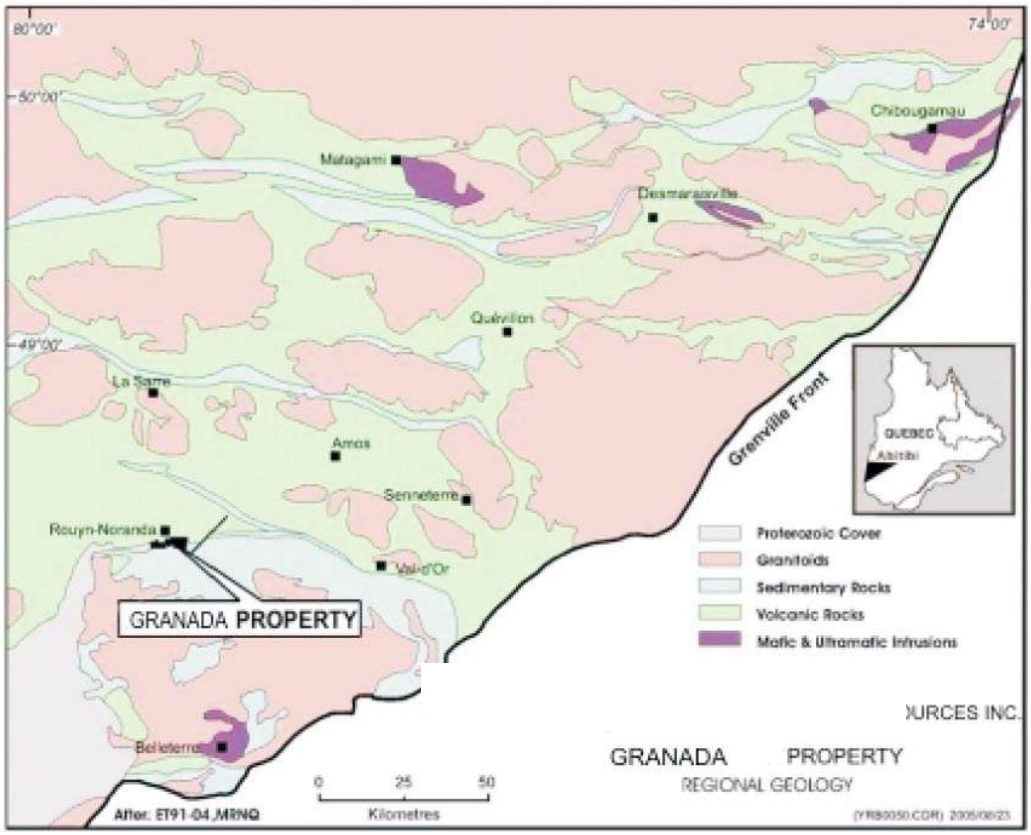


Figure 11: Regional geology (after ET91-04, MRNQ)

7.2 Local

The Granada Mine property occurs within rocks of the Temiscaming group, on the south limb of the regional east-west trending Granada synclinorium whose axial trace is located south of the Cadillac Fault (Figure 8). The property is underlain principally by east-west-trending, north-dipping interbedded polymictic conglomerate, porphyry-pebble conglomerate, greywacke and siltstone-mudstone of the Granada Formation. It has been reported by Wilson in 1962 that the conglomerate units had different fragment compositions on opposing limbs of the Granada synclinorium. Conglomerate on the north limb (La Bruére Formation) is characterized by jasper fragments which are absent from the south limb and contain scattered magnetite pebbles (Granada Formation).

The Granada Formation is intruded by northerly-trending Proterozoic diabase dykes, felsic dykes, sills and stocks. Sill-like syenitic bodies are concentrated throughout the immediate area of the mine property. The syenite bodies are aphyric to porphyritic with up to 10% tabular centimetre-scale feldspar phenocrysts in an aphyric to slightly porphyritic groundmass. The syenite bodies are slightly oblique (040°-050°) to bedding (050°-060°) and schistosity (045°-060°). On alkali-silica diagrams the syenitic bodies show four compositional facies: monzonite, syenite, quartzmonzonite and granite, similar to that of most other Temiscaming intrusive rocks from Ontario as reported in previous report with source from Siriunas 1994. The principal structural feature in the area is a penetrative schistosity affecting all lithologies. This fabric is usually parallel to stratigraphy. The flattening intensity of pebbles and cobbles increases from south to north towards the Cadillac Fault. Locally, the intensity of the regional schistosity strengthens into discrete shear zones that are emphasized by hydrothermal alteration. In the area of the mine workings, there is a prominent zone of deformation, hydrothermal alteration and quartz veining which extends for over 5 kilometres. The following figure presents the local geology with the historic property outline (much smaller than the current property).

Structural analysis from outcrop data indicate that the Timiskaming sedimentary rocks are isoclinally folded about east-west-trending, gently east plunging fold axes. This early fold pattern has been subsequently modified by a set of north-westerly trending folds. A series of late northeast trending faults horizontally offset the stratigraphy, quartz veining and alteration by a magnitude of 30-50 m typically show a dextral sense but seineistral is also observed. All the lithologies in the area of the Granada property, with the exception of the Pontiac Group, are metamorphosed to greenschist facies.

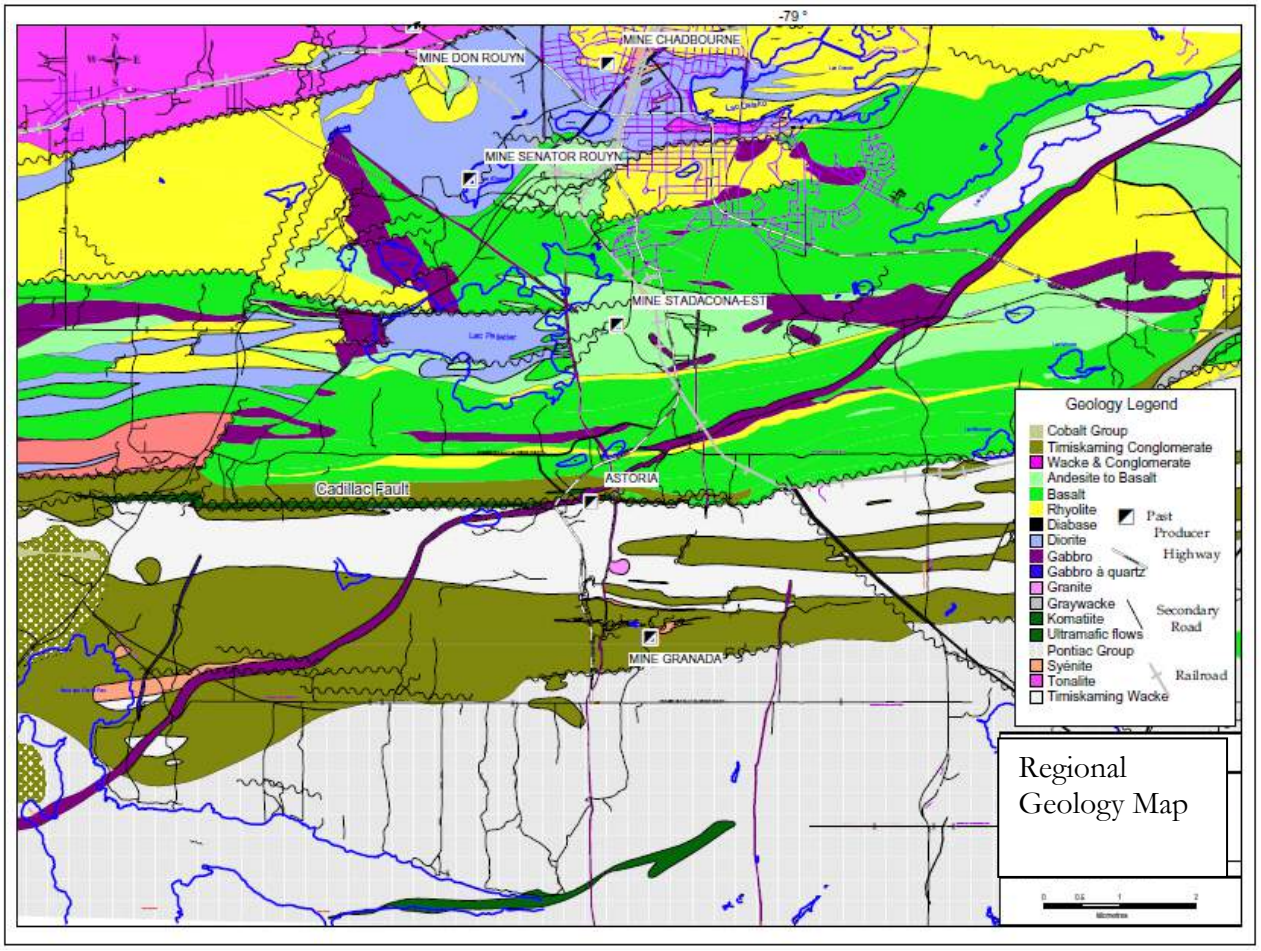


Figure 12: Regional Geology Map (previous report of 2006 - from MRNQ)

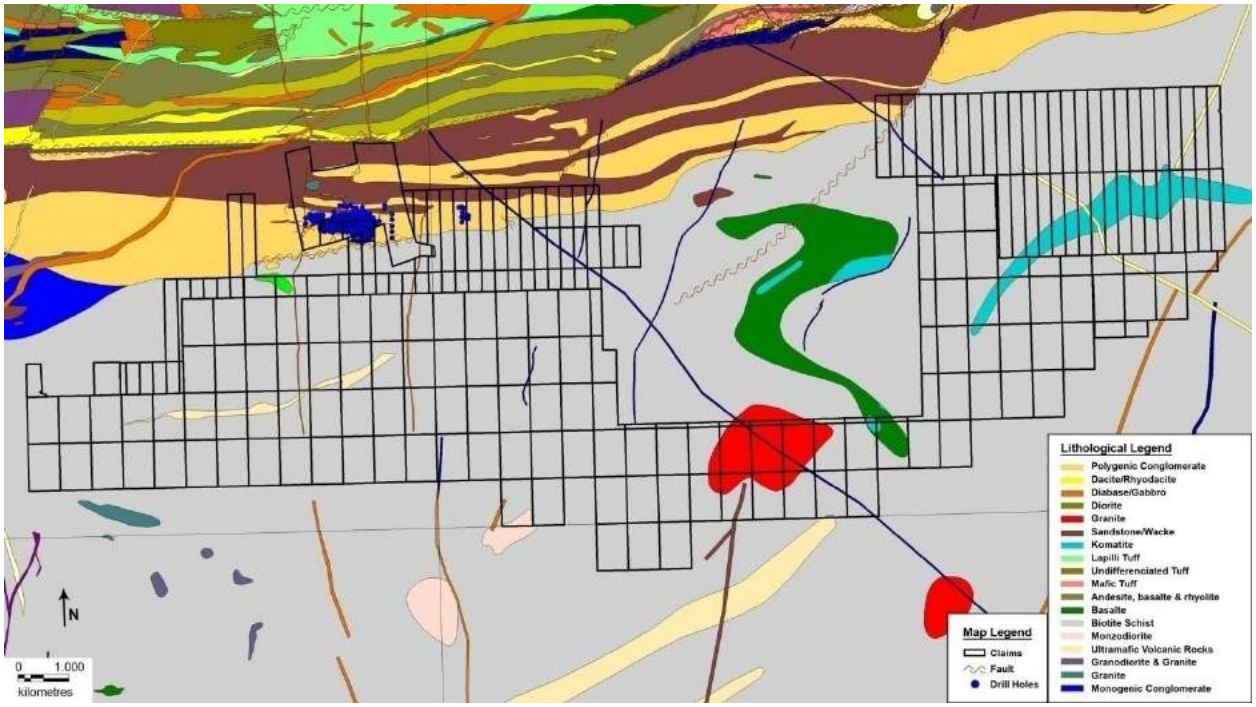


Figure 13: Property Geology with claims boundary and company recent drill holes

Figure 14: Property Geology with claims boundary (geology from MRNQ)

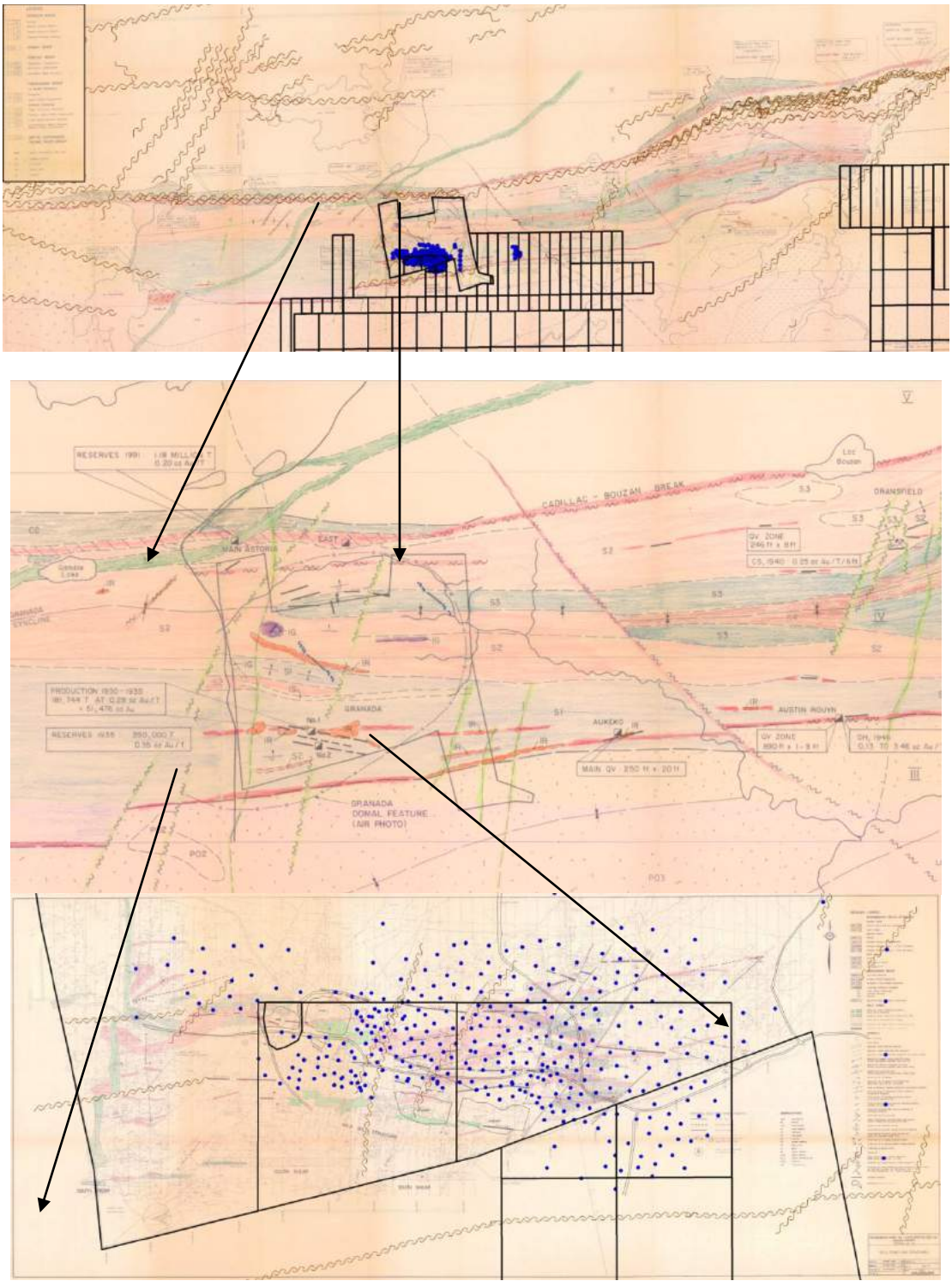


Figure 15: Local geology from historical compilation map with GBB holes and property

7.3 Property

The Cadillac Fault traverses the northern part of the property and within the Granada mine site itself a parallel set of shears (Granada Shear Zone) occur over a zone of 500 m width. The shears are characterized by intense sericite, iron carbonate plus minor chlorite alteration with disseminated pyrite and arsenopyrite and host quartz veins and stringers. The veins comprise boudinaged or en-echelon quartz lenses in the sediments and more continuous veins in the syenite intrusive bodies. A series of northeasterly trending sigmoidal faults occur between the Cadillac Fault and the Granada Shear Zone due to late shearing. This late shearing also imparted the fracturing and dilantancy in the quartz veins (Howe, 1994). The following figure presents mapping and geological interpretation of individual veins and mineralized zones with the trace of the NNE faults with displacement of the mineralized zones accordingly.

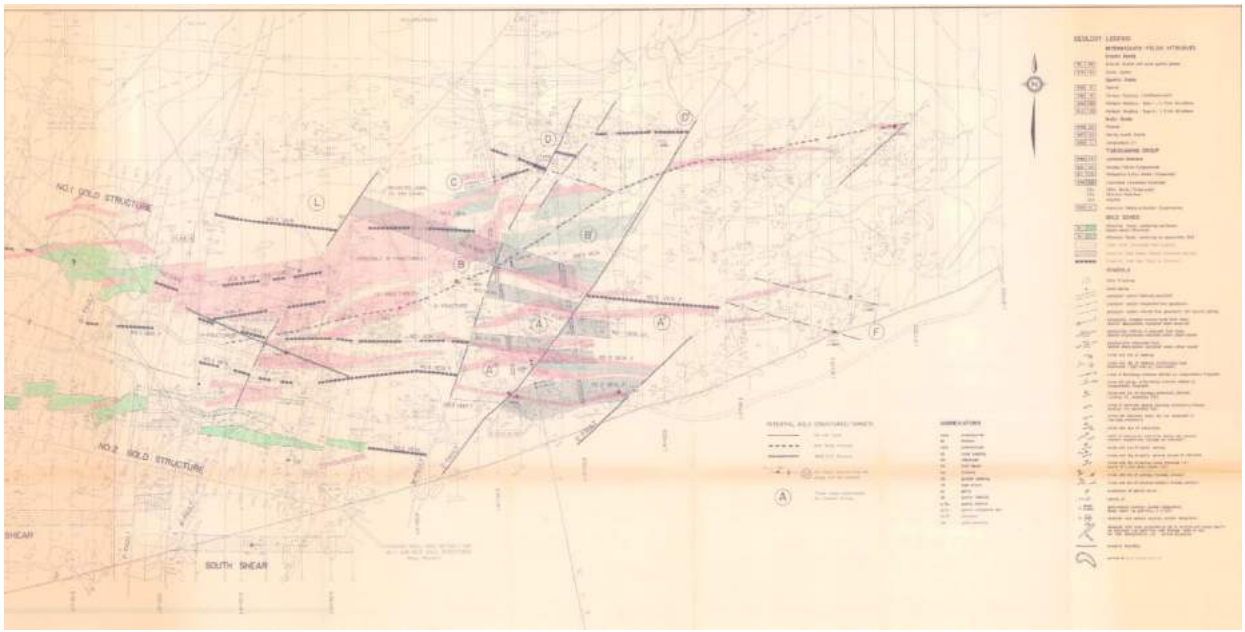


Figure 16: Detailed mapping and geological interpretation in plan by KWG in 1992

All exploration works prior to Gold Bullion acquisition aimed at defining resources with the individual veins and thin mineralized structures. The reader is invited to compare this mapping with the bench level in the section 17 of this report for a very good reproduction with the block model.

Figure 17: Typical core of reference prepared by previous consultant

7.4 Mineralization

7.4.1 General

As presented in previous figure, gold mineralization is hosted by east-west trending smokey grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Late northeasterly-trending sigmoidal faults also host high grade gold mineralization. Accessory minerals include tourmaline, carbonate, chlorite and disseminated sulphides. Pyrite is the dominant sulphide typically occurring within the immediate wall rock to the quartz veins. Minor pyrite does occur within the veins themselves. Additional sulphides such as chalcopyrite, arsenopyrite sphalerite and galena are present in trace amounts. Fuchsite (chromium mica) is present in the immediate wall rock to the quartz veins.

7.4.2 Description of more relevant veins as per historical works

Vein #1

Vein # 1 was the original discovery vein on the property. It extends for 600 m across the property. Vein width can vary from greater than 1 m to a couple of centimetres. Gold grades are very erratic from nil to greater than 100 g/t Au. Shaft #1 was sunk to exploit this vein during the underground operations of 1930-1935. The vein only contributed to approximately 5% of the gold production during this period due to the veins erratic grade. The vein was later the target of open pit operations by KWG Resources during 1993 and 1994;

Vein #2

Vein #2 is more correctly described as a mineralized zone of two parallel quartz veins, one in the hanging wall and the other in the footwall, separated by a zone of millimetre-scale quartz veinlets in altered conglomerate. The two main veins are lenticular, locally measuring greater than 1 m in width with metre-scale portions thinning to several centimetres. The hanging wall vein is generally thicker, more continuous and of higher grade (6 to 10 g/t Au) than the footwall vein. The hanging wall vein, plus associated veinlets and pyritic alteration halo averages 3 m in thickness. The intervening zone of quartz veinlets averages 5 m in width and is locally auriferous in the order of 0.7 to 0.8 g/t Au. The footwall vein is generally boudinaged with associated veinlets and pyritic alteration halo averaging 2 m in thickness yielding on average assays of 4 to 5 g/t Au. The entire vein #2 zone averages 10 m in width averaging 3.5 to 4 g/t Au. This vein system was the principal sources of ore for the historical underground operations and open pit production for KWG Resources. The bulk of the historical underground production came from this zone. The heterogeneous distribution of gold grade along strike within the Vein #2 zone resulted in the selective mining of the zone from two shallow pits by RSW-BÉROMA in the year 2000. A western extension of the #2 zone was partially drill defined by KWG Resources in 1995 with the proposed pit referred to as 2B. RSW-BÉROMA calculated a non NI-43-101 compliant geological resource of 28 501 tonnes at 2.4 g/t Au (Trudel, 2000)

Vein #3

Vein # 3 was discovered during underground exploration by KWG Resources while drifting on the fifth level between Vein #1 and #2. It is described as a large shear zone containing numerous quartz veinlets hosting free gold.

Vein #5

Vein #5 is the most continuous vein of the Granada property. It has been traced by drill holes from surface to the seventh level of the mine (213 m vertical). It is hosted within the conglomerate along the northern contact with a porphyritic syenite sill. On surface, trench samples of Vein #5 yielded weakly anomalous assays of 0.51 g/t Au over 15 m. Underground development reported visible gold when the vein was encountered.

Vein A & B

Both Veins A and B were discovered after underground operation ceased. Little descriptive information is available for these zones. Vein A outcrops on surface just east of the waste rock pile at 900E and 425N in a trench.

7.4.3 The new approach – the GBB approach

Gold Bullion first approach is to look at developing the property as an open pit large tonnage with lower grade than individual vein mining. The higher value of gold supports this approach. The drilling and exploration focused on drilling the whole mineralized package and analyzing all material between the veins. Example of coarse gold observed in a small vein at Granada in hole GR-10-62 is pictured below.

The mineralization zones in this report include the veins, the stockwerks, the alteration zones with disseminated gold in sulfides is shown in the typical cross sections in the following figures.

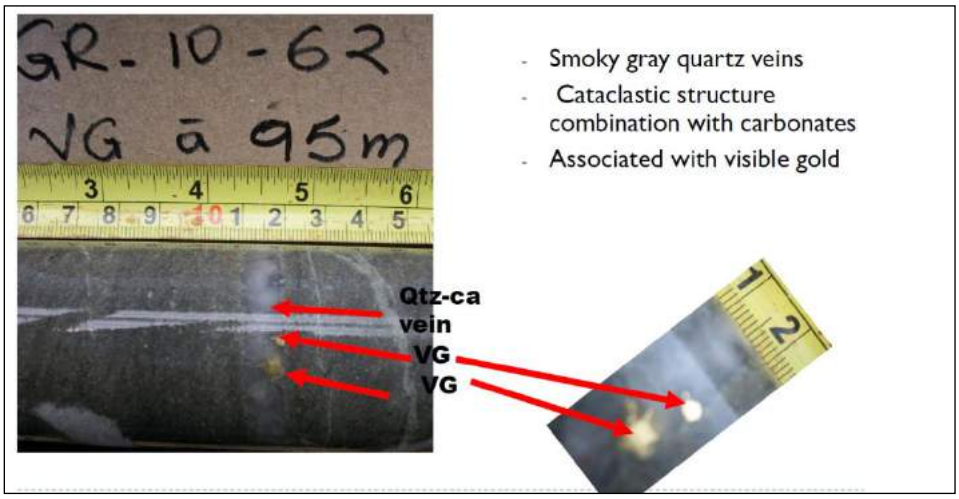


Figure 18: Gold mineralization in Quartz vein

The gold grade at Granada varies due to coarse free gold in the mineralized structures. Apparently discontinuous, the mineralized structures are relatively continuous as shown by assay grade continuity on the following cross section and the geometry of the underground workings.
The mineralized zones are being cut in blocks which are shifted in majority to the north.
When looking at cross section like figure below presenting cross section 18 east of the shaft #1, the extent of the vein is over 250m and recognized by drill holes. An important point to mention is the fact that previous operators did not extract all the gold. It is possible to see the drift projection in grey into the foot wall vein.

Figure 19: Example of visible gold occurrences at Granada in the recent drilling

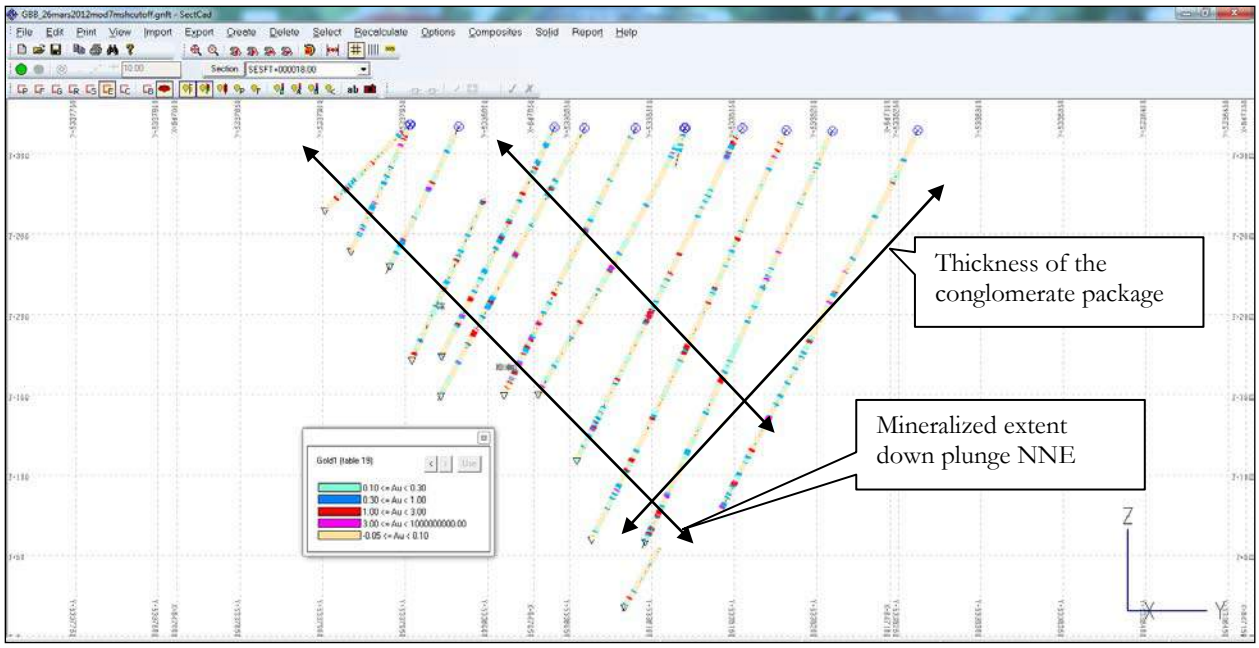


Figure 20: Cross section (SESFT 18) showing grade continuity looking 283N 25m corridor

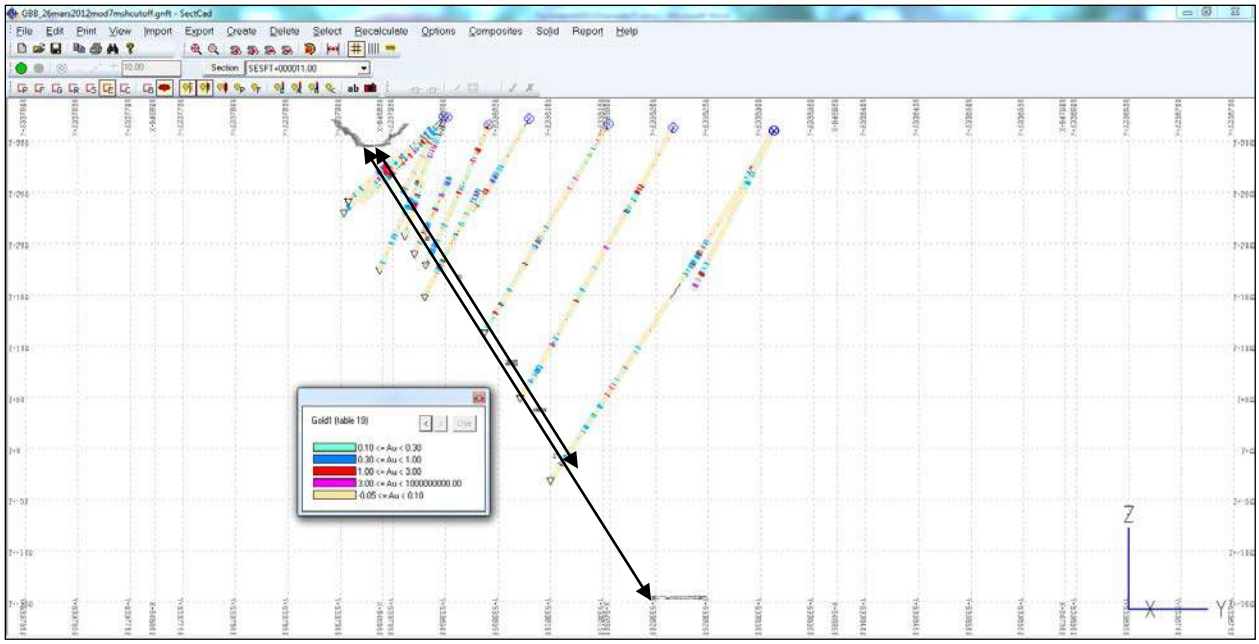


Figure 21: Cross section (SESFT11) showing grade continuity below open pit 25m corridor

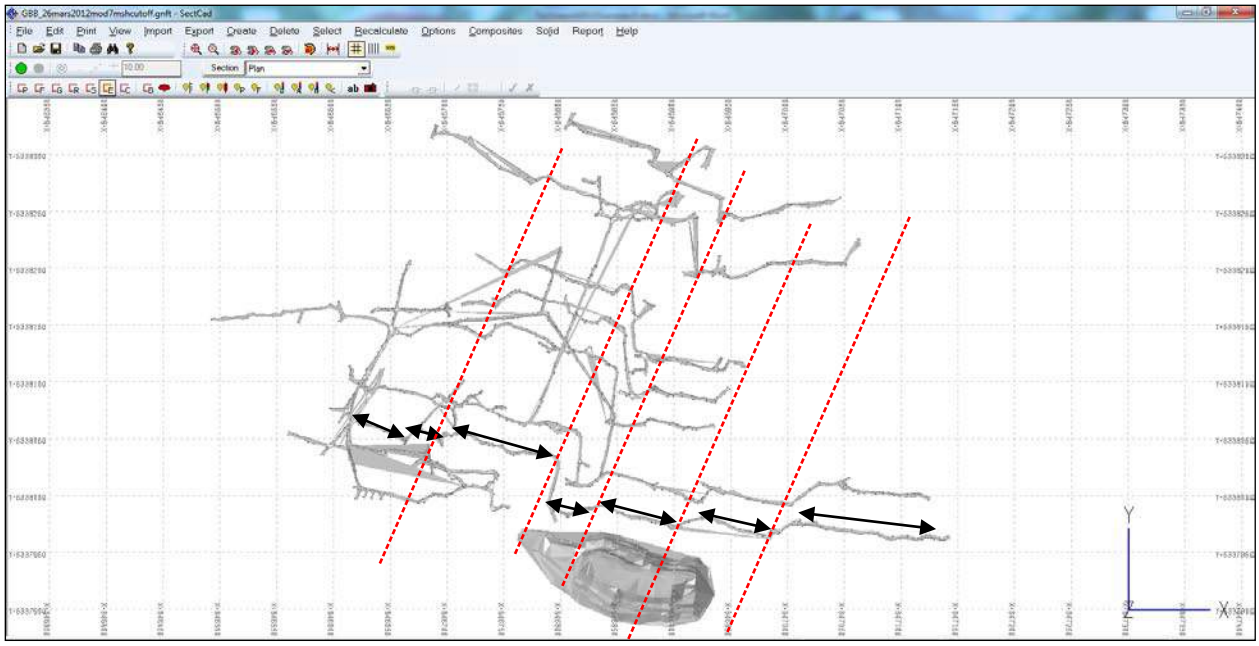


Figure 22: Plan view of historical drift and pit #2 dotted trace of NNE faults

The above figure demonstrates the segmentation of the mineralized zones in blocks. Adding together the segments shows a length in the order of 540m in the Eastern direction from historical workings. With the additional drilling this mineralized length has increased to 1100m. The old workings also show the existence of mineralization 500m down plunge as shown in previous cross sections.

The NNE faults are affecting the plunge and the author believes it is steeper with depth as per underground working observation in section.

The thickness of the conglomerate unit which holds the mineralized zones is over 300 meters. Within this package, it has been possible to observe three distinct mineralized zones with disseminated gold grades between the zones as shown in the previous cross sections.

Most of the economic mineralization on the Granada property is related to late quartz veining. Several sets of veins have been recognized on the property. From north to south, historically the more important vein sets are referred to as: 5, B, A, 1, 3 and 2. All the veins trend in a general east-west direction and dip approximately 50° to the north and are sub-concordant with sedimentary contacts. Quartz veins within syenite dykes and sills tend to follow the trend of the unit. The Author has observed gold grains along a clast on surface outcrop in the conglomerate in a dilatation zone across the schistosity. Mineralization is also associated with the presence of porphyry.

A portion of the gold occurs as free coarse gold while the remaining is mostly associated with sulfides. Additional discussion on the gold characteristics can be found in the section 13 of this report.

8- Deposit Types

The Granada deposit is a quartz-vein mesothermal gold deposit hosted by late Achaean Timiskaming sedimentary rock and younger syenite porphyry dykes dated at 2673+/-3 Ma as per works by Davis in 1991. The dykes belong to a late tectonic alkaline magmatic suite that hosts the mesothermal gold mineralization in the Kirkland Lake and Timmins gold camps in Ontario and in Duparquet, north of Rouyn-Noranda, in the Province of Quebec. The mineralization is mainly confined in the Conglomerate/Greywake package S1 of the Granada formation.

The exploration model is first to develop gold resources amenable for open pit mining while extension at depth of the high grade structures are being tested for eventual underground operation.

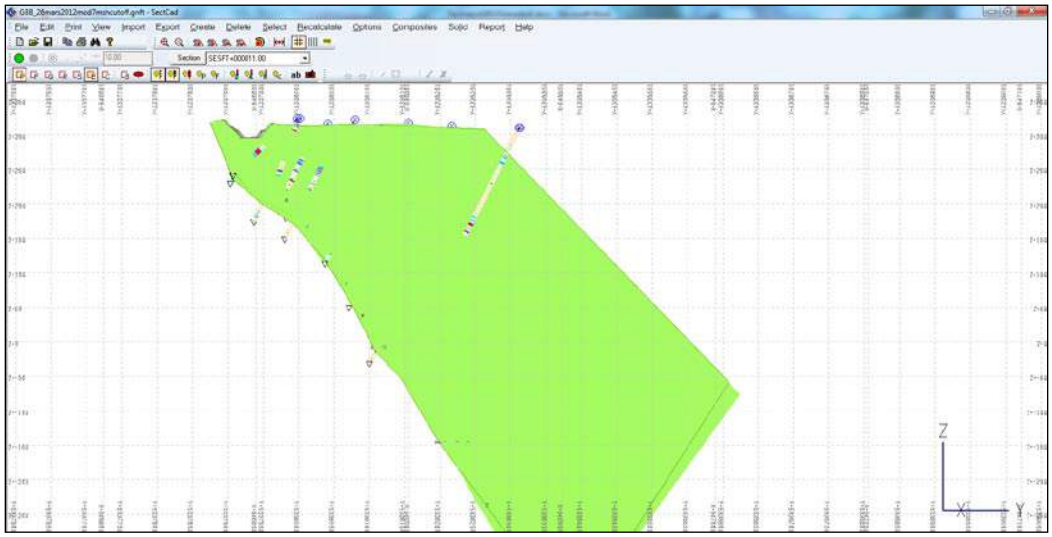


Figure 23: Mineralized conglomerate package being investigated in green

Figure 24: Typical conglomerat S1 unit on surface

9- Exploration

The company has requested an analysis of the mineral potential across the property by spectral analysis. The company carried out a Geological and Structural Study of its D2 D3 which are the Gold Bullion properties in Rouyn-Noranda by EarthMetrix Technologies Inc.
Moreover Photonic Knowledge is currently studying Granada drill cores with the objective of assisting in the interpretation and localization of the mineralized and alteration zones using spectrometry. The work was not completed at the moment of preparing this technical report. The company also completed a bulk sample in 2007.

9.1 Geological & structural study by Earthmetrix

On behalf of Gold Bullion Development Corp., a geological and structural study has been realized on the D2D3 Group of Properties using available data (Assessment work files coming from the MRNF (Quebec)), Satellite data covering the property coming from different sensors (SPOT-5 and WorldView-1)) by Technologies EarthMetrix inc. between January 2011 and June 2011.

The D2D3 Group of Properties consist of 3 separate blocks of claims properties totaling 107.33km2 : Kekeko South property (12.95 km2) in Beauchastel and Montbeillard townships, Beauchastel Syenite property (49.23 km2) in Beauchastel, Rouyn, Montbeillard and Bellecombe townships, Adanac Extension property (45.15 km2) in Rouyn, Joannes and Bellecombe townships. The D2D3 Group of Properties are situated just south-west, south and south east of the town of Rouyn-Noranda (downtown) in Abitibi-Temiscamingue (NTS Sheet Map 32D02/32D03). Major secondary roads as well as gravel all weather range roads traverse the properties.

The main objective of this study is to determine optimal exploration targets for the discovery of significant gold mineralization on the D2D3 group of properties from available data (Assessment work files from the MRNF), structural interpretations using the technology developed by Technologies EarthMetrix Inc. by integrating all results coming from different interpretations. Maps are defined on the property limits.

This report presents results obtained from this study, exploration targets areas that should be considered for more detailed exploration on the D2D3 Group of properties. Alain Moreau has briefly visited the properties in June 2011.

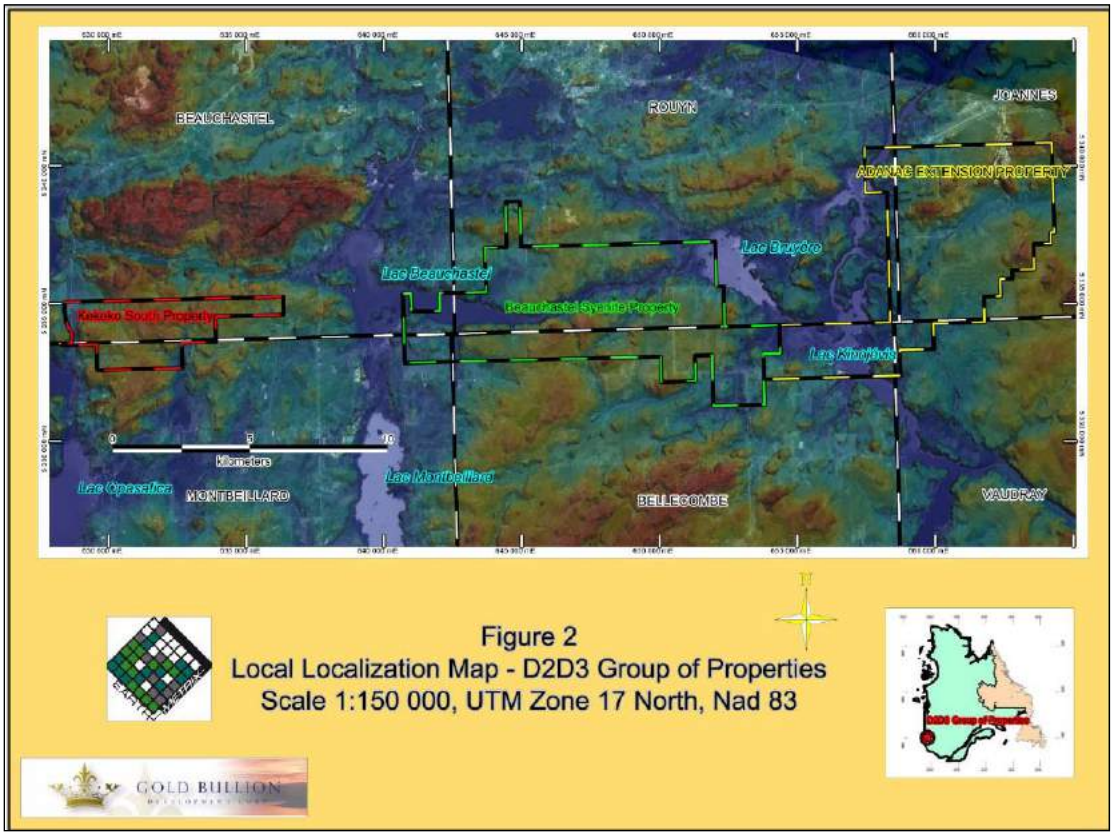


Figure 25: Sector where the work was performed

The results of this investigation present targets which are summarized in the following maps for the two sector within the Granada property under study.

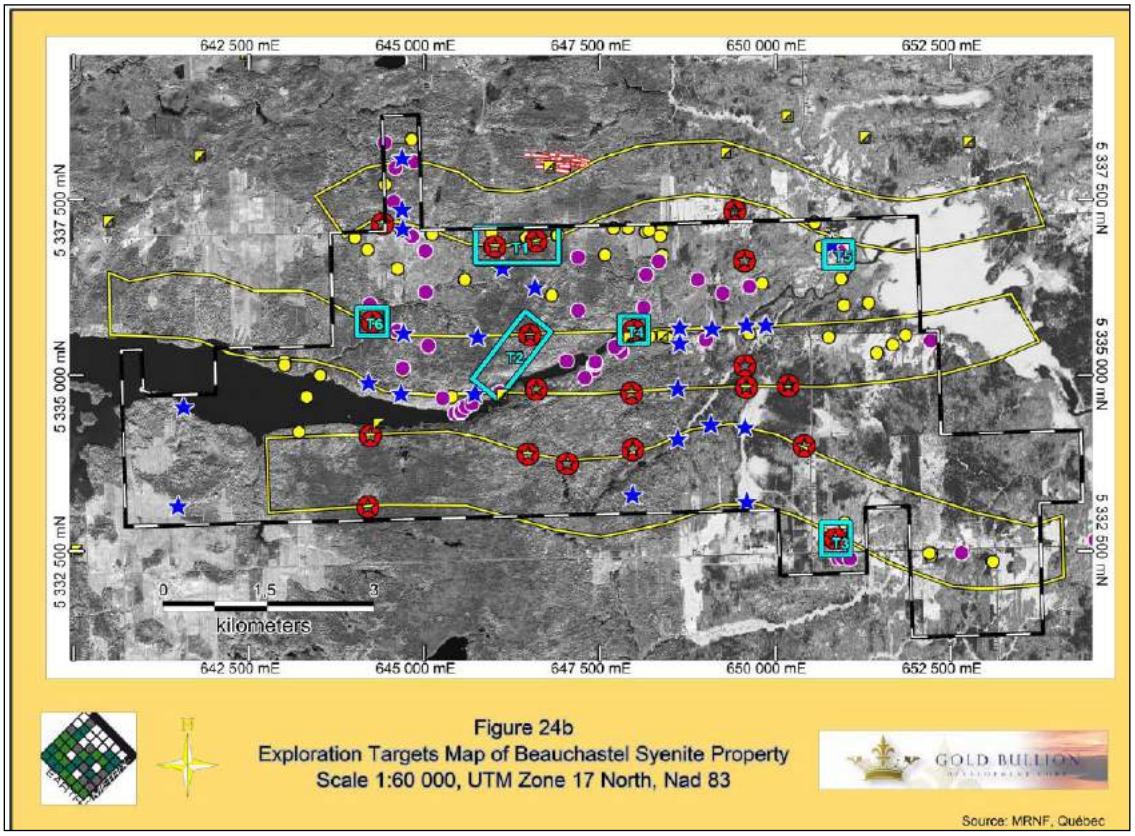


Figure 26: Exploration targets map from Earth Metrix Beauchastel Syenite sector

The analysis of spectral information combined with data compilation of historical works has allowed Earth Metrix to provide the company with exploration targets outside the known Granada mine zone.

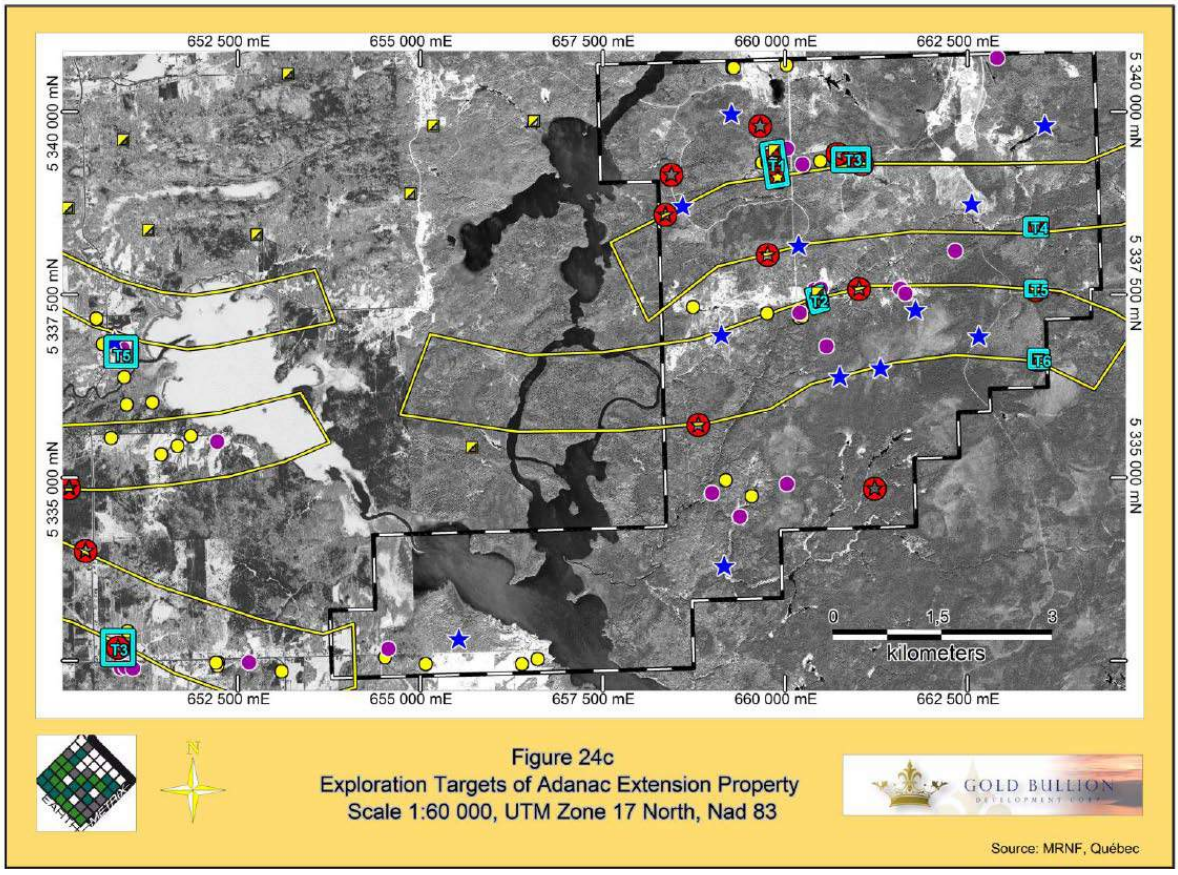


Figure 27: Exploration targets Map from Earth Metrix Adanac Extension sector

The list of targets will have to be visited in the field prior to drilling and this will be included in the recommendation section of this report.

Other than a small stripping with surface mapping north of existing pit #2 no significant basic exploration work other than drilling has been done to the author knowledge in the existing context.

9.2 Bulk sample 2007

A 140,000 tonne bulk sample was processed by Gold Bullion in 2007 from an open pit at the Granada Mine, of which 30,000 tonnes were processed using an on-site mill. The average gold grade from this large sample was 1.62 g/t with a 90-percent rate gold recovery. The waste from this bulk sample, along with the waste stockpile from past bulk sampling programs at the Granada mine by previous operators, was also assayed and returned a grade of 1.75 g/t Au. This confirms the presence of gold mineralization between the vein structures which trend east-west as one large overall structure.

The Company management claims that the bulk sample and Phase 1 drill results confirmed that gold at Granada is not just confined to the quartz-carbonate vein network but is also present in significant amounts within the iron-rich sulfurized wall rock (the material between the veins).
The details of the bulk samples were not provided to the author and the numbers could not be verified.

However the author agrees with this disclosure of the company regarding the occurrence of gold mineralization between the main veins at Granada as observed in assay results and visible gold in the core.

10- Drilling

The Company has carried out three phases of exploration starting in 2009, another in 2010 and the third in 2011. All exploration works especially drilling has been done under supervision and management of the previous Company's consultant. The drilling was done by diamond drill using NQ core size.

10.1 Phase 1

The company drilled 25 shallow holes in the Phase 1 drill program from December 2009 to January 2010 at the Granada Gold Property. A total of 2,817 metres was drilled and was successful at testing for structure. The program also revealed a possible substantial new discovery of shallow depth mineralization northeast of the historic and past producing Pits #2 West and #2 East.

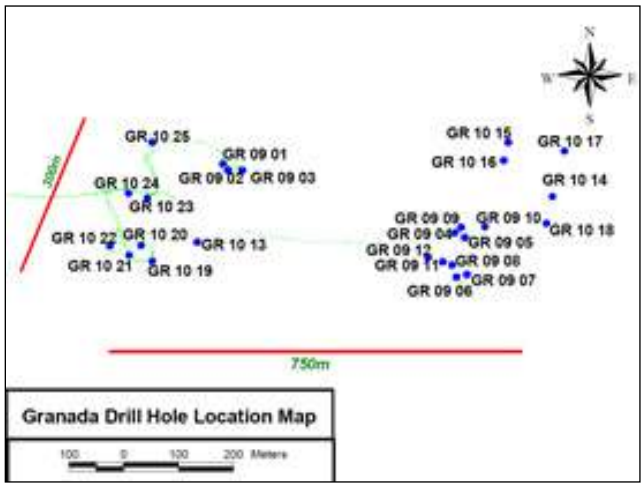


Figure 28: Layout of the phase 1 drilling campaign

Drilling highlights include hole GR 10-17 located over 300 metres from the edge of Pit #2 East, intersected 65.5 metres of 1.21 g/t Au gold (from 3.5 metres to 69 metres) within a wider interval grading 0.95 g/t Au over 99.2 metres. This hole, reported March 1 2010, was collared 103 metres southeast of GR-10-15 which returned 73.8 meters of 0.88 g/t Au as reported February 8 2010.
Three other Phase 1 holes in the company named "LONG Bars Zone Eastern Extension" were also encouraging. GR-10-18, collared 125 metres southwest of GR-10-17, intersected 19 metres of 1.02 g/t Au. GR-10-14 and GR-10-16 returned lower gold values over shorter intersections but confirmed the continuity of mineralization in this newly discovered area. Some highlights of that campaign are:

- **GR-10-21** - 50 metres outside the western boundary of the zone and nearly 800 metres from GR-10-17, intersected 65.5 metres grading 0.72 g/t Au (from 3.50 to 69 metres) including 20 metres of 2.20 g/t Au.

- **GR-10-13** - located between Pit #1 and Pit #2 inside the zone, returned 27.75 metres grading 1.27 g/t Au within a wider interval of 66 metres grading 0.56 g/t Au;
- **GR-10-12** - located north of Pit #2 East and 300 metres southwest of GR-10-17, intersected 68.8 metres of 1.07 g/t Au (from 16.2 to 85 metres) including 44 metres grading 1.54 g/t Au and 14 metres grading 4.28 g/t Au;
- **GR-09-08** - 46 metres east-southeast of GR-10-12, returned 32.5 metres of 1.27 g/t Au, also at shallow depth, within a wider interval of 0.92 g/t Au over 51 metres;
- **GR-09-05** - 75 metres northeast of GR-09-08, graded 0.92 g/t Au over 31 metres between 92 and 123 metres;
- **GR-09-02** - at the western edge of the waste pile east of Pit #1, returned 32.5 metres of 1.74 g/t Au between 15.5 and 48 metres;
- **GR-09-01** - 25 metres north of GR-09-02, intersected 14.7 metres of 1.60 g/t Au over a wider interval of 61.7 metres averaging 0.56 g/t Au between 6.3 meters and 68 metres.

10.2 Phase 2/Phase 3 Drilling

The Company launched a 20,000 metre Phase 2 drill program at the Granada Gold Property in early May 2010, which was extended by 5,000 metres in September due to encouraging early results. The two-pronged strategy was to a) conduct infill drilling as well as further exploratory drilling within the main zone as a first step toward an eventual 43-101 resource estimate, and b) significantly expand the overall LONG Bars Zone mineralized area. Some deeper drilling was also planned, and has taken place, within both the main zone and the Eastern Extension in order to test the Granada structure at depth as most drilling at the property historically and in the Gold Bullion's Phase 1 program has been shallow (mostly less than 100 metres vertical depth).
Gold Bullion Development has completed nearly 11,000 metres of Phase 3 drilling at its Granada Gold Property as of January 21, 2011, with Phase 2 and Phase 3 drilling intersecting new mineralized structures throughout the LONG Bars Zone (main Granada mineralized structure package) from that drilling mineralization remains open in all directions at Granada.

In November 2011, Gold Bullion reported the discovery of significant mineralization northeast and southeast of its LONG Bars Zone and the Granada Gold Property as a whole.
GR-10-108, collared 30 metres north of GR-10-55 which delivered the longest mineralized intersection to date at Granada (356.6 metres @ 0.60 g/t Au), returned an interval of 141.7 metres grading 0.70 g/t Au.
One of the goals of Phase 3 drilling was to expand the continuity of the feldspar porphyry and quartz veining in this particular area. GR-10-108 was collared 150 metres northeast of the main zone.

Meanwhile, nearly 500 metres south of GR-10-108, GR-10-86 returned 84.6 metres grading 1.00 g/t Au within a total near-surface interval of 127.5 metres (4.5 metres to 132 metres) grading 0.76 g/t Au as reported November 19. This hole was drilled toward the south and was collared approximately 180 metres southeast of Gold Bullion's Preliminary Block Model. The discovery of near-surface mineralization in the deep-south of the Eastern Extension is considered a significant development.

All Phase 2 drilling was completed by late October and more than 20% of the Phase 3 program has been completed as of January 21, 2011.

Gold Bullion reported September 9 that their previous geological consultant had observed visible gold and disseminated sulphides, along with large alteration zones, in feldspar porphyry in numerous holes drilled in Phase 2.

The fact that porphyry is hosting gold is an interesting development historically for the Granada Property as a 2006 Technical Report on the property stated that all economic mineralization at Granada was related to quartz veining.

Other results; GR-10-53, collared 88 metres southeast of GR-10-41 and near Pit #2 East, intersected 68.3 metres of 2.16 g/t Au, including a high grade section of 4.60 g/t Au over 26 metres, within a wider near-surface interval of 110.5 metres (3.5 metres to 114 metres) grading 1.34 g/t Au. This hole was drilled perpendicular to Vein #2 and is believed to closely approximate true width. Alteration dominated by intense sericitization and silicification was encountered in this hole along with quartz veining and abundant pyrite.

Table 4: Selected intersections of interest from Phase 1, Phase 2 and Phase 3 drilling

Drill Hole	From (m)	To (m)	Interval (m)	Weighted Gold grade g/t Au
PHASE 1 HIGHLIGHTS				
GR-09-02	15.5	48	32.5	1.78 g/t
including	40.7	41	0.3	96.60 g/t
GR-09-05	92	123	31	0.92 g/t
GR-09-06	36	52.5	16.5	1.22 g/t
GR-09-08	17	68	51	0.93 g/t
GR-10-12	4.3	87	82.7	0.90 g/t
GR-10-13	32.2	59.95	27.75	1.27 g/t
GR-09-15	73.2	147	73.8	0.88 g/t
GR-10-17	3.5	102.7	99.2	0.95 g/t
including	3.5	69	65.5	1.21 g/t
GR-10-18	37.5	56.5	19	1.02 g/t
PHASE 2 HIGHLIGHTS				
GR-10-33	23	146.5	123.5	1.07 g/t
GR-10-41	3.65	153	149.35	0.83 g/t
including	54.9	130	75.1	1.50 g/t
GR-10-53	5	112.5	107.5	1.37 g/t
including	8	73.3	65.3	2.14 g/t
GR-10-55	86.64	304.14	217.5	0.95 g/t
including	86.64	271.43	184.79	1.06 g/t
GR-10-79	22.5	185	162.5	0.88 g/t
GR-10-99	3.5	87	83.5	0.98 g/t

GR-10-104	3	231	228	0.51 g/t
GR-10-108	117.58	259.28	141.7	0.70 g/t
including	184.84	259.28	74.44	1.06 g/t
GR-10-113	22.97	252.92	229.95	0.93 g/t
including	232.5	233.59	1.09	162.75 g/t
GR-10-117	3	201	198	0.74 g/t
including	4.6	77.5	72.9	1.02 g/t
GR-10-126	29.1	85.05	55.95	1.01 g/t
GR-10-128	3	116.5	113.5	0.55
including	55.5	116.5	61	0.81
including	60	61.5	1.5	15.7
GR-10-130	2	96	94	1.03 g/t
GR-10-138	116	171.5	55.5	0.77
including	116	125	9	2.16
GR-10-141	3	279	276	0.52 g/t
PHASE 3 HIGHLIGHTS				
GR-10-153	3.9	139	135.1	0.62
including	3.9	80.1	76.2	0.99
including	3.9	4.9	1	54.98
GR-10-157	45.5	116.5	71	1.06
including	56.5	61	4.5	3.75
including	69	70	1	44.8
GR-10-169	9	117	108	0.64
including	51	115.5	64.5	1.03
GR-10-173	117.75	356	238.25	0.52
including	253.5	333.5	80	1.36
GR-10-178	193	376.5	183.5	0.5
GR-10-179	3	159	156	0.61
including	50.75	123	72.25	1.25
GR-10-189	99.5	170.4	70.9	1.06
GR-11-199	60	146	86	1.2
including	60	61	1	63.5
and including	129.75	146	16.25	1.86
GR-11-200	50.5	156.5	106	0.81
GR-11-216	1.5	57.6	56.1	0.56
GR-11-223	3.4	54	50.6	0.56
GR-11-231	174.5	227	52.5	0.52
GR-11-235	2.2	150	147.8	0.5
including	6.5	96	89.5	0.78
GR-11-237	42	130	88	0.5
GR-11-256	75	173	98	1.21
including	139	168.5	29.5	2.34
GR-11-271	24.55	207.5	182.95	1.11

including	24.55	25.3	0.75	207.27
and including	71.5	72.5	1	13.71
and including	206	207.5	1.5	10.49
and including	206	258	52	0.79
GR-11-287	104	173.5	69.5	1.05
including	110.4	111.3	0.9	30.03
and including	122.5	123	0.5	38.75
and including	172.6	173.5	0.9	15.79
and including	129.6	146	16.25	1.86

Most of the drill holes have been drilled close to perpendicular angle of the veins. The core length are in general 85% to 90% of the true width for the hole drilled south-south west. The holes which were drill south east show an approximate 75% true width as per new current modeling.
The near surface holes are closer to true width while holes a depth which were drilled steeper.

The previous consultant which has carried out and managed the drilling campaigns Phase 1, 2 and 3 for the Gold Bullion have apparently accomplished reliable drilling programs aside from incomplete and loss of control over the amount of work to do, errors of holes drilled in wrong orientation and holes drilled outside clients property. The author is comfortable that most of the holes have been drilled at the right place and the cores represent what is in the ground at Granada. It is important to remind that it is not all the holes that were drilled that were used in the current resources estimation. Only the holes for which the author and his colleagues have been able validate.

The following figure present the holes drilled and the holes which have been used in the first resource estimate.

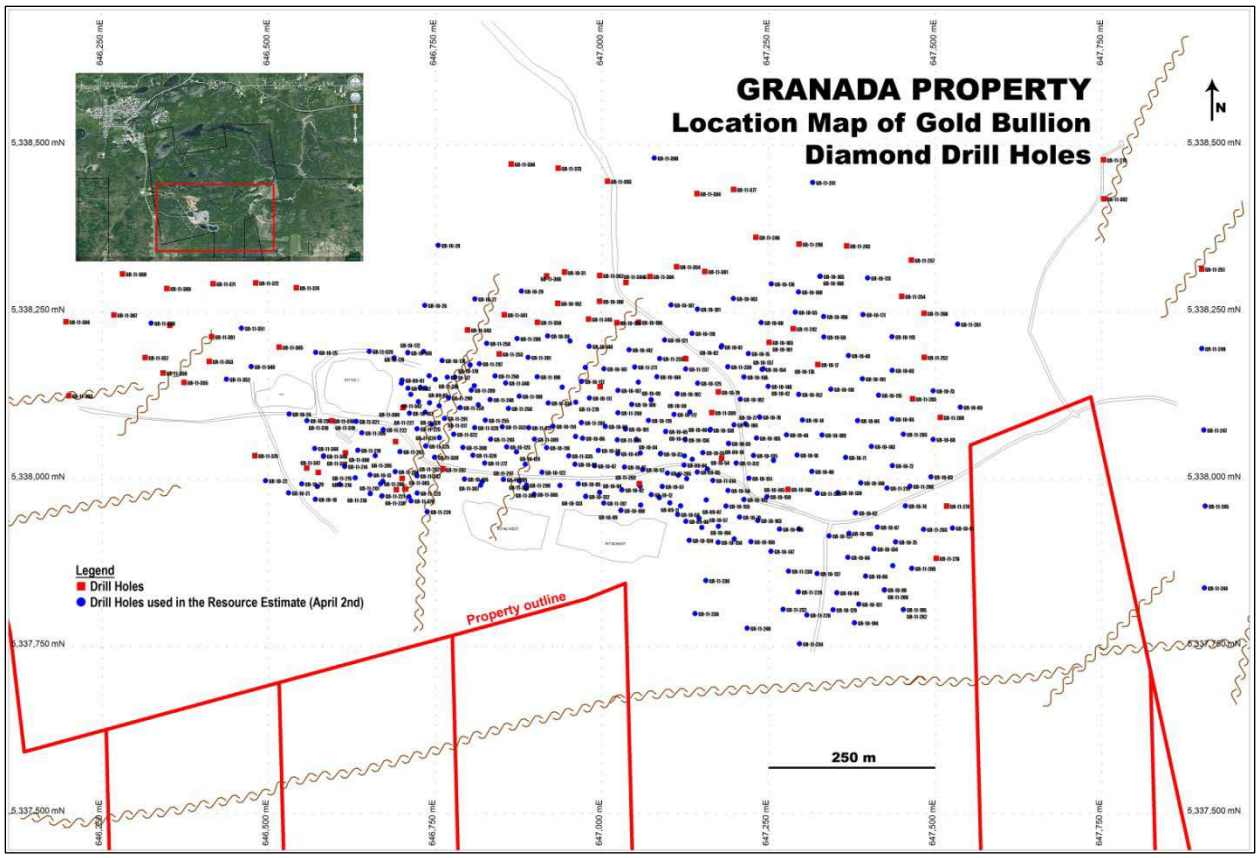


Figure 29: Drilling in main Granada mine zone

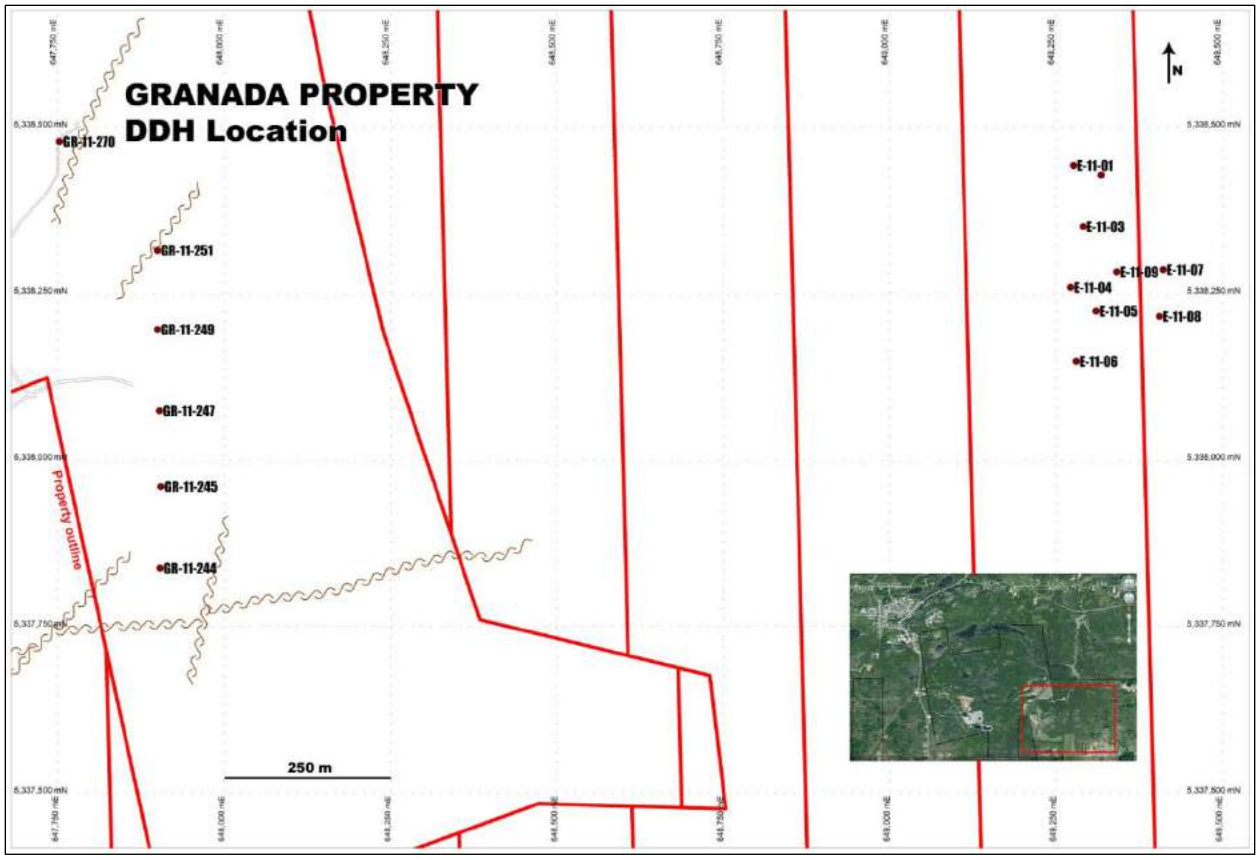


Figure 30: Drilling east of Granada mine

10.3 New Drilling Program- North and West Extension 2012 Project

The deep and shallow drilling programs (Figure 31) were initiated by GBB in 2012 under Claude Duplessis's recommendation to test structures and gold mineralization presence on the north and west extension at the Granada Property. Indeed, the recent drilling program which commenced in the spring of 2012 was intended to enlarge the gold mineralization envelope of the expanded LONG Bars zone resource to the north at depth and near surface to the west.

The original drill plan on the northern deep drilling area was created for three deep holes (DUP-12-01, DUP-12-02 and DUP-12-03) with one wedge in each hole. The program commenced with hole DUP-12-03. Due to excessive deviation, this hole was consequently abandoned at 378m. In order to continue the drill program, hole DUP-12-03A, located 400 metres NNE (12° North) of hole GR-11-390 was drilled just 25 metres to the west of DUP-12-03 and it has a depth of 1347 metres. Then, three wedge holes W1, W2 and W3 were placed into DUP-12-03A.

Hole DUP-12-02 located 830 metres NNE (24° North) of hole GR-11-390 was drilled down to 1593 metres with only one wedged hole added, W1.
The Deep drill holes have expanded the mineralization by 650 metres to the north and an additional 600 metres in depth where the mineralization envelope remains wide open for expansion.

Due to the success of DUP-12-03A, DUP-12-02 and the associated wedges demonstrating continuation at depth of gold mineralization the drill was reassigned to the western extension to further evaluate near surface mineralization. For these reasons hole DUP-12-01 planned hole was put on hold. The observation of visible gold and typical alteration zones present in the western extension holes GR-11-375 and GR-11-363 from the backlog program have helped to establish the new targets in this area.

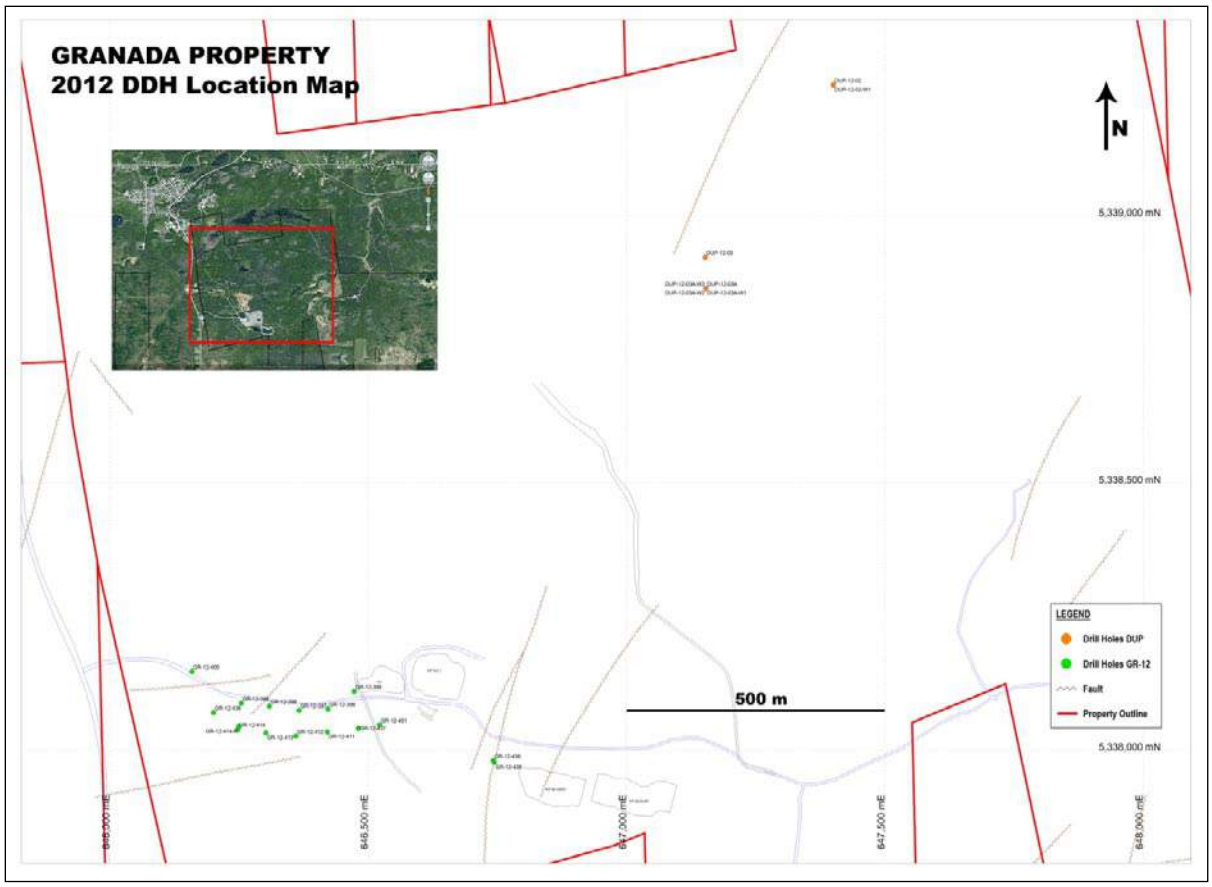


Figure 31: New 2012 Diamond Drill Holes Location Map on Granada Property

A total of 8339.25 metres in 23 holes was drilled on the Granada Property. The drilling contractor was Landdrill International Ltd. of Notre-Dame-Du-Nord, Quebec, which provided two surface diamond drill rigs (Marcotte Hydraulic model).

The drilling started on March 5, 2012 and concluded on July 6, 2012. All the drill holes were orientated south and drilled with different ranges of dip and length (see Table 5 and Table 6 for more details). Deep holes were spotted and surveyed by Mazac Geoservices Inc and the GR-12 holes were located by SGS Geologists using a GPS. Down-hole surveys were carried out by is Gyro and Reflex Ez-Trac on the deep holes and on the western extension holes the down-hole oriented survey was conducted by Reflex Ez-Trac.

Table 5: North Extension 2012 Drilling Program- Deep and Wedged Holes

Hole Name	Azimuth (°)	Dip (°)	From (m)	To (m)	Cumulative Length (m)	Core Size
DUP-12-02	181.0	-78.0	0.0	1593.00	1593.00	HQ-NQ
DUP-12-02-W1	181.0	-78.0	555.0	1263.20	708.20	HQ-NQ
DUP-12-03	180.0	-75.0	0.0	378.00	378.00	HQ-NQ
DUP-12-03A	175.9	-77.5	0.0	1350.00	1347.00	HQ-NQ
DUP-12-03A-W1	175.9	-77.5	780.0	1077.00	297.00	HQ-NQ
DUP-12-03A-W2	175.9	-77.5	597.0	1311.55	714.55	HQ-NQ
DUP-12-03A-W3	175.9	-77.5	632.0	1278.00	646.00	HQ-NQ
				Total Footage Drilled (m)	**5683.75**	

Table 6: West Extension 2012 Drilling Program

Hole Name	Azimuth (°)	Dip (°)	From (m)	To (m)	Cumulative Length (m)	Core Size
GR-12-395	183.8	-60.2	0.0	201.00	201.00	NQ
GR-12-396	186.5	-61.5	0.0	252.00	252.00	NQ
GR-12-397	193.5	-60.1	0.0	237.00	237.00	NQ
GR-12-398	188.6	-56.6	0.0	240.00	240.00	NQ
GR-12-399	189.6	-58.5	0.0	231.00	231.00	NQ
GR-12-400	183.2	-57.0	0.0	246.50	246.50	NQ
GR-12-401	190.0	-60.0	0.0	150.00	150.00	NQ
GR-12-411	190.0	-60.0	0.0	150.00	150.00	NQ
GR-12-412	190.0	-60.0	0.0	156.00	156.00	NQ
GR-12-413	190.0	-60.0	0.0	150.00	150.00	NQ
GR-12-414	190.0	-60.0	0.0	9.00	9.00	NQ
GR-12-414-R	189.5	-59.2	0.0	150.00	150.00	NQ
GR-12-436	193.0	-60.0	0.0	300.00	300.00	NQ
GR-12-437	190.0	-60.0	0.0	51.00	51.00	NQ
GR-12-438	190.0	-45.0	0.0	102.00	102.00	NQ
GR-12-439	190.0	-90.0	0.0	30.00	30.00	NQ
				Total Footage Drilled (m)	**2655.50**	

The following table contains the highlights of the mineralized intervals from the new drilling program and the backlog holes.

Table 7: Highlights of the 2012 DDH and the remaining Backlog Holes results

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
DUP-12-02	**607.50**	**610.50**	**3.00**	**4.15**
including	607.50	609.00	1.50	8.23
DUP-12-02	**992.50**	**995.50**	**3.00**	**4.58**
including	992.50	994.00	1.50	9.13
DUP-12-03A	**660.00**	**662.50**	**2.50**	**1.38**
including	661.00	662.50	1.50	3.21
DUP-12-03A	**906.00**	**909.00**	**3.00**	**2.07**
including	906.00	907.50	1.50	3.58
DUP-12-03A-W1	**904.50**	**907.50**	**3.00**	**0.82**
including	904.50	906.00	1.50	1.21
DUP-12-03A-W2	**660.00**	**663.00**	**3.00**	**4.12**
including	661.50	663.00	1.50	8.12
DUP-12-03A-W2	**786.00**	**789.00**	**3.00**	**2.34**
including	787.50	789.00	1.50	4.44
DUP-12-03A-W2	**814.50**	**817.50**	**3.00**	**2.04**
including	816.00	817.50	1.50	3.13
DUP-12-03A-W2	**906.00**	**909.00**	**3.00**	**1.40**
including	907.50	909.00	1.50	2.50
DUP-12-03A-W2	**1218.00**	**1221.00**	**3.00**	**4.11**
including	1218.00	1219.50	1.50	8.18
DUP-12-02-W1	**784.50**	**787.50**	**3.00**	**4.19**
including	784.50	786.00	1.50	8.26
E-11-01	**NSI**			
E-11-02	**19.00**	**21.50**	**2.50**	**0.52**
E-11-02	**138.50**	**141.33**	**2.83**	**4.32**
E-11-03	**NSI**			
E-11-04	**NSI**			
E-11-05	**NSI**			
E-11-06	**NSI**			
E-11-07	**45.00**	**48.00**	**3.00**	**0.76**
E-11-07	**90.00**	**92.50**	**2.50**	**0.49**
E-11-08	**NSI**			
E-11-09	**NSI**			
E-11-10	**138**	**141.00**	**3.00**	**0.53**
GR-11-241	**283.00**	**289.00**	**6.00**	**2.25**
GR-11-242	**93.50**	**207.20**	**113.70**	**0.50**
including	100.50	109.00	8.50	2.21
including	176.90	181.00	4.10	4.04
GR-11-246	**243.00**	**283.50**	**40.50**	**0.47**
GR-11-251	**NSI**			
GR-11-253	**127.50**	**139.50**	**12.00**	**1.60**
GR-11-254	**NSI**			
GR-11-257	**165.50**	**211.50**	**46.00**	**2.25**
including	189.50	211.50	22.00	4.42
including	312.00	323.50	11.50	0.41
GR-11-260	**382.50**	**386.39**	**3.89**	**4.87**

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
GR-11-261	**23.50**	**31.75**	**8.25**	**0.52**
GR-11-261	**223.50**	**258.00**	**34.50**	**0.31**
GR-11-262	**NSI**			
GR-11-263	**NSI**			
GR-11-264	**347.00**	**353.00**	**6.00**	**3.31**
GR-11-270	**NSI**			
GR-11-272	**112.00**	**241.00**	**129.00**	**0.39**
including	112.00	135.00	23.00	0.89
including	112.00	115.00	3.00	4.64
including	171.00	178.50	7.50	0.56
including	199.50	241.00	41.50	0.53
including	204.00	223.50	19.50	0.81
GR-11-274	**58.00**	**63.50**	**5.50**	**0.54**
GR-11-276	**133.50**	**166.50**	**33.00**	**0.40**
including	133.50	139.50	6.00	1.43
GR-11-282	**NSI**			
GR-11-285	**13.25**	**30.70**	**17.45**	**0.88**
GR-11-288	**NSI**			
GR-11-298	**171.50**	**253.50**	**82.00**	**0.59**
including	205.50	223.50	18.00	1.03
including	241.50	253.50	12.00	1.67
GR-11-298	**336.00**	**339.50**	**3.50**	**4.01**
GR-11-299	**18.50**	**97.00**	**78.50**	**0.54**
including	25.00	35.00	10.00	1.34
including	80.00	97.00	17.00	1.14
including	89.00	97.00	8.00	1.95
GR-11-300	**16.50**	**84.50**	**68.00**	**0.70**
including	16.50	28.50	12.00	0.89
including	68.50	84.50	16.00	1.98
GR-11-301	**51.00**	**55.50**	**4.50**	**1.18**
GR-11-302	**16.00**	**126.50**	**110.50**	**0.48**
including	16.00	83.50	67.50	0.68
including	30.00	53.50	23.50	1.11
including	46.00	53.50	7.50	2.47
including	75.50	83.50	8.00	1.26
GR-11-303	**9.50**	**137.00**	**127.50**	**0.66**
including	9.50	43.00	33.50	1.77
including	36.00	43.00	7.00	4.50
including	68.50	98.00	29.50	0.57
including	87.00	98.00	11.00	0.83
GR-11-304	**177.00**	**217.50**	**40.50**	**0.45**
including	177.00	181.50	4.50	0.73
including	213.00	217.50	4.50	2.97
GR-11-304A	**229.50**	**345.00**	**115.50**	**0.34**
including	229.50	240.00	10.50	0.60
including	290.00	300.00	10.00	1.30
including	316.50	326.00	9.50	0.64
GR-11-305	**11.00**	**20.00**	**9.00**	**0.52**
including	10.00	13.00	3.00	1.18

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
GR-11-305	**70.50**	**82.00**	**11.50**	**0.58**
GR-11-306	**11.00**	**20.00**	**9.00**	**0.52**
GR-11-306	**70.50**	**82.00**	**11.50**	**0.58**
including	76.50	82.00	5.50	0.60
GR-11-307	**61.00**	**79.50**	**18.50**	**0.36**
including	62.00	67.00	5.00	1.01
GR-11-308	**29.00**	**90.00**	**61.00**	**0.34**
including	29.00	33.50	4.50	3.11
GR-11-309	**12.50**	**91.50**	**79.00**	**0.89**
including	55.00	91.50	36.50	1.71
including	60.50	85.00	24.50	2.26
including	60.50	71.50	11.00	3.87
including	77.00	85.00	8.00	1.54
GR-11-309	**154.50**	**165.00**	**10.50**	**0.82**
GR-11-310	**15.00**	**44.23**	**29.23**	**15.61**
including	21.00	26.00	5.00	88.97
including	22.00	23.00	1.00	443.78
GR-11-311	**54.50**	**86.50**	**32.00**	**2.49**
including	65.50	73.00	7.50	9.44
including	157.00	180.50	23.50	0.74
including	157.00	169.00	12.00	1.17
GR-11-312	**27.58**	**38.50**	**10.92**	**0.70**
Including	27.58	30.50	2.92	1.65
GR-11-312	**84.00**	**87.00**	**3.00**	**1.50**
GR-11-313	**3.30**	**51.95**	**48.65**	**0.37**
including	3.30	10.00	6.70	1.80
GR-11-313	**106.00**	**117.50**	**11.50**	**0.45**
GR-11-313	**117.50**	**132.50**	**15.00**	**0.48**
GR-11-314	**3.30**	**78.00**	**74.70**	**0.41**
including	61.00	78.00	17.00	1.10
including	61.00	65.50	4.50	2.12
and	25.50	29.50	4.00	0.74
GR-11-315	**66.50**	**109.50**	**43.00**	**0.32**
including	76.00	109.50	33.50	0.36
including	76.00	89.00	13.00	0.55
and	102.00	109.50	7.50	0.52
GR-11-316	**105.50**	**150.00**	**44.50**	**0.37**
including	105.50	122.00	16.50	0.68
including	113.00	122.00	9.00	1.01
GR-11-317	**NSI**			
GR-11-318	**NSI**			
GR-11-319	**76.00**	**79.00**	**3.00**	**0.48**
GR-11-320	**12.00**	**84.00**	**72.00**	**0.46**
including	32.00	44.50	12.50	1.84
GR-11-321	**94.50**	**101.00**	**6.50**	**0.97**
including	94.50	97.50	3.00	1.63
GR-11-322	**24.50**	**33.00**	**8.50**	**0.46**
GR-11-322	**79.50**	**85.50**	**6.00**	**0.67**
GR-11-323	**NSI**			

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
GR-11-324	**25.00**	**40.00**	**15.00**	**0.66**
including	34.50	39.00	4.50	1.74
GR-11-325	**NSI**			
GR-11-326	**4.50**	**93.50**	**89.00**	**0.65**
including	4.50	22.00	17.50	2.78
including	11.40	15.50	4.10	11.16
GR-11-324	**95.85**	**99.00**	**3.15**	**0.70**
GR-11-328	**12.50**	**47.00**	**34.50**	**0.78**
including	31.50	47.00	15.50	1.59
including	71.50	118.50	47.00	0.44
including	114.50	118.50	4.00	3.20
GR-11-329	**16.50**	**19.50**	**3.00**	**1.21**
GR-11-329	**45.90**	**48.00**	**2.10**	**1.08**
GR-11-330	**60.96**	**68.80**	**7.84**	**7.93**
Including	60.96	64.00	3.04	19.23
GR-11-330	**99.00**	**112.00**	**13.00**	**5.63**
Including	99.00	102.00	3.00	22.35
Including	109.00	112.00	3.00	1.88
GR-11-331	**71.08**	**82.50**	**11.42**	**0.50**
GR-11-331	**129.00**	**132.00**	**3.00**	**1.41**
GR-11-332	**NSI**			
GR-11-333	**NSI**			
GR-11-334	**75.50**	**80.50**	**5.00**	**0.88**
including	105.50	121.50	16.00	0.50
GR-11-335	**24.00**	**138.00**	**114.00**	**0.71**
Including	39.50	42.00	2.50	2.95
Including	99.40	103.00	3.60	5.01
Including	131.00	138.00	7.00	5.73
GR-11-336	**21.00**	**81.50**	**60.40**	**0.50**
Including	77.00	81.50	4.50	3.50
GR-11-337	**9.00**	**64.00**	**55.00**	**0.33**
Including	59.50	64.00	4.50	2.30
GR-11-337	**131.50**	**134.50**	**3.00**	**2.64**
GR-11-338	**6.00**	**56.00**	**50.00**	**0.47**
Including	21.00	25.50	4.50	2.42
Including	43.50	48.00	4.50	1.18
GR-11-339	**6.00**	**29.00**	**23.00**	**0.56**
Including	23.50	26.50	3.00	3.20
GR-11-340	**6.50**	**142.00**	**135.50**	**0.29**
Including	6.50	14.00	7.50	0.53
Including	111.00	142.00	31.00	0.77
Including	124.00	128.50	4.50	2.12
GR-11-341	**205.50**	**235.50**	**30.00**	**0.44**
including	205.50	211.50	6.00	1.21
including	205.50	216.00	10.50	1.01
GR-11-342	**66.00**	**69.36**	**3.36**	**1.19**
GR-11-343	**222.00**	**225.00**	**3.00**	**1.68**
GR-11-344	**19.50**	**30.00**	**10.50**	**1.27**
Including	22.50	27.00	4.50	2.64

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
GR-11-345	**91.50**	**140.00**	**48.50**	**0.50**
including	91.50	96.00	4.50	2.77
GR-11-345	**227.50**	**243.00**	**15.50**	**0.45**
GR-11-345	**333.50**	**336.50**	**3.00**	**4.45**
GR-11-346	**13.50**	**53.00**	**39.50**	**0.26**
Including	50.50	53.00	2.50	1.98
GR-11-347	**16.00**	**63.00**	**47.00**	**0.36**
Including	50.00	63.00	13.00	0.82
Including	60.00	63.00	3.00	2.47
GR-11-348	**41.00**	**52.50**	**11.50**	**0.39**
GR-11-349	**82.50**	**89.00**	**6.50**	**2.74**
GR-11-350	**16.50**	**114.00**	**97.50**	**0.86**
GR-11-350	**16.50**	**21.00**	**4.50**	**15.72**
and	207.50	300.00	92.50	0.56
including	236.00	239.00	3.00	9.62
including	297.00	300.00	3.00	2.97
GR-11-351	**161.00**	**173.00**	**12.00**	**0.43**
GR-11-352	**18.50**	**24.00**	**5.50**	**0.60**
GR-11-352	**100.50**	**103.50**	**3.00**	**5.04**
GR-11-354	**158.50**	**350.05**	**191.55**	**0.54**
Including	171.00	176.00	5.00	6.08
Including	204.00	208.50	4.50	3.65
Including	244.30	247.60	3.30	1.86
Including	301.00	303.70	2.70	2.65
Including	318.50	321.50	3.00	3.87
Including	341.00	344.00	3.00	2.12
GR-11-355	**23.50**	**31.47**	**7.97**	**0.82**
GR-11-355	**90.10**	**123.50**	**33.40**	**0.56**
including	114.00	122.00	8.00	1.75
GR-11-356	**6.00**	**51.00**	**45.00**	**0.31**
including	6.00	15.50	9.50	0.54
including	34.60	51.00	16.40	0.40
GR-11-356	**102.00**	**111.20**	**9.20**	**0.59**
GR-11-357	**110.00**	**125.50**	**15.50**	**0.74**
including	119.30	122.50	3.20	2.44
GR-11-358	**4.50**	**15.00**	**10.50**	**0.53**
GR-11-358	**149.00**	**339.65**	**190.65**	**0.39**
including	149.00	170.00	21.00	1.19
including	149.00	150.50	1.50	6.38
including	165.50	167.00	1.50	3.86
including	237.00	246.00	9.00	0.86
including	271.50	279.00	7.50	2.61
including	328.00	339.65	11.65	0.80
GR-11-359	**159.00**	**165.00**	**6.00**	**1.02**
GR-11-360	**93.00**	**96.00**	**3.00**	**2.88**
GR-11-360	**122.00**	**125.00**	**3.00**	**0.85**
GR-11-361	**82.50**	**153.50**	**71.00**	**0.55**
including	84.00	102.50	18.50	0.93
including	82.50	87.00	4.50	2.74

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
including	99.50	102.50	3.00	1.29
including	150.50	153.50	3.00	5.29
GR-11-362	**56.00**	**61.50**	**5.50**	**1.40**
GR-11-362	**143.00**	**201.00**	**58.00**	**1.76**
including	143.00	149.00	6.00	15.27
GR-11-363	**23.50**	**82.50**	**59.00**	**0.43**
GR-11-364	**NSI**			
GR-11-365	**54.50**	**73.00**	**18.50**	**0.63**
including	54.50	66.00	11.50	0.91
GR-11-365	**140.00**	**154.00**	**14.00**	**0.54**
GR-11-366	**45.00**	**58.50**	**13.50**	**0.34**
GR-11-366	**144.50**	**223.50**	**79.00**	**0.58**
including	155.50	180.00	24.50	0.81
including	168.00	180.00	12.00	1.28
GR-11-366	**193.00**	**213.00**	**20.00**	**0.95**
including	202.00	213.00	11.00	1.34
GR-11-367	**155.10**	**159.00**	**3.90**	**0.91**
GR-11-368	**184.00**	**205.15**	**21.15**	**1.72**
including	201.00	205.15	4.15	7.89
GR-11-369	**156.00**	**211.00**	**55.00**	**0.41**
including	156.00	179.00	23.00	0.72
including	157.00	167.00	10.00	1.19
GR-11-370	**139.00**	**163.50**	**24.50**	**0.57**
GR-11-371	**53.00**	**60.00**	**7.00**	**0.39**
GR-11-373	**272.50**	**320.60**	**48.10**	**0.47**
including	272.50	278.00	5.50	1.71
including	314.00	319.20	5.20	1.70
GR-11-374	**192.00**	**216.00**	**24.00**	**1.14**
including	199.50	205.15	5.65	4.08
GR-11-372	**116.50**	**182.00**	**65.50**	**0.28**
including	116.50	120.50	4.00	1.34
including	142.50	145.50	3.00	1.94
including	181.00	185.00	4.00	0.83
GR-11-375	**10.50**	**120.30**	**109.80**	**0.32**
including	117.00	120.30	3.30	7.22
GR-11-375	**173.50**	**177.00**	**3.50**	**0.98**
GR-11-376	**275.00**	**395.00**	**12.00**	**0.39**
GR-11-377	**261.00**	**349.50**	**88.50**	**0.62**
including	261.00	267.00	6.00	1.79
including	325.00	331.50	6.50	3.56
including	345.00	349.50	4.50	1.05
GR-11-377	**427.50**	**431.00**	**3.50**	**3.72**
GR-11-378	**29.00**	**78.00**	**49.00**	**0.47**
including	22.50	29.50	7.00	1.75
including	75.00	78.00	3.00	2.20
GR-11-379	**10.50**	**15.85**	**5.35**	**0.90**
GR-11-380	**8.00**	**58.00**	**50.00**	**0.63**
including	10.00	13.50	3.50	6.95
including	54.50	58.00	3.50	1.11

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
GR-11-381	**13.00**	**23.00**	**10.00**	**4.68**
including	16.50	19.45	2.95	15.13
GR-11-383	**25.50**	**33.00**	**7.50**	**0.67**
GR-11-384	**422.50**	**428.50**	**6.00**	**18.25**
including	309.00	351.00	42.00	0.44
GR-11-385	**64.50**	**73.50**	**9.00**	**0.81**
GR-11-386	**24.00**	**61.50**	**37.50**	**0.45**
including	48.00	61.50	13.50	1.14
including	58.50	61.50	3.00	2.49
GR-11-387	**22.50**	**32.50**	**10.00**	**0.31**
GR-11-388	**66.00**	**73.50**	**7.50**	**0.77**
GR-11-389	**72.00**	**167.00**	**95.00**	**0.53**
including	120.00	148.00	28.00	1.21
including	136.00	148.00	12.00	2.38
including	142.00	148.00	6.00	4.39
GR-11-391	**39.00**	**174.00**	**135.00**	**0.26**
including	39.00	48.50	9.50	0.99
including	104.00	107.00	3.00	1.48
including	171.00	174.00	3.00	2.28
GR-11-392	**343.50**	**346.50**	**3.00**	**2.19**
GR-11-393	**164.50**	**465.50**	**301.00**	**0.31**
including	164.50	167.50	3.00	2.52
including	273.50	278.00	4.50	2.10
including	296.00	299.50	3.50	2.05
including	318.00	321.80	3.80	2.81
including	427.50	433.00	5.50	3.62
GR-11-394	**302.50**	**319.50**	**17.00**	**1.23**
including	302.50	307.00	4.50	3.28
GR-11-394	**516.00**	**519.00**	**3.00**	**2.58**
GR-12-395	**72.00**	**85.50**	**13.50**	**0.64**
GR-12-396	**49.50**	**63.00**	**13.50**	**0.64**
GR-12-397	**34.00**	**42.00**	**8.00**	**0.53**
GR-12-398	**52.50**	**60.00**	**7.50**	**0.58**
GR-12-399	**129.00**	**138.00**	**9.00**	**0.83**
GR-12-399	**36.00**	**45.00**	**9.00**	**0.45**
GR-12-400	**30.00**	**115.50**	**85.50**	**0.45**
including	30.00	31.50	1.50	6.39
including	61.50	64.50	3.00	3.41
including	114.00	115.50	1.50	2.49
GR-12-401	**93.00**	**100.50**	**7.50**	**0.82**
GR-12-412	**15.00**	**97.50**	**82.50**	**0.58**
including	15.00	19.50	4.50	8.39
including	94.50	97.50	3.00	1.46
GR-12-413	**4.50**	**114.00**	**109.50**	**0.55**
including	4.50	7.50	3.00	11.54
including	81.00	82.50	1.50	1.07
including	93.00	94.50	1.50	4.40
including	112.50	114.00	1.50	2.50
GR-12-414-R	**7.50**	**36.00**	**28.50**	**0.92**

Drill Hole Name	From (m)	To (m)	Length (m)	Au (g/t)
including	7.50	9.00	1.50	1.75
including	12.00	15.00	3.00	3.26
including	16.50	19.50	3.00	1.69
including	28.50	36.00	7.50	0.94
GR-12-436	**37.50**	**42.00**	**4.50**	**1.62**
GR-12-436	**264.00**	**267.00**	**3.00**	**4.01**
GR-12-437	**48.00**	**51.00**	**3.00**	**1.34**
GR-12-438	**10.00**	**12.00**	**2.00**	**0.57**
GR-12-438	**57.00**	**60.00**	**3.00**	**0.80**
GR-12-438	**85.50**	**88.50**	**3.00**	**1.17**
GR-12-439	**18.00**	**24.00**	**6.00**	**0.83**

This drill results confirm specific high grade zones at depth with thickness and grade suitable for underground mining. Down hole core length is close to true thickness and uncut.

10.4 Core Recovery

In this project, the core recovery is about 99% with some losses generally occurring in the beginning of the hole and also near the shear or the faults zones. Rock Quality Designation (RQD) measurements indicate that the rocks units observed in the Granada property are very competent.

11- Sample Preparation, Analyses and Security

11.1 Context

The previous consultant responsible of the drilling campaign management and execution did not prepare a formal report on the subject from 2009 to 2011. This section will present what the Author has been able to learn and find on the subject. At the beginning of Author involvement in the project it has become clear we could not have and retrieve all this information, a limited amount of this has been found and for this reason an extensive independent program has been done and is presented in the data verification section of this report.

11.2 Drill core sampling protocol

During the 2009 to 2011 drill campaign, samples of NQ size core were systematically assayed for gold and occasionally for arsenic and silver with multi-element package

All core samples assays from the exploration programs were performed by 4 various laboratories:

- Lab-Expert in 2009-2010
- Swastika in 2010
- ALS-Chemex in 2010-2011
- Accurassay in 2010-2011.

These laboratories have facilities in Quebec, Ontario and BC; Rouyn, Swastika, Val D'Or and Vancouver. The sampling procedures included the systematic inclusion of standards and property specific blank samples. The drill hole core samples were split in half with a rock saw with one half sent for assaying while the second half was retained as a witness sample for future geological reference or re-assaying should it be deemed necessary. Sampling was conducted not only on core with visible evidence of mineralization, such as veins, stringers, alteration zone, but also on barren looking core to preserve the sampling continuity in between mineralized zones and to test for broad zones of lower grade material as well.

The presumed core sampling protocol is as follows:

- The core is logged by geologist
- For mineralized intervals NQ size core, the drill core samples have minimum core length of 30 cm and a maximum length of 1.5 m.
- Photos of the main mineralized intersections are taken using a digital camera.
- Core is split in half with a rock saw by GBB technicians at the project site.
- Half core samples retained for future references are returned to the core box along with their respective assay tag number.
- Samples are bagged at the project site and delivered by commercial courier to the lab facilities
- The sampling procedure includes the insertion of commercially prepared standards and property specific blanks collected from similar geological units, at regular intervals.
- (Key information table to retrieve this information was not found).

The information recorded in the drill log by the project geologist describing the core normally includes:
The from-to, depth, core length, true width, as well as observations concerning rock type, deformation, alteration, fault zones and nature of mineralization , the name of the vein if possible, and core angles. All observations are normally entered into a drill hole database management software.

All core boxes are stored outside on site. Each individual core box is identified with aluminum metallic tags labeled by a Dymo with the drill hole number. The boxes are store on core racks. The site has constant security guard. Due to the large number of relevant samples included in the resource estimate the remaining core intersections and composites have not been tabulated either in this section or in this report.

Figure 32: Permanent core racks and mobile core racks

From the picture above it can be seen that core has not been cut and the entire core is in the mobile racks.

11.3 Analyses

Sample preparation and assaying for the 2009 to 2011 have changed in time.

As we understand there was one standard procedure and the exceptional procedure was a complete pulp metallic (screen metallic) on whole sample when visible gold was observed in the core.

The sample preparation includes the following procedures and operations may be not for all samples but for the majority of them:

1) Log sample into the tracking system.
2) Record the weight of material received from the client.
3) Crush drill core samples to finer than 70% -2 mm.
4) Split sample using a riffle splitter.
5) Pulverize the split (up to 250 g) to a particle size finer than 85% < 75 micron.

Once the sample is pulverized the following assay methods are then applied to the sample:

- Gold assays are routinely performed using fire assay (FA) with atomic absorption (AA) finish. High gold assays are automatically re-assayed using a FA with gravimetric finish.
- A multi-element geochem package was used for As, Ag and others

In the context the Author and its team have focused all its work on retrieving the gold data.

11.4 Quality assurance/Quality control (QA/QC) program

The previous consultant for GBB had implemented a Quality Assurance/Quality Control (QA/QC) program for the Granada project at the beginning of the 2009 to 2011 drill program.

It was found that it was consisting of the insertion of commercially prepared reference material.

The exact structure (list-computerized table) of insertion of standards and blanks inserted into the sampling sequence is not available. The tags with hole number from-to and assay referring to the from-to were used to rebuild the database independently of the QA/QC assay, they were put aside.

This being said it was possible to build a table to check QA/QC from ALS – Chemex laboratory internal information with the blanks and standard. The following table confirms there was apparently no failure in terms of contamination at the ALS lab.

Not having the target value it is difficult to judge, however we can observe that the SF 30 was two different reference materials apparently and that OXL 78 had a failure. The source and the follow-up are unknown for this batch.

Table 8: Statistics ALS internal lab blanks

Laboratory Blanks Statistics Au ppm	
Mean	0.006
Standard Error	0.0002
Median	0.005
Mode	0.005
Standard Deviation	0.002
Sample Variance	0.000004
Minimum	0.005
Maximum	0.010
Count	156

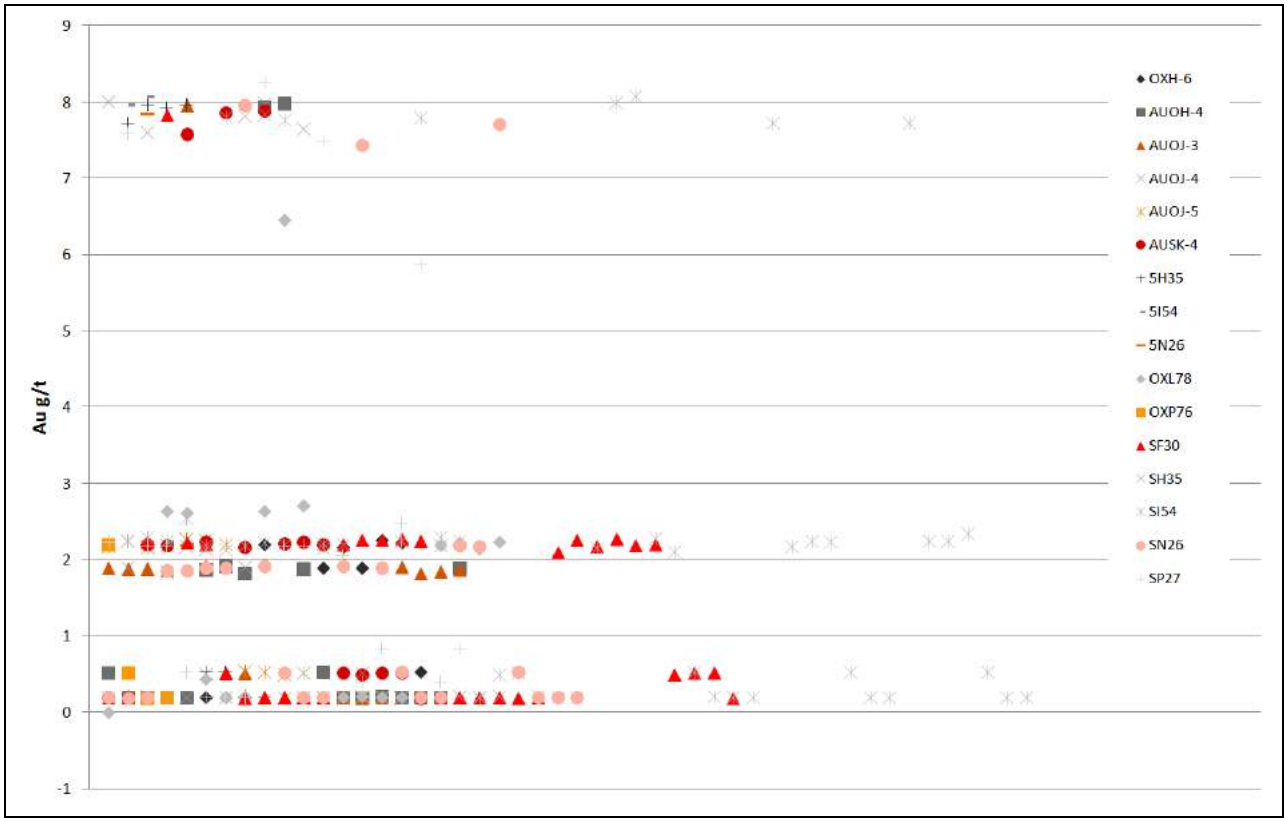


Figure 33: Graphic of ALS internal lab standard variation from 1456 data

We are aware that field duplicate samples may have been submitted to the assay laboratories during the drilling program.

11.4 Security

If we put aside that there has been a security failure at site when previous consultant took off site critical project data during a weekend in autumn 2011. The author is of opinion that a chain of custody was probably in place prior to occurrence of problems between the service provider and the company.

In author's opinion the sample preparation was adequate as far as we have been able to verify with the laboratories, it was apparently changed over time to have bigger amount of rock crushed and pulverized prior to split which is good. As for security there is no reason to believe tampering has occurred as per arguments of the next section and the physical observation of gold in core at the site. The gold fire assay and screen metallic are industry standard for analysis of gold and are acceptable.

The reader should keep in mind that this property is not a green field and mining activities has taken place and previous owners had demonstrated the presence of gold in the ground.

An extensive independent sampling program has been put in place right at the beginning of the mandate in order to compensate the lack of follow-up on previous QA/QC, and also built confidence on the data for preparation of the resource estimate in the context of a nuggetty gold project.

11.5 QAQC Program 2012

Gold Bullion Development Corp adhered to a quality control procedure, including the use of standard, blanks and inserting duplicate samples. This section represents a comment of the QAQC data available to the author at the moment of the update resource estimation.

11.5.1 Analytical Standards

One sample out of every 26 is an established standard purchased from either Ore Research or Exploration or from Accurassay and inserted by SGS Geostat. The inserted standard is one of the standards listed in the following table. The standards were inserted in a predefined sequence, as standard 15d and 2Pd were exhausted they were replaced by HGS1 and HGS3 respectively in the quality control sequence.

Table 9: Reference Material for Granada Project

			Performance Gate					
			1σ		2σ		3σ	
standard	mean [Au (g/t)]	1 std. Dev.	Low	High	Low	High	Low	High
OREAS 15d	1.56	0.042	1.518	1.602	1.476	1.644	1.434	1.686
OREAS 15f	0.334	0.016	0.318	0.35	0.302	0.366	0.286	0.382
OREAS 15h	1.02	0.025	0.995	1.045	0.97	1.07	0.945	1.095
OREAS 6Pc	1.52	0.065	1.455	1.585	1.39	1.65	1.325	1.715
OREAS 2Pd	0.885	0.03	0.855	0.915	0.825	0.945	0.795	0.975
HGS1	2.784	0.225	2.559	3.009	2.334	3.234	2.109	3.459
HGS3	4.009	0.25	3.759	4.259	3.509	4.509	3.259	4.759

Each of the seven standards were sorted by hole number, and plotted on graphs (Figure 34, Figure 35, Figure 36, Figure 37, Figure 38, Figure 39, Figure 40) with their performance gates (and measured and expected mean values). A sign test was conducted for each standard to measure if there is bias, a summary of the sign test is in (Table 11). None of the Standards indicated a serious bias based on the results of the sign test, the only standard to fail the sign test is the OREAS 15f standard and it is slightly biased high. Part of the bias can be explained by 2 anonymously high values, and one high value that appear to be a mislabelled standard. Even though there is a slight bias high, OREAS 15f has the lowest absolute and relative amount of QC failures and almost all the data falls between the mean and 2nd standard deviation. The results of the data for the standards indicate that control has been established and there is no significant bias.

Table 10: Summary of Analytical Results for Au in Reference Materials

Reference Material	Total N	Expected Au (g/t)		Observed Au (g/t)		% of Exp	Mislabels	QC Failures (± 3x σ)
		Average	Std.Dev	Average	Std.Dev			
OREAS 15d	99	1.56	0.04	1.59	0.94	101.7%	1	13
OREAS 15f	102	0.334	0.02	0.34	0.05	102.7%	0	3
OREAS 15h	106	1.02	0.03	0.99	0.16	96.9%	2	17
OREAS 2Pd	96	0.885	0.03	0.87	0.22	98.5%	2	8
OREAS 6Pc	145	1.52	0.07	1.50	0.14	98.9%	0	15
HGS1	57	2.784	0.23	2.81	0.65	101.0%	1	8
HGS3	61	4.009	0.25	3.86	0.76	96.2%	3	4
TOTAL	666	*Weighted Average				99.5%	9	68

Table 11: Sign Test Results for Reference Materials

Reference Material	Total N	Sign Test Gates		n (*)	n/N	Bias
		Min	Max			
OREAS 15d	99	0.40	0.60	46	0.46	FALSE
OREAS 15f	102	0.40	0.60	64	0.63	TRUE
OREAS 15h	106	0.40	0.60	54	0.50	FALSE
OREAS 2Pd	96	0.40	0.60	44	0.45	FALSE
OREAS 6Pc	145	0.42	0.58	74	0.51	FALSE
HGS1	57	0.37	0.63	29	0.51	FALSE
HGS3	61	0.37	0.63	25	0.41	FALSE
TOTAL	666	* the number of measured values greater than expected				

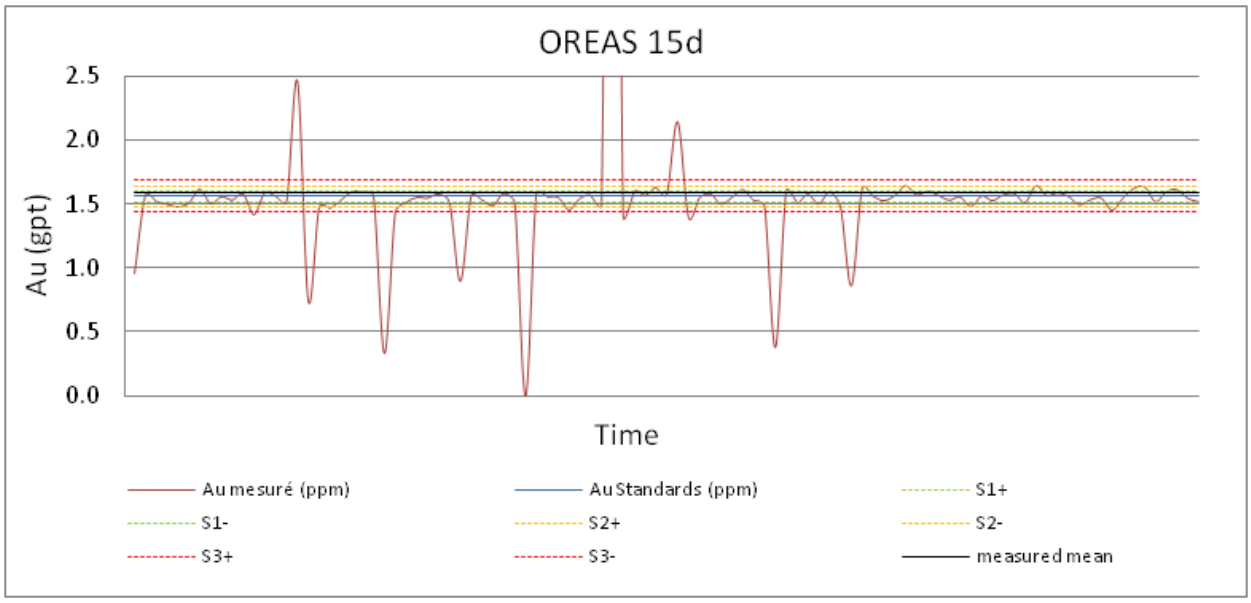


Figure 34: Standard OREAS 15d Results for Au

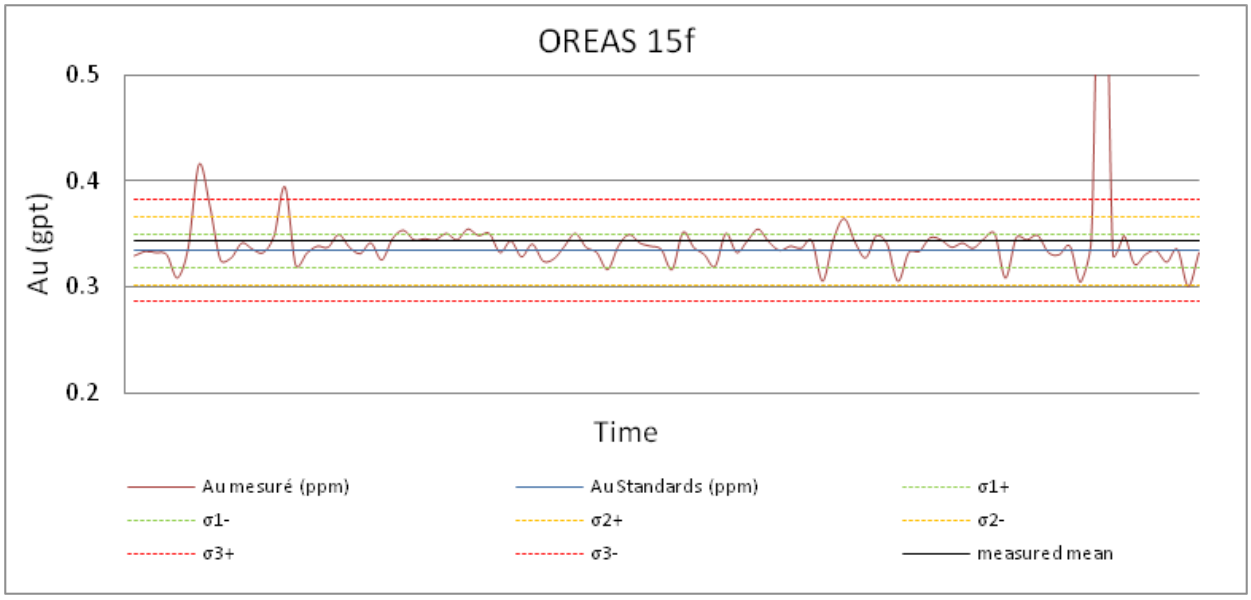


Figure 35: Standard OREAS 15f Results for Au

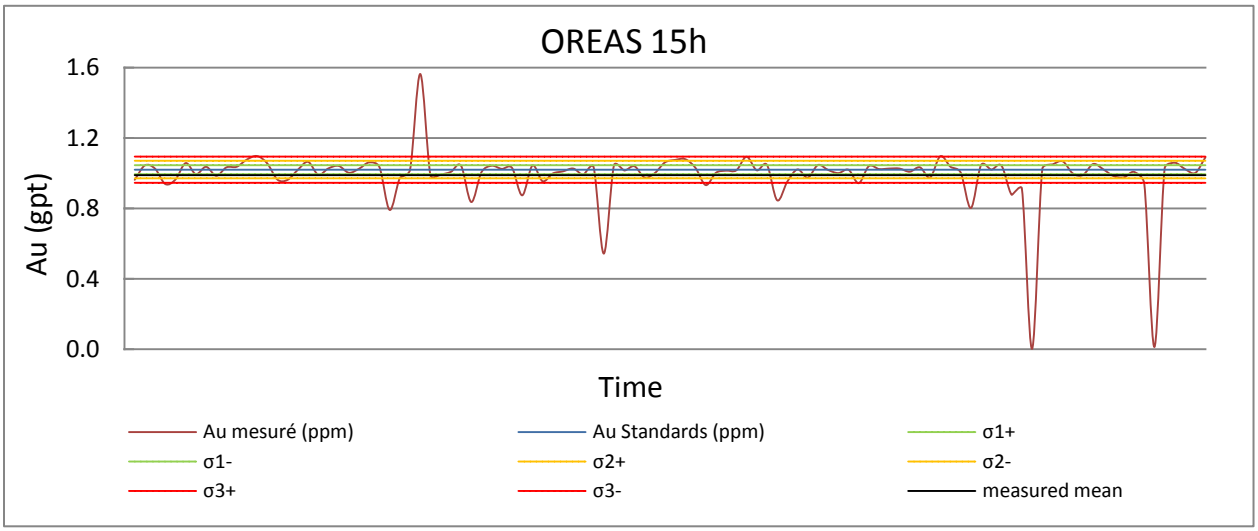


Figure 36: Standard OREAS 15h Results for Au

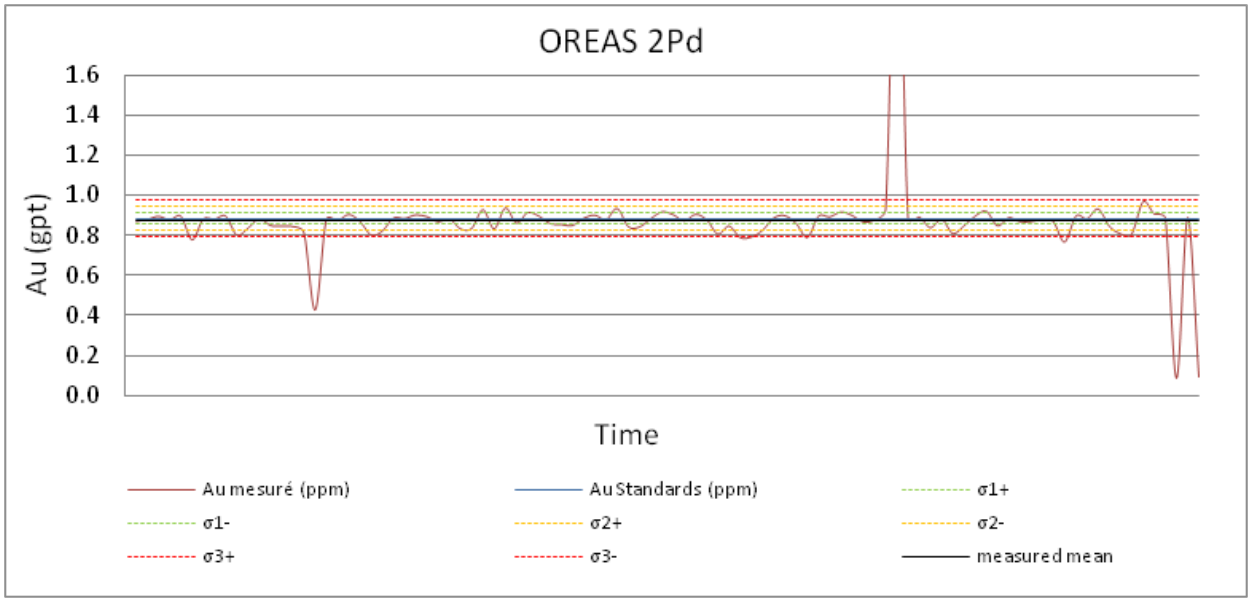


Figure 37: Standard OREAS 2Pd Results for Au

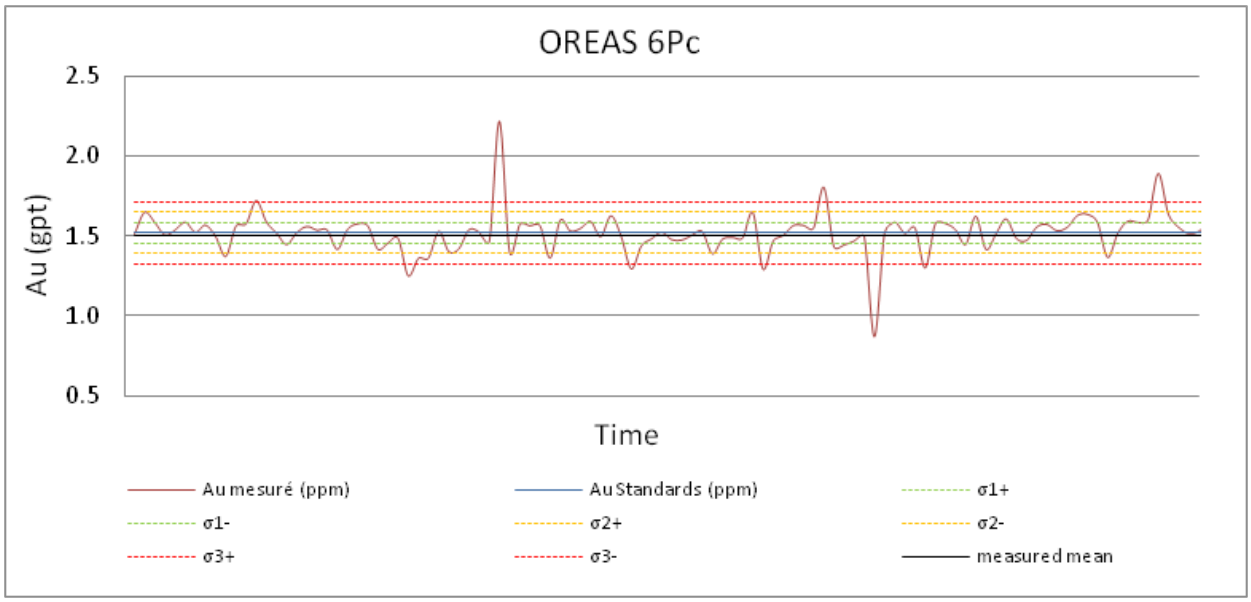


Figure 38: Standard OREAS 6Pc Results for Au

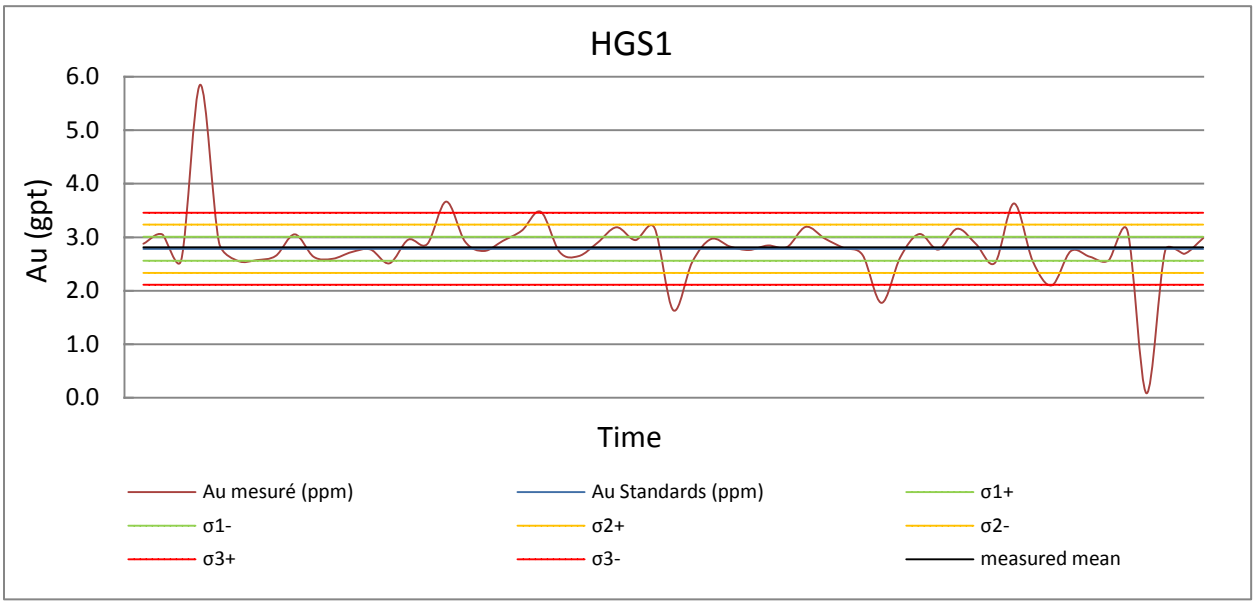


Figure 39: Standard Accurassay HGS1 Results for Au

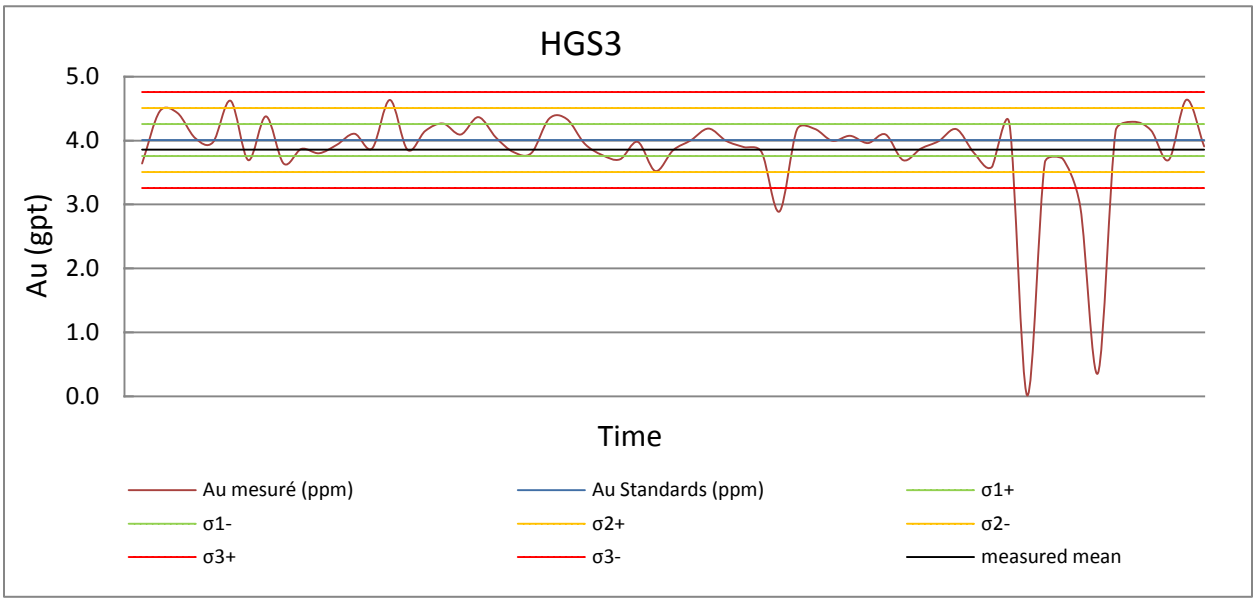


Figure 40: Standard Accurassay HGS3 Results for Au

Three Standards were removed from the population due to sequence errors in the laboratory, samples 1332010, 1292428, and 1373653 all came back low, upon review of the results it is determined that there was a sequence error at the laboratory. These samples were removed from the statistics population, however the results were not removed from the block model. These three errors will not have significant effect on the block model, through inspection of the results in the sample batches the errors have no effect on mineralized intervals.

Samples 1345376, 1293029, 1373310, 1132923 were removed from the statistics population because there was insufficient material for assay.

Samples 1333037, 1293057, 1294437, 1295253, 1295513, 1295985, 1301012, 1301409, 1301528 have been identified as mislabels and with supporting evidence have been changed before final QAQC statistics. Other samples that are suspected to be mislabels have been left in the population due to a lack of proof to re-label the samples.

Standards that had very high percent difference from the mean value were investigated on an individual basis. The results of this investigation are summarized;

From work order 1155-201250303, sample 1294929 identified as a STD 15h had an Au value failure, however the geochemical signature matched other 15h standards for non gold responses. Based on the other results of the work order, the failure should not affect the block-model and control is re-established by surrounding control sample.

From work order 1155-201250388, sample 1295961 identified as a STD 15h had an Au value failure, the subsequent sample had a Au value of 7.314 g/t. The following sample is not likely a mislabelled, there is the possibility of having a bias low and effect could be underestimating the gold value.

From work order 1155-201250402, sample 1332010 identified as a STD 15h had a Au value failure. It appears there is a sequence error at the laboratory and that sample 1332009 is indeed the standard, the sequence error is contained within the previous and next control samples, the possible effect upgrading the deposit but not significantly.

From work order 1155-201250249, sample 1292428 identified as a STD 15h had an Au value failure. After investigating it appears to be a sequence error at the laboratory, the error is contained within the last and next control samples, and it is likely sample 1292429 should be the STD15h through matching the geochemical signature, and the sample 1292428 more closely matches the signature of the deposit. The effect is a possible upgrading of the deposit, though the error has been realized the model has not been changed since the resulting effect is close to negligible.

From work order 1155-201250408, sample 1300356 identified as a STD 2Pd had an Au value failure. It appears to be an unknown failure, no other irregularities appear in the sample sequence, geochemical values for all other reported elements appear normal. Although there is potential to cause a bias low in gold results, the range of there error is unlikely to affect the overall database.

From work order 1155-201250414, sample 1300536 identified as a STD 2Pd had an Au value failure. There are no apparent discrepancies, and geochemistry matches standard for all other recorded elements. Due to the range of control loss, this should have insignificant contribution to the model.

From work order 1155-201250384, sample 1378309 identified as a STD HGS1 had an Au Value failure. No other apparent errors in surrounding analytical sequence. Potential to cause a bias low in gold results, no potential create significant bias in the block model.

From work order 1155-201250248, sample 1293453 identified as a STD HGS1 had an Au Value spike. The result has potential to cause a bias high in the database, however no samples of significance are affected in the surrounding sequence, there is insignificant impact on database before control is re-established.

From work order 1155-201250377, sample 1332957 identified as a STD HGS3 had an Au value failure. There is potential to cause a bias low for gold result, however there are no values of significance in the sequence before control is re-established.

From work order 1155-201250342, sample 1261352 identified as a STD 15d had an Au value failure. There is potential to cause a bias low for gold result, however there are no values of significance in the sequence before control is re-established.

From work order 1155-201250123, sample 1373653 identified as a STD 15d had an Au value failure. Through investigation it is determined the most likely a sequence error occurred in the lab, and the probable value for STD15d is sample 1343652. Control is re-established by previous and next control samples, this should not create major bias in data. Even though we are aware of a potential sequence error, the model has not been recalculated and the bias will not be of significance.

From work order 1155-201250290, sample 1333133 identified as a STD 15d had an Au value spike. The geochemical signature is consistent with other STD 15d's for elements other than gold. This result could indicate that there is a bias high in the batch sequence results, however no samples of interest are present in the following sequence and effect on the database is minimal.

It is a possibility that unknown spike and failures of gold values in standards could be caused by unintentional shaking of standards and creating a nugget effect through gravity separation.

11.5.2 Analytical Blanks

Six of every 200 samples were sent to the laboratory as blank material. The material is a marble purchased from the local hardware store and inserted by SGS Geostat. A total of 340 blanks are in the assay database.

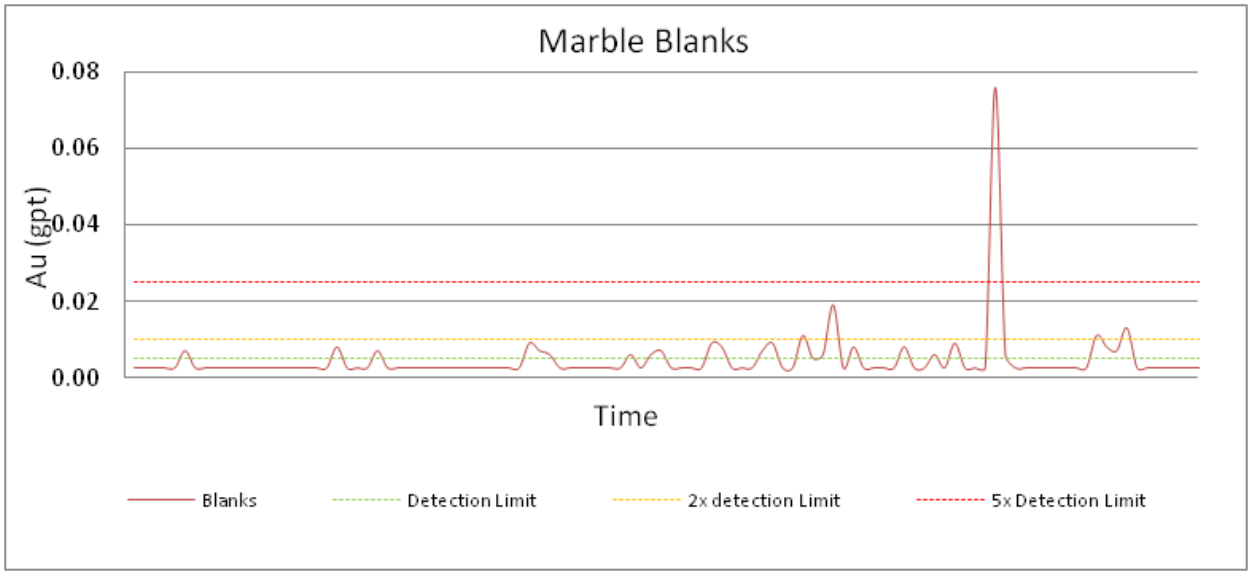


Figure 41: Blanks Analytical Results for Au

Of the 340 blanks only one blank analyzed produced a result over 5x the detection limit and was not an appreciable gold response. The blanks consistently provided control as a blank material. There was no mislabels or sequence errors for blank material.

11.5.3 Core Duplicates

Gold Bullion implemented a double duplicate method for core duplicates. A total of 350 assays were compared with 1400 duplicate assays.

11.5.3.1 The Double Duplicate Method

A quarter core split is taken and sent to the laboratory blind as the original for duplicate comparison. An additional half core is sampled and sent to the laboratory with the title "DDUP", and a quarter core remains as a witness sample. The DDUP samples have special laboratory instructions:

1) Each sample bag will contain 4 tickets and their corresponding ticket numbers are written on the bag. The tickets will be in pairs, stapled together; the first pair will be labelled 1A and 1B respectively, and the second pair will be labelled 2A and 2B respectively. These pairing ensure that each pair belongs to a single pulp.
2) The contents of one sample bag will be crushed in entirety.
3) Instead of one split, two splits will be created both of 250g, if the case where there is less than 500g of crush the split will be two equal portions. From this point, one pair of tickets will accompany first split, and the other pair will accompany the second split.
4) Each of the splits will be then pulverized.
5) From each pulverized split there will be two assays, 1 assay for each ticket. The assays will all be done by the same method.
6) They will be reported by the ticket number.

See Figure 42 for a simplified flowsheet of the process.

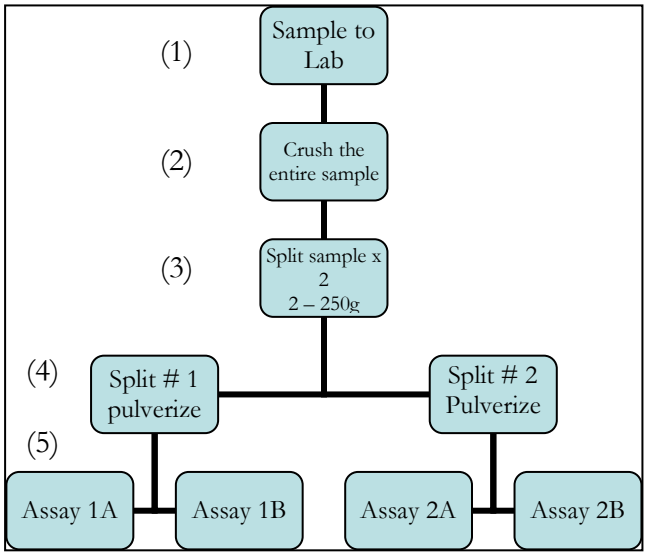


Figure 42: Flowsheet for Double Duplicate Process.

11.5.3.2 The Double Duplicate Results

Scatter plots of the ¼ core split gold values versus each of the duplicated values (1A, 1B, 2A, 2B) (Figure 43) were created to check if there is the expected linear relationship. Most of the values did not match on a 1:1 line or within the 20% variance, displaying that there appears to be a nugget effect within the deposit. However by comparing the results on a line chart there is a definite relationship with the duplicate results. The nugget effect hypothesis is further solidified by comparing the duplicates that came from the same pulp, the 1A and 1B results (Figure 44) and also the 2A and 2B results. When comparing samples produced from the same pulp, the results plot closer to a 1:1 relationship. This indicates there is much less variation within the individual pulps as compared to the entire sample.

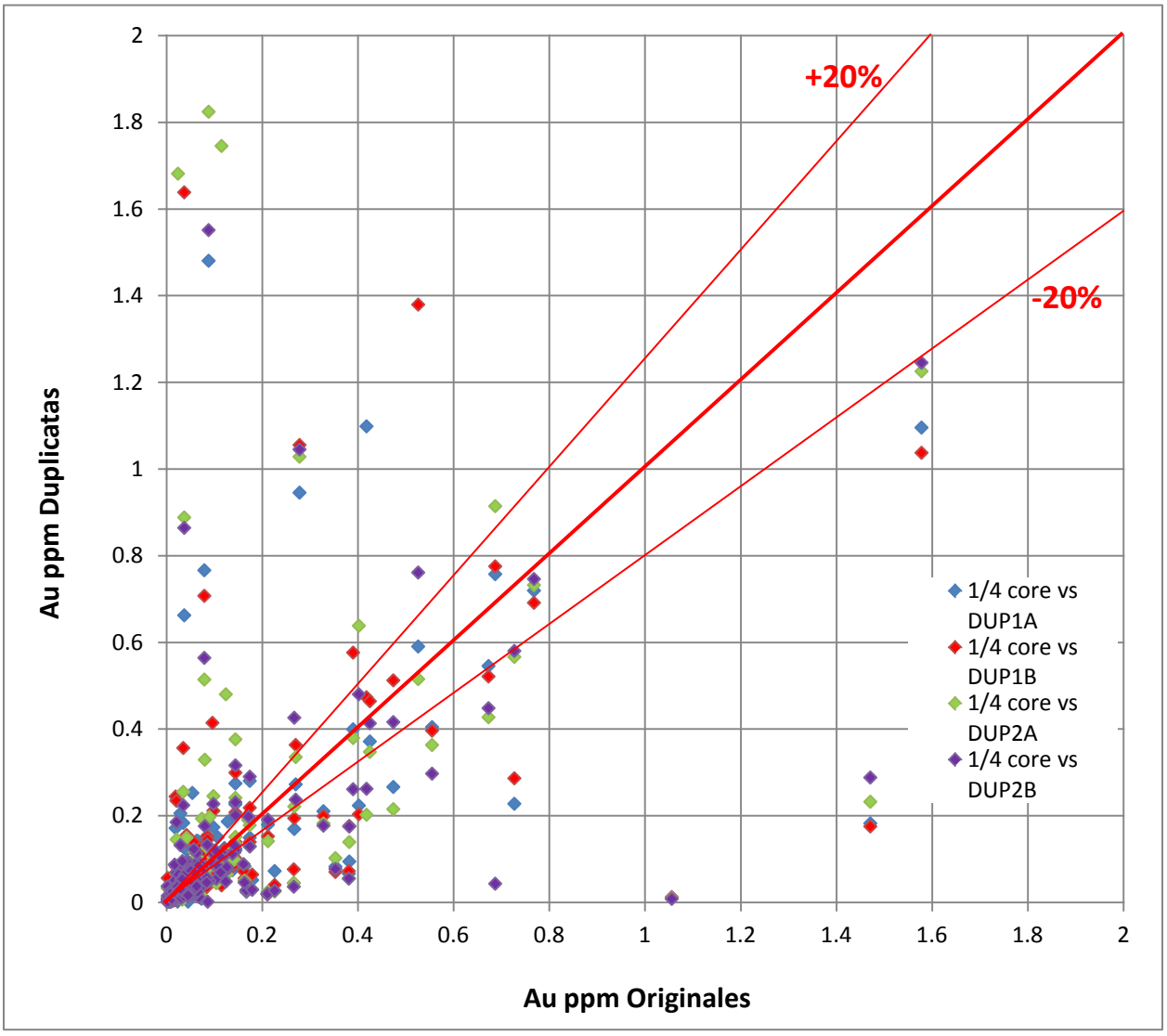


Figure 43: Au response of 1/4 core versus duplicates 1A, 1B, 2A, 2B

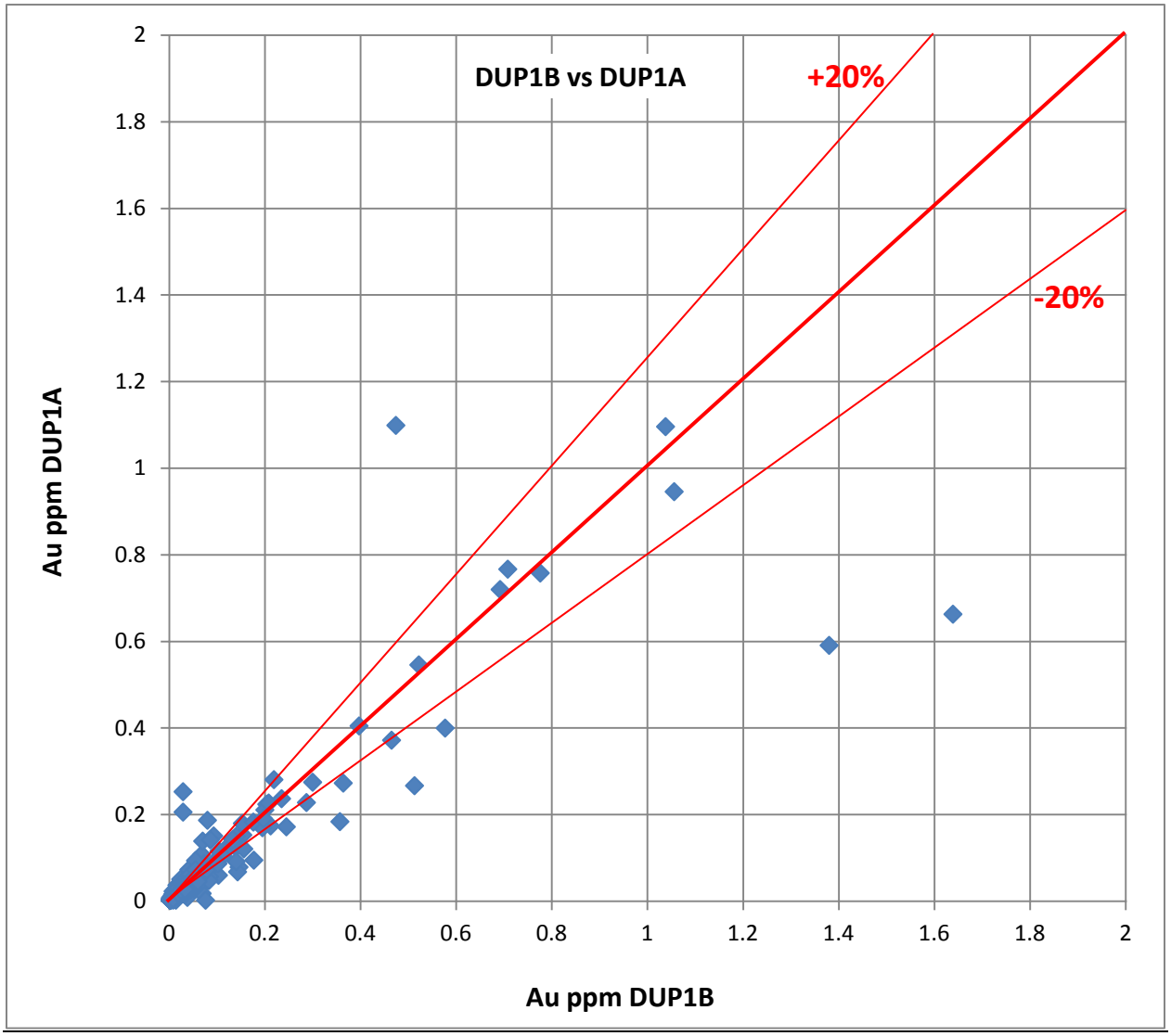


Figure 44: Duplicate 1B versus Duplicate 1A

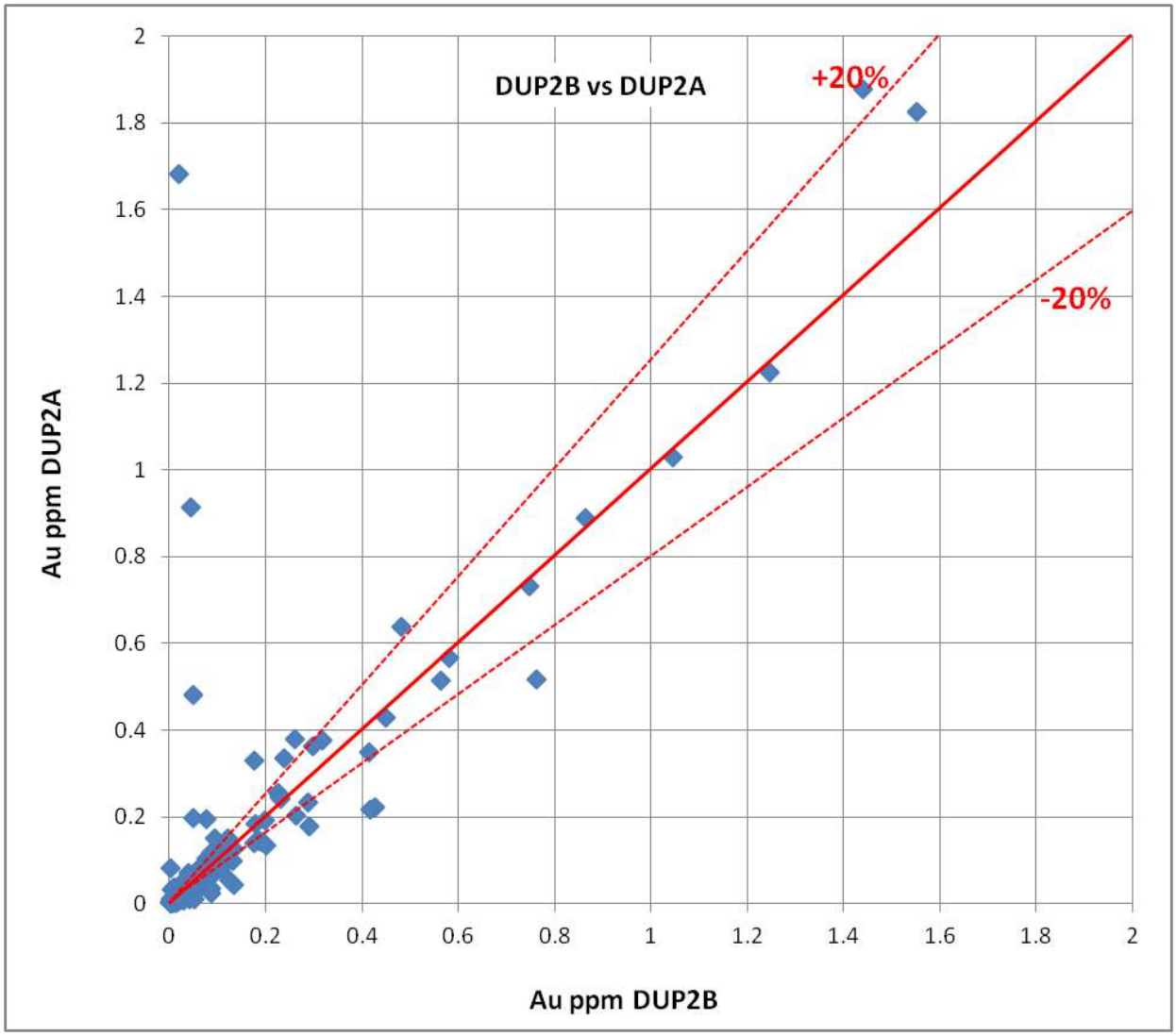


Figure 45: Duplicate 2B versus Duplicate 2A

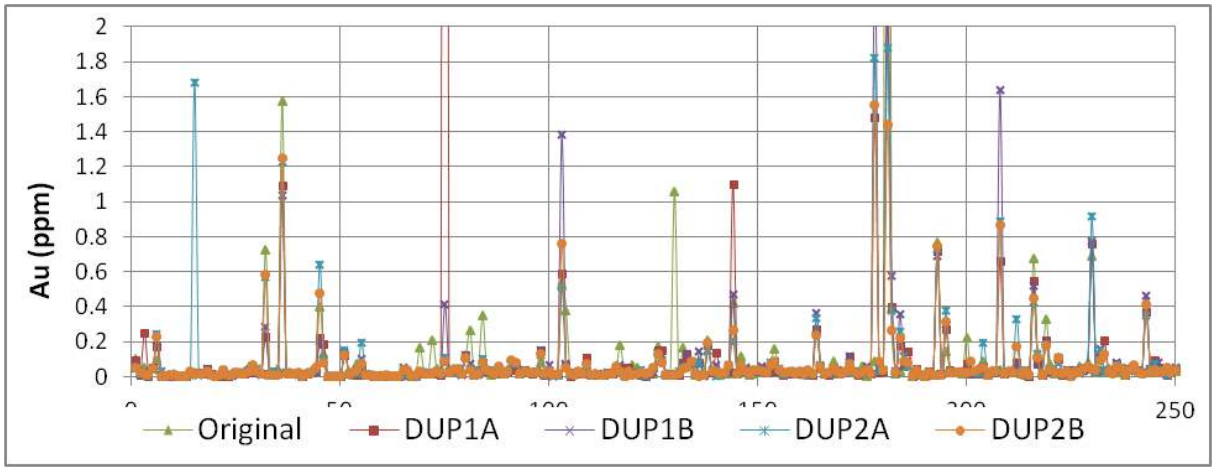


Figure 46: Time-scale, Original and Duplicates overlay

11.6 Security

If we put aside that there has been a security failure at site when previous consultant took off site critical project data during a weekend autumn 2011. The author is of opinion that a chain of custody was probably in place prior to occurrence of problems between the service provider and the company.

In author's opinion the sample preparation was adequate as far as we have been able to verify with the laboratories, it was apparently changed over time to have bigger amount of rock crushed and pulverized prior to split which is good. As for security there is no reason to believe tampering has occurred as per arguments of the next section and the physical observation of gold in core at the site. The gold fire assay and screen metallic are industry standard for analysis of gold and are acceptable.

The reader should keep in mind that this property is not a green field and mining activities has taken place and previous owners had demonstrated the presence of gold in the ground.

An extensive independent sampling program has been put in place right at the beginning of the mandate in order to compensate the lack of follow-up on previous QA/QC, and also built confidence on the data for preparation of the resource estimate in the context of a nuggetty gold project.

12- Data Verification

12.1 The independent analytical program

Since it was not possible to have access to all the data up to date, an extreme independent sampling program was set-up. A selection of holes and intersections throughout the deposit was done; a quick log of the cut witness core with checking of the assay tags took place. Afterward the half core samples were bag sealed and sent to SGS laboratory in Toronto. Gold Fire assay on 50 grams was requested followed by a screen metallic on 500g to 1 kg samples for each individual sample. Picture of core was taken prior to sampling. In addition to this program pulps from the 4 laboratory was done. It is important to mention that selection of samples has been done prior to complete preparation of the database. This has lead to the discard of control data we could not match at the moment of writing the report.

12.1.1 The database

The following paragraphs summarize the story of what was requested to make the database usable. After receiving basic information, a field inspection to verify drill hole collars in the field took place. There was two collar information file from the independent surveyor Mazac Geoservices. One was from August 2011 and the second from October 2011. These files have been used as base for the creation of the new drill hole database. The Geotic file received from Gold Bullion dated September 2011 was incomplete and errors of hole names were observed between field survey and Geotic. Moreover, coordinates for some holes in the Geotic files had discrepancies over 1000m in position while several were in the 5 to 10 meters range. The errors may have occurred by using a combination of the original scheduled positions and final surveyed positions from Mazac, particularly in the case when inclinations (dips) were not surveyed and the flexit data was not available. Validation of the deviation data along the hole in Geotic database could not be verified due to absence of Magnetic field.

It was also observed in the assays of Geotic that Au and Be columns were interchanged. Ian Lafrance from SGS Geostat initiated the tedious quest of rebuilding the database from the certificate and a partial list in a key Excel file of from-to to build matching assays certificate.

The blank and standard reference list were not available, in the provided file about 80% of From-To could be relocated and appropriate assay result from original assay certificate have been connected. About 18,000m of assay could not be matched. The investigation work was performed from November to February. By chance the company received additional information in paper form not validated logs from the previous consultant in February. Using some information it was possible to extend the database. SGS geologists were sent to the site for quick log and retrieval of from-to for certain holes to complete the database for the first resource estimate. Geological logs were limited. Paper logs were supplied in February 2012. Removing the incomplete and/or doubtful not validated holes, the count went from the 400's to the 300's usable holes.

Just to mention an additional difficulty in the preparation of the assay database arose with the use of same sample number for different hole names with different from-to values and with assays from

different laboratories. The date of results from the laboratory and drill hole drilling timing was used to organize the data. Partial Flexit data was provided in February 2012 which has help the validation of certain deviation survey in the holes.

12.1.2 The pulp

In 2011 decision was made to randomly pick pulp stored at the site in containers from the 4 different laboratories. Initially 646 pulps were selected and taken for Gold fire assay 50 grams and even pulp from screen metallic of Accurassay. The picture below (Figure 47) presents the storage of pulp crates in the containers, the wood crates were brought to the building where pulp was sorted, logged in computer and bagged for shipping to SGS Laboratory in Toronto.

Containers and the labeled wood boxes of pulp

Pulp wood box of Swastik at garage entrance

Inside building with layout of pulp bags ALS

Listing packing of pulps envelopes Accurassay

Figure 47: Independent pulp selection and packing in 2011

The following page presents comparison table from GBB originals versus SGS control.

	A	B	C	D	E	F	G	H	I	J
1	HOLE ID	GBC #	SGS #	Pulp cross check	Au GBB ppb	Au_Met GBB ppb	Au SGS ppb	Au FAG303 g/t	WO SGS	Comments
2	GR-10-136	J208575	33001	ALS	16	-1	15	N.A.	TO118637	
3	GR-10-136	J208576	33002	ALS	63	-1	61	N.A.	TO118637	
4	GR-10-136	J208577	33003	ALS	440	-1	462	N.A.	TO118637	
5	GR-10-136	J208578	33004	ALS	168	-1	97	N.A.	TO118637	
6	GR-10-136	J208579	33005	ALS	25	-1	26	N.A.	TO118637	
7	GR-10-136	J208580	33006	ALS	31	-1	34	N.A.	TO118637	
8	GR-10-136	J208581	33007	ALS	67	-1	66	N.A.	TO118637	
9	GR-10-136	J208582	33008	ALS	27	-1	30	N.A.	TO118637	
10	GR-10-136	J208583	33009	ALS	129	-1	123	N.A.	TO118637	
11	GR-10-136	J208584	33010	ALS	58	-1	64	N.A.	TO118637	
12	GR-10-136	J208585	33011	ALS	58	-1	71	N.A.	TO118637	
13	GR-10-136	J208586	33012	ALS	14	-1	19	N.A.	TO118637	
14	GR-10-136	J208587	33013	ALS	14	-1	16	N.A.	TO118637	
15	GR-10-136	J208588	33014	ALS	423	-1	405	N.A.	TO118637	
16	GR-10-136	J208589	33015	ALS	116	-1	121	N.A.	TO118637	
17	GR-10-136	J208590	33016	ALS	28	-1	25	N.A.	TO118637	
18	GR-10-136	J208591	33017	ALS	5600	740	4340	3	TO118637	
19	GR-10-136	J208592	33018	ALS	141	-1	88	N.A.	TO118637	REP-33018 = 12
20	GR-10-136	J208593	33019	ALS	-5	-1	<5	N.A.	TO118637	
21	GR-10-136	J208594	33020	ALS	18	-1	17	N.A.	TO118637	
22	GR-10-136	J208595	33021	ALS	15	-1	15	N.A.	TO118637	
23	GR-10-136	J208596	33022	ALS	23	-1	20	N.A.	TO118637	
24	GR-10-136	J208597	33023	ALS	30	-1	30	N.A.	TO118637	
25	GR-10-136	J208598	33024	ALS	250	-1	322	N.A.	TO118637	
26	GR-10-136	J208599	33025	ALS	204	-1	520	N.A.	TO118637	
27	GR-10-136	BLANK	33026	ALS	-1	-1	<5	N.A.	TO118637	
28	GR-10-151	J198470	33027	ALS	68	-1	90	N.A.	TO118637	
29	GR-10-151	J198471	33028	ALS	36	-1	30	N.A.	TO118637	

Comparaison_GBB_SGS Sheet2 assays_original_GBB

Figure 48: Sample of comparison database Pulps

In the process of trying to connect the pulps assay numbers with reliable data in the database, we end up with 588 pulps for comparison for which we could trace with confidence.

The average gold grade of the pulps from the 4 labs is 252 ppb and 266 ppb for SGS lab. The bias could not be demonstrated with the sign test on these pairs.

12.1.3 The core

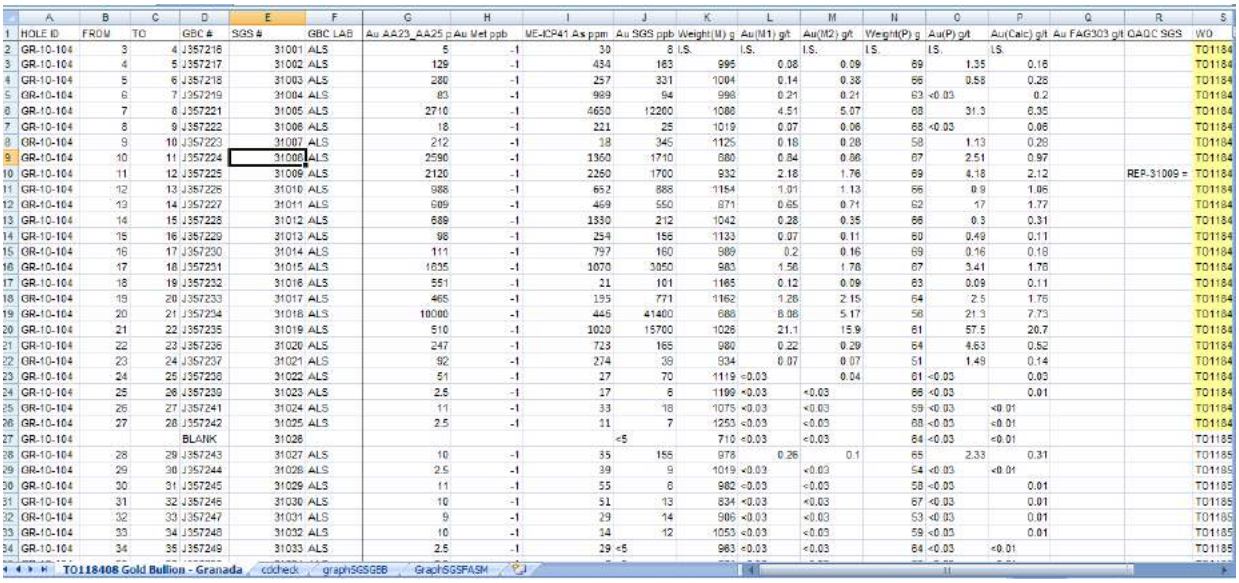
In 2011 decision was made to select continuous samples to represent zones instead of individual random samples. Holes and from-to were selected from the Geotic and coverage of the deposit independently of which lab made the analysis. A total of 1393 assays including inserted blanks were sent to SGS laboratory in Toronto for extensive preparation with a 50g fire assay followed by a Screen metallic on 500 to 1kg depending on sample size.

Sample length verification and preparation of tags

Bagging and packing of core

Core rack with selected witness core in thaw zone

Independent sample bags sealed in the shipping box



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	HOLE ID	FROM	TO	GBC #	SGS #	GBC LAB	Au AA23_AA25 p	Au Wet ppb	ME-ICP41 As ppm	Au SGS ppb	Weight(M) g	Au(M1) g/t	Au(M2) g/t	Weight(P) g	Au(P) g/t	Au(Calc) g/t	Au FAG303 g/t	QAQC SGS	WO
2	GR-10-104	3	4	J357216	31001	ALS	5	-1	30	8	I.S.	I.S.	I.S.	I.S.	I.S.	I.S.			TO1184
3	GR-10-104	4	5	J357217	31002	ALS	129	-1	434	163	995	0.08	0.09	69	1.35	0.16			TO1184
4	GR-10-104	5	6	J357218	31003	ALS	280	-1	257	331	1004	0.14	0.38	66	0.58	0.28			TO1184
5	GR-10-104	6	7	J357219	31004	ALS	83	-1	989	94	998	0.21	0.21	63	<0.03	0.2			TO1184
6	GR-10-104	7	8	J357221	31005	ALS	2710	-1	4650	12200	1088	4.51	5.07	68	31.3	6.35			TO1184
7	GR-10-104	8	9	J357222	31006	ALS	18	-1	221	25	1019	0.07	0.06	68	<0.03	0.06			TO1184
8	GR-10-104	9	10	J357223	31007	ALS	212	-1	18	345	1125	0.18	0.28	58	1.13	0.28			TO1184
9	GR-10-104	10	11	J357224	31008	ALS	2590	-1	1360	1710	980	0.84	0.86	67	2.51	0.97			TO1184
10	GR-10-104	11	12	J357225	31009	ALS	2120	-1	2260	1700	932	2.18	1.76	69	4.18	2.12		REP-31009 =	TO1184
11	GR-10-104	12	13	J357226	31010	ALS	988	-1	652	888	1154	1.01	1.13	66	0.9	1.06			TO1184
12	GR-10-104	13	14	J357227	31011	ALS	689	-1	469	550	871	0.65	0.71	62	17	1.77			TO1184
13	GR-10-104	14	15	J357228	31012	ALS	689	-1	1330	212	1042	0.28	0.35	66	0.3	0.31			TO1184
14	GR-10-104	15	16	J357229	31013	ALS	98	-1	254	156	1133	0.07	0.11	60	0.49	0.11			TO1184
15	GR-10-104	16	17	J357230	31014	ALS	111	-1	797	160	989	0.2	0.16	69	0.16	0.18			TO1184
16	GR-10-104	17	18	J357231	31015	ALS	1635	-1	1070	3050	980	1.56	1.76	67	3.41	1.76			TO1184
17	GR-10-104	18	19	J357232	31016	ALS	551	-1	21	101	1165	0.12	0.09	63	0.09	0.11			TO1184
18	GR-10-104	19	20	J357233	31017	ALS	465	-1	195	771	1162	1.26	2.15	64	2.5	1.76			TO1184
19	GR-10-104	20	21	J357234	31018	ALS	10000	-1	445	41400	886	8.08	5.17	58	21.3	7.73			TO1184
20	GR-10-104	21	22	J357235	31019	ALS	510	-1	1020	15700	1026	21.1	15.9	61	57.5	20.7			TO1184
21	GR-10-104	22	23	J357236	31020	ALS	247	-1	723	165	980	0.22	0.29	64	4.63	0.52			TO1184
22	GR-10-104	23	24	J357237	31021	ALS	92	-1	274	39	934	0.07	0.07	51	1.49	0.14			TO1184
23	GR-10-104	24	25	J357238	31022	ALS	51	-1	27	70	1119	<0.03	0.04	61	<0.03	0.03			TO1184
24	GR-10-104	25	26	J357239	31023	ALS	2.5	-1	17	6	1199	<0.03	<0.03	66	<0.03	0.01			TO1184
25	GR-10-104	26	27	J357241	31024	ALS	11	-1	33	18	1075	<0.03	<0.03	59	<0.03	<0.01			TO1184
26	GR-10-104	27	28	J357242	31025	ALS	2.5	-1	11	7	1253	<0.03	<0.03	68	<0.03	<0.01			TO1184
27	GR-10-104			BLANK	31026				<5		710	<0.03	<0.03	64	<0.03	<0.01			TO1185
28	GR-10-104	28	29	J357243	31027	ALS	10	-1	55	155	978	0.26	0.1	65	2.33	0.31			TO1185
29	GR-10-104	29	30	J357244	31028	ALS	2.5	-1	39	9	1019	<0.03	<0.03	64	<0.03	<0.01			TO1185
30	GR-10-104	30	31	J357245	31029	ALS	11	-1	55	6	982	<0.03	<0.03	58	<0.03	0.01			TO1185
31	GR-10-104	31	32	J357246	31030	ALS	10	-1	51	13	834	<0.03	<0.03	67	<0.03	0.01			TO1185
32	GR-10-104	32	33	J357247	31031	ALS	9	-1	29	14	906	<0.03	<0.03	53	<0.03	0.01			TO1185
33	GR-10-104	33	34	J357248	31032	ALS	10	-1	14	12	1053	<0.03	<0.03	59	<0.03	0.01			TO1185
34	GR-10-104	34	35	J357249	31033	ALS	2.5	-1	29	<5	963	<0.03	<0.03	64	<0.03	<0.01			TO1185

TO118408 Gold Bullion - Granada | cdcheck | graphSGSGBB | GraphSGSPASM

Figure 49: Sample of the comparison database

Removing the no match with original and the blanks, the 1393 initial numbers gets down to 1341 usable assays for comparison. A total sample length of 1,598.31 meters was taken for independent sampling program in this part of the program. This represent near 4% of the drill core used in the resource estimate for that part only. If the pulp and the total gold test core length are added to this, over 5% have been test in Author's independent sampling program. If previous consultant would have completed their work in full, a significant smaller amount of independent control samples would have been required.

In comparing all the original assays with the controls, no bias has been detected with the Sign test.

Table 12: Sign test and statistics of comparison independent core

	Sign Test		
667	neg	685	685 somme des indicateurs de signes
637	pos	655	
37	null		
1341 pairs			1341 nombre de paires
			670.5 nombre de paires divisé par 2
			0.472692 limite inférieure
			0.527308 limite supérieure
			0.510813 valeur test des signes

	GBB Original	SGS control
average	0.42	0.65
sum grams	559.95	865.59
sum above 0.3	490.66	672.77
Average above 0.3	1.80	2.46

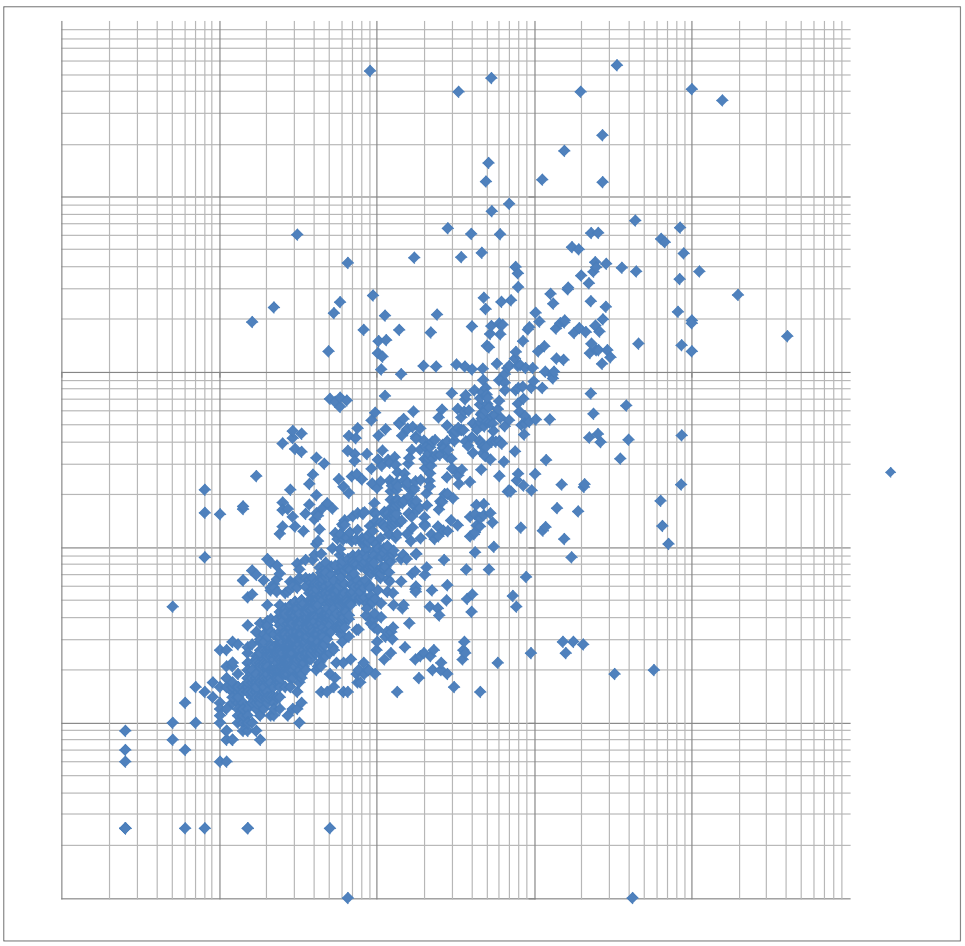


Figure 50: Correlation between original sample and control sample half core

The independent sampling of the witness core shows that the original data can be used to produce resource estimate. The author is aware of the variation from taking the second half of core and being in a context of gold with presence of coarse grains.

The average gold grade of the independent sampling is higher than the average grade of the original data. So the existing database is more conservative than highly promotional and can now serve as a base for resource estimation.

Table 13: Extract of comparison sample sorted on SGS SM no grade in SM

HOLE ID	FROM	TO	GBC #	SGS #	GBC LAB	Au AA23_AA25 ppb	Au Met ppb	Au SGS ppb	Au(Calc) g/t
GR-10-104	3	4	J357216	31001	ALS	5	-1	8	I.S.
GR-10-104	166.75	167.6	J357373	31155	ALS	68	-1	68	I.S.
GR-10-104	131	131.55	J357343	31124	ALS	8420	-1	6710	I.S.
GR-10-104	27	28	J357242	31025	ALS	2.5	-1	7	<0.01
GR-10-104	29	30	J357244	31028	ALS	2.5	-1	9	<0.01
GR-10-104	34	35	J357249	31033	ALS	2.5	-1	<5	<0.01
GR-10-104	35	36	J357250	31034	ALS	2.5	-1	<5	<0.01
GR-11-250	114.5	115	J199214	31464	ALS	2.5	-1	<5	<0.01
GR-10-108	211.97	212.65	J757132	32132	ALS	2.5	-1	<5	<0.01
GR-11-250	50.57	51.5	J199154	31405	ALS	6	-1	<5	<0.01
GR-10-108	241.5	243	J757156	32156	ALS	6	-1	7	<0.01
GR-11-250	35.5	36.5	J199138	31389	ALS	7	-1	10	<0.01
GR-11-250	37.92	38.42	J199140	31391	ALS	10	-1	6	<0.01
GR-10-104	26	27	J357241	31024	ALS	11	-1	18	<0.01
GR-10-104	152	153	J357362	31143	ALS	11	-1	9	<0.01
GR-10-193	205	206	4203	32812	Accurassay	11	-1	8	<0.01
GR-11-250	5.48	6.5	J199108	31359	ALS	12	-1	8	<0.01
GR-11-250	76.5	77.96	J199181	31432	ALS	12	-1	15	<0.01
GR-09-04	38.4	39.4	29561	31642	Expert	13	-1	19	<0.01
GR-10-164	4.5	6	3707	32562	Accurassay	13	-1	12	<0.01
GR-11-250	42.5	43.5	J199146	31396	ALS	14	-1	10	<0.01
GR-11-250	102	103.5	J199203	31454	ALS	14	-1	9	<0.01
GR-10-104	118	119	J357330	31112	ALS	15	-1	36	<0.01
GR-11-250	88.5	89.5	J199193	31443	ALS	15	-1	9	<0.01
GR-10-108	240	241.5	J757155	32155	ALS	15	-1	<5	<0.01
GR-09-04	2	3	4243	31605	Accurassay	17	-1	9	<0.01
GR-10-193	192	193	4191	32799	Accurassay	17	-1	18	<0.01
GR-11-250	81	82.5	J199184	31435	ALS	18	-1	8	<0.01
GR-10-193	193	194	4192	32801	Accurassay	19	-1	12	<0.01
GR-10-104	153	154.5	J357363	31144	ALS	20	-1	13	<0.01
GR-10-193	45	46	4041	32652	Accurassay	20	-1	13	<0.01
GR-11-250	261	261.5	J199337	31586	ALS	21	-1	11	<0.01
GR-10-104	151	152	J357361	31142	ALS	50	-1	33	<0.01
GR-11-196	123	124	J198165	31350	ALS	50	-1	<5	<0.01
GR-10-104	55.15	55.9	J357271	31054	ALS	363	-1	<5	<0.01

Table 13 shows that no grades in screen metallic make sense with the Fire Assay of GBB (GBC) and SGS. IS is for insufficient sample for Screen Metallic.

Table 14: Extract of comparison sorted on SM (SGS Au Calc g/t)

HOLE ID	FROM	TO	GBC #	SGS #	GBC LAB	Au AA23_AA25 ppb	Au Met ppb	Au SGS ppb	Au(Calc) g/t
GR-10-13	33.5	34	29668	32936	Expert	329	-1	40000	78.5
GR-09-01	35.2	35.5	89436	32011	Expert	90	-1	52600	56.3
GR-11-250	242	242.5	J199322	31571	ALS	1120	3570	12600	21.5
GR-10-104	21	22	J357235	31019	ALS	510	-1	15700	20.7
GR-10-193	56	57	4053	32663	Accurassay	2463	-1	3980	19.8
GR-09-04	106.5	107.5	29590	31701	Expert	15630	-1	35700	18.9
GR-09-04	85.5	86.5	29583	31684	Expert	2704	-1	22600	17.1
GR-09-04	64.3	65.3	29567	31664	Expert	1547	-1	18400	13.1
GR-10-13	32.85	33.5	29666	32935	Expert	491	-1	12300	9.94
GR-11-196	81	82.5	J198133	31317	ALS	342	-1	4550	8.11
GR-10-104	20	21	J357234	31018	ALS	10000	-1	41400	7.73
GR-10-13	38	38.5	29673	32941	Expert	4370	-1	7360	7.15
GR-11-196	66	67.5	J198123	31307	ALS	476	-1	2670	6.77
GR-10-104	7	8	J357221	31005	ALS	2710	-1	12200	6.35
GR-09-01	54.1	55.2	27008	32033	Expert	6380	-1	5790	5.95
GR-11-250	113.5	114	J199212	31462	ALS	1980	-1	3570	5.8
GR-11-250	262	262.5	J199339	31588	ALS	8880	24600	4780	5.12
GR-10-108	117.58	119.08	J757061	32061	ALS	2290	-1	6250	5.08
GR-10-99	7.5	8.3	J759748	32504	ALS	1730	-1	5190	4.96
GR-09-04	72.1	73.1	29576	31672	Expert	535	-1	8320	4.91
GR-10-108	204.46	205.96	J757127	32127	ALS	22	-1	2350	4.85
GR-10-104	197.5	198	J357397	31179	ALS	2430	-1	4260	4.84
GR-10-108	262.9	264	J757172	32171	ALS	31	-1	6120	4.55
GR-10-99	56	57	J759788	32543	ALS	926	-1	522	4.4
GR-10-99	53.2	54	J759785	32540	ALS	6730	-1	5540	4.37
GR-10-18	54	55.5	30080	32844	Expert	2540	-1	6260	4.34
GR-11-220	16.5	18	J205879	31219	ALS	532	-1	47900	4.22
GR-09-01	50.3	51.6	27004	32029	Expert	2855	-1	4170	4.05
GR-10-18	55.5	56.5	30081	32845	Expert	4430	-1	3770	4.01
GR-11-250	177	178.5	J199272	31521	ALS	1265	-1	2810	3.93

In the exercise, comparison between SGS fire assay and Screen metallic has also been done.
When sorted on Screen Metallic (SM- Au Calc g/t) and we use results above zero, we get 1196 screen metallic results received at time of analysis (108 assay results were not included at time of analysis). The average grade for Original Gold Bullion is 0.42 g/t, SGS FA is 0.60 g/t and the Screen metallic average grade is 0.56 g/t.

Also the exercise of selecting only the comparison assay for SGS SM having a grade above zero in the metallic portion was done. This gives us 478 samples to compare. The average grade for Original Gold Bullion data for these is 0.90 g/t, SGS FA is 1.40 g/t and the Screen metallic average grade is 1.32 g/t., the average grade of the metallic component for these is 7.64 g/t.

Based on these comparisons it appears that actual GBB gold grades are underestimated and requires additional investigation.

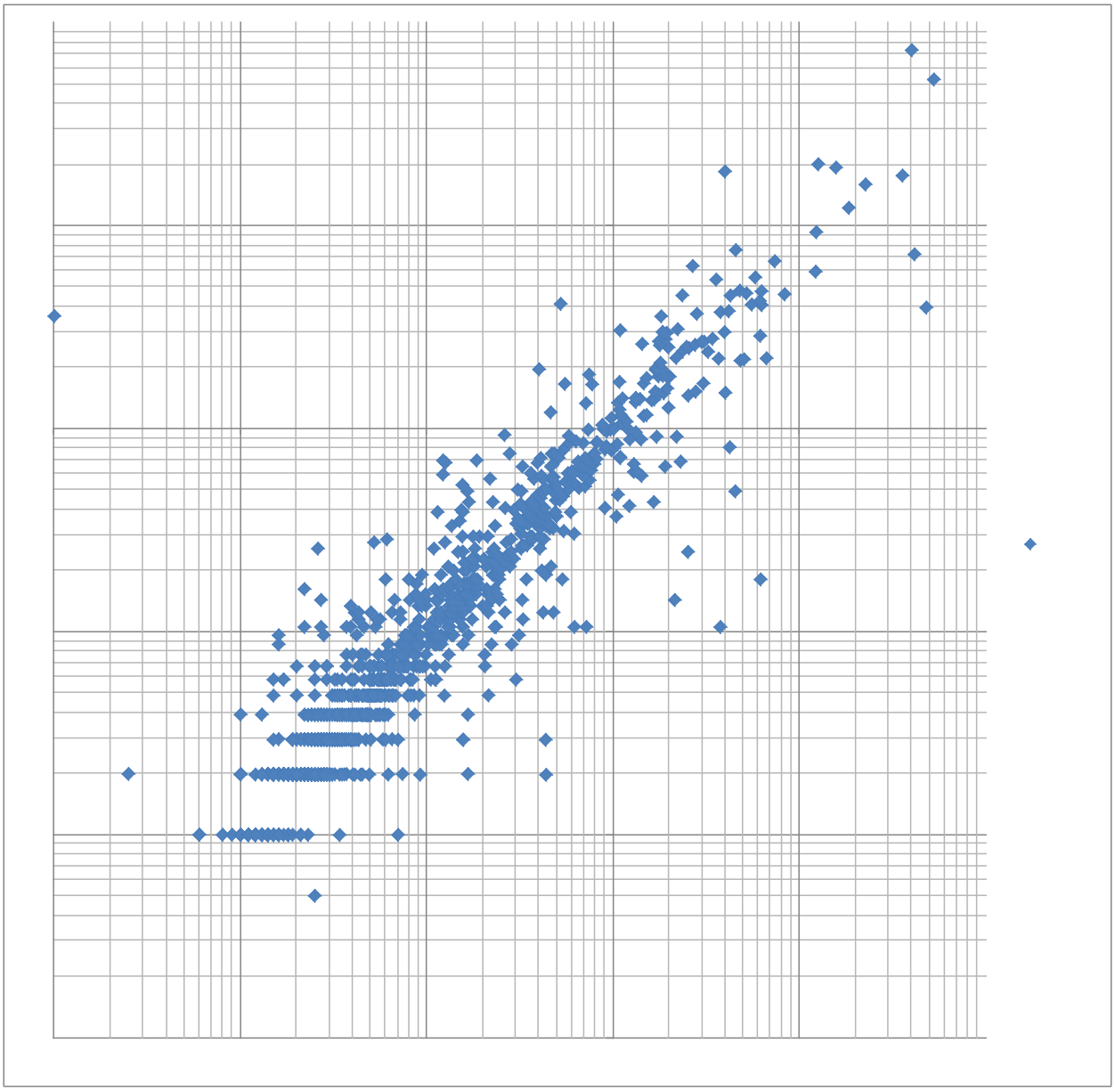


Figure 51: Correlation between SGS FA and SGS SM

During the investigation process a 2nd Fire Assay was requested to SGS laboratory. From the SGS 1st Fire Assay with grades above 0 grade, 1,235 assays were compared. In the second fire assay 3 came below detection limit lower than 5pbb in the 1,235 samples and we replace with 3ppb. The average grades are; for original GBB assay 410 ppb or 0.41 g/t, first SGS FA assay 621ppb or 0.62 g/t and the second SGS FA 646ppb or 0.65 g/t. Also from the 738 assays below detection limit of first SGS FA, 3 came with 12, 17 and 36 ppb which are not significant in author's opinion.

12.1.4 Total gold test

In addition to pulp and core sample sampling, a total gold test on 29 composite was also done. The total gold test is carried on a zone which is put together and the whole rock is processing to define the total amount of gold in the rock. The composite lengths are 8 to 14 meters of core and represent composite weights in the 20 to 30 kgs range. Details of Test are discussed in section 13 of this report. The following list presents the selection.

Table 15: List of composite number with associated hole

Hole Name	From	To	Length	Lithology			Structure		MPOSITE NA	ORIGINAL SAMPLE NUMBERS	From	To	Length (m)
				from	to	Rock Type	Type	AC					
GR-10-109	18.8	28.8	10	18.8	24.09	S1	S1	60	COMP1	J758529	18.8	20.3	1.5
				24.09	25.37	VQ				J758530	20.3	21.5	1.2
				25.37	28.8	S1				J758531	21.5	23	1.5
										J758532	23	23.8	0.8
										J758533	23.8	24.7	0.9
										J758534	24.7	25.35	0.65
										J758535	25.35	25.86	0.51
										J758537	25.86	27	1.14
										J758538	27	27.7	0.7
										J758539	27.7	28.8	1.1
GR-10-109	69.5	80.15	10.65	69.5	78.82	S1	S1	55	COMP2	J758573	69.5	71	1.5
				78.82	75.6	BX				J758574	71	72.5	1.5
				75.6	77.02	S1				J758575	72.5	73.9	1.4
				77.02	78.67	VQ				J758576	73.9	74.8	0.9
				78.67	80.15	S1				J758577	74.8	75.6	0.8
										J758579	75.6	77.1	1.5
										J758580	77.1	78.65	1.55
										J758581	78.65	80.15	1.5
GR-10-109	184.9	197.6	12.7	184.9	188.5	QFP	S1	65	COMP3	J758665	184.9	185.9	1
				188.5	189.56	S1	VQ	65		J758666	185.9	186.9	1
				189.56	189.98	VQ	VQ	80		J758667	186.9	187.9	1
				189.98	197.6	S1	VQ	50		J758668	187.9	188.9	1
										J758669	188.9	190.1	1.2
										J758670	190.1	191.6	1.5
										J758671	191.6	193.1	1.5
										J758672	193.1	194.6	1.5
										J758673	194.6	196.1	1.5
										J758674	196.1	197.6	1.5
GR-11-215	24	40.5	16.5	24	40.5	S1	S1	70	COMP4	J209624	24	25.5	1.5
							VQ	80		J209625	25.5	27	1.5
										J209626	27	28.5	1.5
										J209627	28.5	30	1.5
										J209628	30	31.5	1.5
										J209629	31.5	33	1.5
										J209630	33	34.5	1.5
										J209631	34.5	36	1.5
										J209633	36	37.5	1.5
										J209634	37.5	39	1.5
										J209635	39	40.5	1.5
GR-11-207	54	63	9	54	57.67	S1	S1	55	COMP 5	J209220	54	55.5	1.5
				57.67	57.9	VQ	VQ	60		J209221	55.5	56.5	1
				57.9	63	S1	VQ	80		J209222	56.5	57.45	0.95
										J209223	57.45	59.15	1.7
										J209225	59.15	60	0.85
										J209226	60	61.5	1.5
										J209227	61.5	63	1.5
GR-10-87	8.7	18.75	10.05	8.7	14	S1	S1	65	COMP6	J206090	8.7	10.2	1.5
				14	16.4	VQ	VQ	80		J206091	10.2	11.2	1
				16.4	18.75	S1				J206092	11.2	12.4	1.2
										J206093	12.4	13.8	1.4
										J206094	13.8	15	1.2
										J206095	15	16	1
										J206096	16	17	1
										J206097	17	18	1
										J206098	18	18.75	0.75

GR-10-69	48	61.5	13.5	48	55	S1	S1	60	COMP7	J208301	48	49.5	1.5
				55	55.4	VQ				J208302	49.5	51	1.5
				55.4	61.5	S1				J208303	51	52.5	1.5
										J208304	52.5	54	1.5
										J208305	54	54.82	0.82
										J208306	54.82	55.48	0.66
										J208307	55.48	56	0.52
										J208308	56	57	1
										J208309	57	58.5	1.5
										J208311	58.5	60	1.5
										J208312	60	61.5	1.5
GR-10-31	36	51	15	36	39.34	S1	S1	60	COMP8	2731	36	37.5	1.5
				39.34	39.4	VQ	VQ	60		2732	37.5	39	1.5
				39.4	41.29	MYL	VQ	70		2733	39	40	1
				41.29	41.59	VQ				2734	40	41	1
				41.59	42	MYL				2735	41	42	1
				42	42.38	VQ				2736	42	42.5	0.5
				42.38	42.48	MYL				2737	42.5	43.5	1
				42.48	42.5	VQ				2738	43.5	45	1.5
				42.5	44.48	S1				2739	45	46	1
				44.48	44.52	VQ				2741	46	47	1
				44.52	45.25	S1				2742	47	48.15	1.15
				45.25	45.35	VQ				2743	48.15	49	0.85
				45.35	45.9	S1				2744	49	50.05	1.05
				45.9	46.04	VQ				2745	50.05	51	0.95
				46.04	46.7	S1							
				46.7	48	VQ							
				48	50.14	S1							
				50.14	51	MYL							
GR-10-134	72.7	82	9.3	72.7	73.2	DYKR	S1	70	COMP9	J204225	72.7	74.2	1.5
				73.2	78.7	S1				J204226	74.2	75.3	1.1
				78.7	78.79	VQ				J204227	75.3	76.8	1.5
				78.79	79.9	S2				J204228	76.8	77.8	1
				79.9	80.53	DYKR				J204229	77.8	78.8	1
				80.53	92	S1				J204230	78.8	79.9	1.1
										J204231	79.9	80.5	0.6
										J204232	80.5	82	1.5
GR-10-79	157	169.5	12.5	157	159.06	S1	S1	60	COMP10	J208871	157	158.5	1.5
				159.06	159.15	VQ	VQ	80		J208872	158.5	160	1.5
				159.15	159.96	S1				J208873	160	161.5	1.5
				159.96	160.23	VQ				J208874	161.5	162.65	1.15
				160.23	161.75	SAG				J208875	162.65	163.97	1.32
				161.75	161.86	DYKR				J208876	163.97	165	1.03
				161.86	165.54	S1 (MYL)				J208877	165	165.52	0.52
				165.54	166.56	MYL				J208878	165.52	166.5	0.98
				166.56	166.6	VQ				J208879	166.5	167.5	1
				166.6	167.57	MYL				J208880	167.5	168.5	1
				167.57	167.73	VQ				J208881	168.5	169.5	1
				167.73	169.5	MYL							
GR-10-95	86.62	98.62	12	86.62	91.05	S1	S1	65	COMP11	J726233	86.62	88.12	1.5
				91.05	94.65	VQ	VQ	85		J726234	88.12	89.62	1.5
				94.65	98.62	S1				J726235	89.62	91.12	1.5
										J726237	91.12	92.62	1.5
										J726238	92.62	94.12	1.5
										J726239	94.12	95.62	1.5
										J726240	95.62	97.12	1.5
										J726241	97.12	98.62	1.5

GR-10-67	1.5	15	13.5	1.5	1.97	S1	S1	70	COMP12	44501	1.5	3	1.5
				1.97	1.99	VQ				44502	3	4.5	1.5
				1.99	2.66	S1				44503	4.5	6	1.5
				2.66	2.69	VQ				44504	6	7.5	1.5
				2.69	9.35	S1				44505	7.5	9	1.5
				9.35	9.71	VQ				44506	9	10.5	1.5
				9.71	14.07	S1				44507	10.5	12	1.5
				14.07	14.1	VQ				44508	12	13.5	1.5
				14.1	15	S1				44509	13.5	15	1.5
GR-10-45	135	147	12	135	135.77	S1	S1	65	COMP13	71623	135	136.5	1.5
				135.77	135.84	VQ	VQ	75		71624	136.5	138	1.5
				135.84	138.58	S1				71625	138	139.5	1.5
				138.58	138.8	VQ				71626	139.5	141	1.5
				138.8	147	S1				71627	141	142.5	1.5
										71628	142.5	144	1.5
										71629	144	145.5	1.5
										71630	145.5	147	1.5
GR-10-53	61.5	76.26	14.76	61.5	63.8	S1	S1	75	COMP14	71495	61.5	63	1.5
				63.8	63.84	VQ	VQ	85		71496	63	64.5	1.5
				63.84	65.35	S1				71497	64.5	66	1.5
				65.35	65.4	VQ				71498	66	67.5	1.5
				65.4	66.4	S1				71499	67.5	68.8	1.3
				66.4	70.17	VQ				71500	68.8	70.5	1.7
				70.17	71.85	S1				71501	70.5	72	1.5
				71.85	71.88	VQ				71502	72	73.3	1.3
				71.88	72.26	S1				71503	73.3	74.8	1.5
										71504	74.8	76.26	1.46
GR-11-197	52.5	63	10.5	52.5	53.09	S1	S1	60	COMP15	J198027	52.5	53	0.5
				53.09	53.12	VQ	VQ	80		J198028	53	53.5	0.5
				53.12	53.49	S1				J198029	53.5	54	0.5
				53.49	55.1	VQ				J198030	54	54.5	0.5
				55.1	56.13	S1				J198031	54.5	55	0.5
				56.13	56.17	VQ				J198032	55	55.5	0.5
				56.17	56.69	S1				J198033	55.5	56	0.5
				56.69	56.86	VQ(MYL)				J198035	56	56.5	0.5
				56.86	57.96	S1				J198036	56.5	57	0.5
				57.96	58	VQ				J198037	57	58.5	1.5
				58	60.84	S1				J198038	58.5	60	1.5
				60.84	61.25	VQ				J198039	60	61.5	1.5
				61.25	61.55	S1				J198040	61.5	63	1.5
				61.55	61.84	VQ							
				61.84	62.96	S1							
				62.96	63	VQ							
GR-10-133	54	67.5	13.5	54	54.83	S1	S1	65	COMP16	J357193	54	54.75	0.75
				54.83	55.06	VQ	VQ	90		J357194	54.75	55.75	1
				55.06	56	S1	VQ	70		J357195	55.75	56.5	0.75
				56	56.14	VQ				J357196	56.5	57.5	1
				56.14	56.5	S1				J357197	57.5	58.5	1
				56.5	56.51	VQ				J357198	58.5	60	1.5
				56.51	56.86	S1				J357199	60	61.5	1.5
				56.86	57.09	VQ				J357201	61.5	63	1.5
				57.09	57.63	S1				J357202	63	64	1
				57.63	57.66	VQ				J357203	64	65	1
				57.66	57.94	S1				J357204	65	66	1
				57.94	58.04	VQ				J357205	66	67.5	1.5
				58.04	58.68	S1							
				58.68	58.76	VQ							
				58.76	60.82	S1							

GR-10-137	17	28	11	17	20.46	S2	S1	40	COMP17	4512	17	18	1
				20.46	22.7	DYKR	VQ	40		4513	18	19	1
				22.7	27.29	S2				4514	19	20	1
				27.29	27.48	VQ				4515	20	21	1
				27.48	28	S1				4516	21	22	1
										4517	22	23	1
										4518	23	24	1
										4519	24	25	1
										4520	25	26	1
										4521	26	27	1
										4523	27	28	1
GR-10-42	39.5	52.92	13.42	39.5	44.5	S1	S1	60	COMP18	43253	39.5	41	1.5
				44.5	44.6	VQ	VQ	80		43254	41	42.5	1.5
				44.6	48.14	S1				43255	42.5	44	1.5
				48.14	48.2	VQ				43256	44	45.5	1.5
				48.2	54.92					43257	45.5	47	1.5
										43258	47	48.5	1.5
										43259	48.5	50	1.5
										43260	50	51.17	1.17
										43261	51.17	52.92	1.75
GR-10-42	52.92	64.54	11.62	52.92	53.27	S1	S1	60	COMP19	43262	52.92	54.28	1.36
				53.27	53.59	VQ	VQ	80		43263	54.28	56	1.72
				53.59	55.02	S1				43264	56	58	2
				55.02	55.05	VQ				43265	58	59.5	1.5
				55.05	56.5	S1				43267	59.5	61.3	1.8
				56.5	56.6	VQ				43268	61.3	62.8	1.5
				56.6	57.52	S1				43269	62.8	64.54	1.74
				57.52	57.79	VQ							
				57.79	64.54	S1							
GR-10-167	23.9	33	9.1	23.9	24.4	VQ	S1	40	COMP20	J760663	23.4	24.4	1
				24.4	25.83	QFP?	VQ	70		J760664	24.4	25.4	1
				25.83	30.9	S1				J760665	25.4	26	0.6
				28.9	29.08	VQ				J760666	26	27.5	1.5
				29.08	30.9	S1				J760667	27.5	28.9	1.4
				30.9	31.5	VQ				J760668	28.9	29.6	0.7
				31.5	33	S1				J760669	29.6	30.5	0.9
										J760670	30.5	31.5	1
										J760671	31.5	33	1.5
GR-10-84	148.7	160	11.3	148.7	148.86	S1	S1	40	COMP21	204570	148.7	150.2	1.5
				148.86	148.89	VQ	VQ	60		204571	150.2	151.7	1.5
				148.89	153.86	S1				204572	151.7	153	1.3
				153.86	154.25	VQ				204573	153	154	1
				154.25	155.17	S1				204574	154	155	1
				155.17	155.56	VQ				204575	155	156	1
				155.56	160	S1				204576	156	157	1
										204577	157	158.5	1.5
										204578	158.5	160	1.5
GR-10-169	68.5	82.5	14	68.5	70.46	S1	S1	60	COMP22	J760785	68.5	69	0.5
				70.46	70.5	VQ	VQ	70		J760786	69	70	1
				70.5	76.45	S1				J760787	70	71	1
				76.45	77.17	VQ				J760788	71	71.5	0.5
				77.17	78.14	S1				J760789	71.5	72	0.5
				78.14	78.48	VQ				J760790	72	73	1
				78.48	82.27	S1				J760791	73	74	1
				82.27	82.34	VQ				J760792	74	75	1
				82.34	82.5	S1				J760793	75	76.5	1.5
										J760794	76.5	78	1.5
										J760795	78	79.5	1.5
										J760796	79.5	81	1.5
										J760797	81	82.5	1.5

GR-10-141	62.79	73.87	11.08	62.79	63.94	MYL	S1	35	COMP24	J756447	62.79	64.13	1.34
				63.94	67.91	S2(S1)	VQ	65		J756448	64.13	65.63	1.5
				67.91	68.1	QFP?				J756449	65.63	67.13	1.5
				68.1	69.32	S2				J756450	67.13	68.63	1.5
				69.32	69.54	QFP?				J756451	68.63	70.13	1.5
				69.54	71.2	S1				J756452	70.13	71.13	1
				71.2	73.87	VQ				J756453	71.13	72.63	1.5
										J756454	72.63	73.87	1.24
GR-10-113	91.5	102.45	10.95	91.5	94.37	S1	S1	65	COMP25	J761822	91.5	93	1.5
				94.37	94.41	VQ	VQ	90		J761823	93	94.5	1.5
				94.41	97.23	S1	VQ	65		J761824	94.5	96	1.5
				97.23	97.71	VQ				J761825	96	97	1
				97.71	98.12	S1				J761826	97	98.18	1.18
				98.12	100.47	MYL				J761827	98.18	99.68	1.5
				100.47	100.97	VQ/MYL				J761828	99.68	101.26	1.58
				100.97	101.72	MYL				J761829	101.26	102.45	1.19
				101.72	101.77	VQ							
				101.77	102.23	MYL							
				102.23	102.28	VQ							
				102.28	102.45	MYL							
GR-10-55	110.64	127.14	16.5	110.64	111.58	S2	S1	65	COMP26	A43895	110.64	112.14	1.5
				111.58	112.28	VQ	VQ	65		A43896	112.14	113.64	1.5
				112.28	112.72	S1	VQ	90		A43897	113.64	115.14	1.5
				112.72	112.79	VQ				A43898	115.14	116.64	1.5
				112.79	113.36	S1				A43899	116.64	118.14	1.5
				113.36	113.39	VQ				A43900	118.14	119.64	1.5
				113.39	116.96	S1				A43901	119.64	121.14	1.5
				116.96	117.23	VQ				A43903	121.14	122.64	1.5
				117.23	118.26	S1				A43904	122.64	124.14	1.5
				118.26	118.41	VQ				A43905	124.14	125.64	1.5
				118.41	118.93	S1				A43906	125.64	127.14	1.5
				118.93	119.27	VQ							
				119.27	123.56	S1							
				123.56	124.13	VQ							
				124.13	125.16	S1							
				125.16	125.32	VQ							
				125.32	127.14	S2							
GR-10-172	96.5	108.5	12	96.5	96.88	S1	S1	60	COMP27	J357041	96.5	97.5	1
				96.88	97.29	VQ	VQ	90		J357042	97.5	99	1.5
				97.29	102.66	S2	VQ	30		J357043	99	100	1
				102.66	103.07	VQ				J357044	100	100.6	0.6
				103.07	105.08	S1				J357045	100.6	102	1.4
				105.08	105.3	VQ				J357046	102	103.5	1.5
				105.3	105.83	S1				J357047	103.5	104	0.5
				105.83	106	VQ				J357048	104	105.5	1.5
				106	108.5	S1				J357049	105.5	107	1.5
										J357050	107	108.5	1.5
GR-10-45	122	135	13	122	123.85	S1	S1	45	COMP28	71614	122	123.5	1.5
				123.85	123.87	VQ				71615	123.5	125	1.5
				123.87	125.73	S1				71616	125	126.5	1.5
				125.73	125.75	VQ				71617	126.5	128.63	2.13
				125.75	128.72	S1				71618	128.63	130.3	1.67
				128.72	130	VQ-CC				71619	130.3	132	1.7
				130	131.35	S1				71621	132	133.5	
				131.35	131.68	VQ (MYL)				71622	133.5	135	1.5
				131.68	134.51	S1							1.5
				134.51	135	VQ							
GR-10-70	39.4	54.4	15	39.4	40	S1	S1	70	COMP29	J757212	39.4	40.9	1.5
				40	40.44	VQ	VQ	90		J757213	40.9	42.4	1.5
				40.44	40.78	S1	VQ	70		J757214	42.4	43.9	1.5
				40.78	40.79	VQ				J757215	43.9	45.4	1.5
				40.79	41.3	S1				J757216	45.4	46.9	1.5
				41.3	41.34	VQ				J757217	46.9	48.4	1.5
				41.34	43.6	S1				J757218	48.4	49.9	1.5
				43.6	44.08	VQ				J757219	49.9	51.4	1.5
				44.08	50.5	S1				J757220	51.4	52.9	1.5
				50.5	50.7	VQ				J757221	52.9	54.4	1.5
				50.7	51.07	S1							
				51.07	51.11	VQ							
				51.11	51.33	S1							
				51.33	50.5	VQ							
				50.5	54.4	S1							

The sign test did not show bias based on individual comparison.

Table 16: Sign test on total gold

	Sign Test			
19	neg	19	19	somme des indicateurs de signes
10	pos	10		
0	null			
29 pairs			29	nombre de paires
			14.5	nombre de paires divisé par 2
			0.314304662	limite inférieure
			0.685695338	limite supérieure
			0.655172414	valeur test des signes

The comparison of the average original Gold Bullion Fire Assay versus the SGS Lakefield total gold test show the FA are higher than the average total gold. This justifies the application of capping on individual fire assay even if individual assay shows average lower grade than control SGS individual assays.

Table 17: Results of total gold versus FA not capped

COMPOSITE NAME	Hole Name	From	To	Length	GBB ori data	SGS Total Gold	GBB ori cap	SGS Total Gold
COMP1	GR-10-109	18.8	28.8	10	0.67	0.95	0.67	0.95
COMP2	GR-10-109	69.5	80.15	10.65	0.60	0.51	0.60	0.51
COMP3	GR-10-109	184.9	197.6	12.7	0.82	0.28	0.82	0.28
COMP4	GR-11-215	24	40.5	16.5	1.20	0.53	1.20	0.53
COMP 5	GR-11-207	54	63	9	1.95	0.29	1.95	0.29
COMP6	GR-10-87	8.7	18.75	10.05	0.44	0.33	0.44	0.33
COMP7	GR-10-69	48	61.5	13.5	0.36	0.24	0.36	0.24
COMP8	GR-10-31	36	51	15	0.73	0.52	0.73	0.52
COMP9	GR-10-134	72.7	82	9.3	1.16	0.63	1.16	0.63
COMP10	GR-10-79	157	169.5	12.5	1.30	1.45	1.30	1.45
COMP11	GR-10-95	86.62	98.62	12	2.59	1.56	2.59	1.56
COMP12	GR-10-67	1.5	15	13.5	0.60	0.8	0.60	0.8
COMP13	GR-10-45	135	147	12	0.55	0.69	0.55	0.69
COMP14	GR-10-53	61.5	76.26	14.76	5.17	2.59	2.43	2.59
COMP15	GR-11-197	52.5	63	10.5	1.65	0.94	1.65	0.94
COMP16	GR-10-133	54	67.5	13.5	1.54	1.54	1.54	1.54
COMP17	GR-10-137	17	28	11	0.33	0.19	0.33	0.19
COMP18	GR-10-42	39.5	52.92	13.42	0.32	1.59	0.32	1.59
COMP19	GR-10-42	52.92	64.54	11.62	0.72	1.38	0.72	1.38
COMP20	GR-10-167	23.9	33	9.1	0.90	1.42	0.90	1.42
COMP21	GR-10-84	148.7	160	11.3	1.43	0.25	1.43	0.25
COMP22	GR-10-169	68.5	82.5	14	1.56	0.94	1.56	0.94
COMP23	GR-11-237	79	89	10	0.52	0.41	0.52	0.41
COMP24	GR-10-141	62.79	73.87	11.08	1.35	1.29	1.35	1.29
COMP25	GR-10-113	91.5	102.45	10.95	0.35	0.68	0.35	0.68
COMP26	GR-10-55	110.64	127.14	16.5	1.15	1.06	1.15	1.06
COMP27	GR-10-172	96.5	108.5	12	0.64	1.44	0.64	1.44
COMP28	GR-10-45	122	135	13	0.50	1.6	0.50	1.6
COMP29	GR-10-70	39.4	54.4	15	1.64	0.82	1.64	0.82
			Total Length	354.43				
				Total grams gold	32.73	26.92	29.99	26.92
				Average	1.13	0.93		
				L Weighted average	1.16	0.95	1.05	0.95

Huge efforts have been deployed by the Author and his technical team to bring confidence to the Gold Bullion exploration data.

With the observation and conclusions from the exhaustive independent sampling program, the new database of Gold Bullion validated data can be used for resource estimation (RE) with confidence as far as highly selective mining (narrow vein mining) with underground openings is not envisaged in the near surface resources. The Phase 1 to 3 deep holes without reliable surveys (not used in the current RE) will have to be resurveyed along the hole or discarded, unless original Reflex measurements with magnetic field are found. The 2012 deep holes are reliable for RE.

13- Mineral Processing and Metallurgical Testing

A series of metallurgical tests were carried out at SGS Lakefield on 29 composite samples of the Granada deposit in order to determine the most probable head grade of the mineralization. The samples in their entirety were processed through gravity separation followed by cyanide leaching of the gravity tailings. An overall gravity separation plus cyanidation, metallurgical balance was applied to calculate the head grade of each composite sample. The results are shown in table 13.1 below.

Table 13.1

GOLD BULLION - PROJET GRANADA					
COMPOSITE	GRAVITY	CYANISATION	0'ALL AU RECOVERY	FINAL TAILINGS	HEAD
IDENTIFICATION	Au RECOVERY	Au EXTRACTION	GRAVITY/CYANIDATION	ASSAY	CALC
	%	%	%	Au, g/t	Au, g/t
Comp. 1	29.6	88.2	91.7	0.079	0.95
Comp. 2	43.7	87.2	92.8	0.037	0.51
Comp. 3	38.5	79.1	87.1	0.035	0.28
Comp. 4	51.2	90.7	95.5	0.025	0.53
Comp. 5	30.5	88.2	91.8	0.024	0.29
Comp. 6	42.3	86.3	92.1	0.026	0.33
Comp. 7	25.1	91.9	93.9	0.015	0.24
Comp. 8	51.7	91.2	95.7	0.022	0.52
Comp. 9	58.9	92.8	97.0	0.019	0.63
Comp. 10	74.5	94.2	98.5	0.021	1.45
Comp. 11	55.8	91.5	96.2	0.059	1.56
Comp. 12	52.4	86.4	93.5	0.052	0.80
Comp. 13	50.5	88.7	94.4	0.038	0.69
Comp. 14	66.4	93.5	97.8	0.057	2.59
Comp. 15	44.4	87.6	93.1	0.064	0.94
Comp. 16	63.0	89.2	96.0	0.050	1.24
Comp. 17	50.3	81.9	91.0	0.017	0.19
Comp. 18	78.0	89.7	97.7	0.036	1.59
Comp. 19	54.5	85.7	93.4	0.102	1.38
Comp. 20	52.8	88.1	94.4	0.080	1.42
Comp. 21	26.6	85.3	89.2	0.026	0.25
Comp. 22	40.5	94.0	96.4	0.034	0.94
Comp. 23	39.1	83.5	90.0	0.042	0.41
Comp. 24	41.1	85.5	91.5	0.110	1.29
Comp. 25	64.6	92.6	97.4	0.018	0.68
Comp. 26	39.9	89.0	93.4	0.071	1.06
Comp. 27	70.2	89.4	96.8	0.046	1.44
Comp. 28	73.1	91.0	97.6	0.039	1.60
Comp. 29	57.5	86.6	94.3	0.047	0,82
Total					
Average	**50.6**	**88.6**	**94.1**	**0.045**	**0.92**

Because of a misinterpretation of the block model established by a former company, it was discovered afterward that some of the composite samples came from drill holes that were outside the known boundary of the deposit. To correct the situation and to come up with a more exact deposit head grade, composite samples 3, 5, 7, 17, and 21 were discarded from the SGS Lakefield met tests.

The new results of the met tests are given in table 13.2 below.

Table 13.2

GOLD BULLION - PROJET GRANADA LESS HEADE GRADES < 0.30 g/t					
COMPOSITE	GRAVITY	CYANISATION	0'ALL AU RECOVERY	FINAL TAILINGS	HEAD
IDENTIFICATION	Au RECOVER	Au EXTRACTION	GRAVITY/CYANIDATION	ASSAY	CALC
	%	%	%	Au, g/t	Au, g/t
Comp. 1	29.6	88.2	91.7	0.079	0.95
Comp. 2	43.7	87.2	92.8	0.037	0.51
Comp. 4	51.2	90.7	95.5	0.025	0.53
Comp. 6	42.3	86.3	92.1	0.026	0.33
Comp. 8	51.7	91.2	95.7	0.022	0.52
Comp. 9	58.9	92.8	97.0	0.019	0.63
Comp. 10	74.5	94.2	98.5	0.021	1.45
Comp. 11	55.8	91.5	96.2	0.059	1.56
Comp. 12	52.4	86.4	93.5	0.052	0.80
Comp. 13	50.5	88.7	94.4	0.038	0.69
Comp. 14	66.4	93.5	97.8	0.057	2.59
Comp. 15	44.4	87.6	93.1	0.064	0.94
Comp. 16	63.0	89.2	96.0	0.050	1.24
Comp. 18	78.0	89.7	97.7	0.036	1.59
Comp. 19	54.5	85.7	93.4	0.102	1.38
Comp. 20	52.8	88.1	94.4	0.080	1.42
Comp. 22	40.5	94.0	96.4	0.034	0.94
Comp. 23	39.1	83.5	90.0	0.042	0.41
Comp. 24	41.1	85.5	91.5	0.110	1.29
Comp. 25	64.6	92.6	97.4	0.018	0.68
Comp. 26	39.9	89.0	93.4	0.071	1.06
Comp. 27	70.2	89.4	96.8	0.046	1.44
Comp. 28	73.1	91.0	97.6	0.039	1.60
Comp. 29	57.5	86.6	94.3	0.047	0,82
Average	**54.0**	**89.3**	**94.9**	**0.049**	**1.07**

13.1 Metallurgical testwork

The prime objective of the metallurgical test work was to determine the head grade of each composite by subjecting the entire sample to gravity concentration of the coarse gold followed by cyanide leaching of the gravity tailings. An overall (gravity + cyanidation) gold metallurgical balance was applied to calculate the head grade of each samples and the total gold recovery.

13.1.1 Gravity separation testwork

For the gravity test work, each composite sample was ground in a laboratory rod mill to a target of P_{80} particle size of 75 µm. The mill product was passed through a 3-inch Knelson concentrator. The Knelson concentrate was cleaned on a Mozley table. Both the Mozley and Knelson tailings were combined and submitted to cyanide leaching.

The gold recovery to the gravity concentrates ranged from 29.6% to 78% with an average of 54.0%.

13.1.2 Cyanidation testwork

The combine Knelson and Mozley table tailings were subjected to cyanide leaching under the following conditions:

Pulp density	40% solid
Particles size	P_{80} 75 µm
pH	10.5 to 11.0 maintained with hydrated lime
Cyanide concentration	0.5 g/L NaCN
Cyanidation time	48 hours
Air addition	≈2 L/min
Test mode	Reactor vessel with mechanical agitator

The extraction of gold by cyanidation ranged from 83.5% to 94% with an average of 89.3%. The NaCN and lime consumptions ranged from 0.03 to 1.40 kg/t and 0.21 to 0.70 kg/t respectively. The overall extraction, gravity plus cyanidation ranged from 90.0 to 98.5% with an average of 94.9%.

13.2 Disclaimer

No metallurgical test work was carried out by SGS Geostat, nor was it supervised by the QP responsible for the Mineral Processing and Metallurgical Testwork section of this report. As such, the results were not independently verified, but are believed to be of sound quality.

14- Mineral Resource Estimates

They are derived from a computerized resource block model. The construction of that model starts with drill hole data, which serve as the basis for the definition of 3D mineralized envelopes with resources limited to the material inside those envelopes. The next step is the selection of drill hole data within the mineralized envelopes in the form of fixed length composites and then the interpolation of the grade of blocks on a regular grid and filling the mineralized envelopes from the grade of composites in the same envelopes. All the interpolated blocks below the overburden/bedrock contact or pit bottom surface make the mineral resources and they are classified according to proximity to composites and corresponding precision/confidence level.
It was not possible to model the historical mined out area. Historical drill hole data were integrated but not used for the resource estimates. The limited historical production has to be removed from the resource statement.

14-1 Drill hole and sample data

Sample data used in the construction of the proposed resource model was in a drill hole database prepared by SGS Canada Inc Geostat from November 2011 to November 2012. This database is the master database covering the zone of interest and lateral exploration holes. This master drill hole database reflect a **cut-off date of November 7th, 2012**. It had the following components:
+ drill hole collar table with collar coordinates, bearing and dip at collar and length of 908 holes, recent and historical. File name is: ***GoldBullion_7novembre2012_drape.accdb***

+ a drill hole deviation table with 7,314 entries (hole name, depth, bearing, dip)
+ a drill hole assay table with 81,766 assays data (hole name, from, to, smp number, Au g/t)
+ a drill hole geology table with 11,929 valid entries (hole name, from-to, geology code).
As a result of our database construction, and revision the author believes the database to be accurate enough for the preparation of a resource estimate.

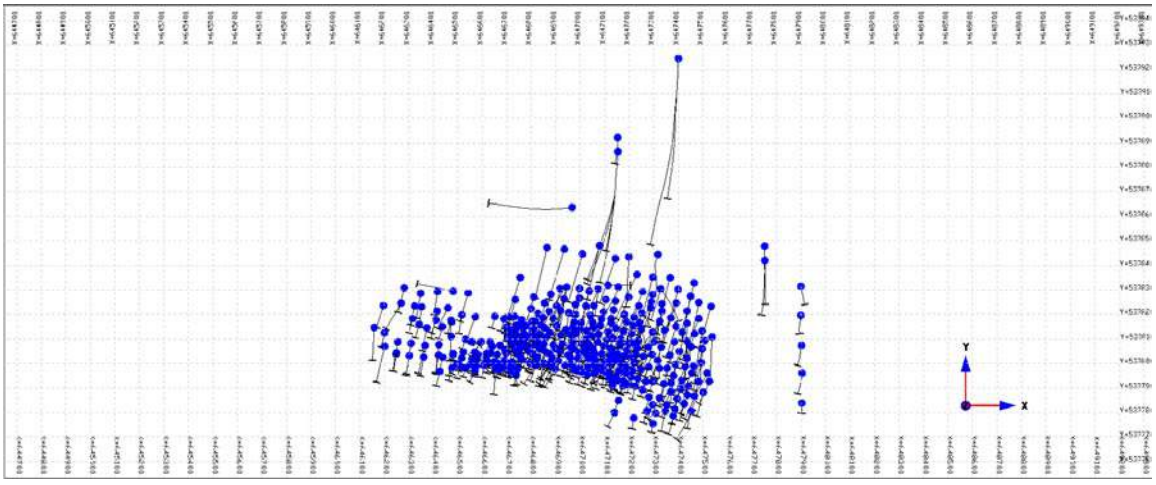


Figure 52: Drill Hole Locations and Traces used in the resource estimation

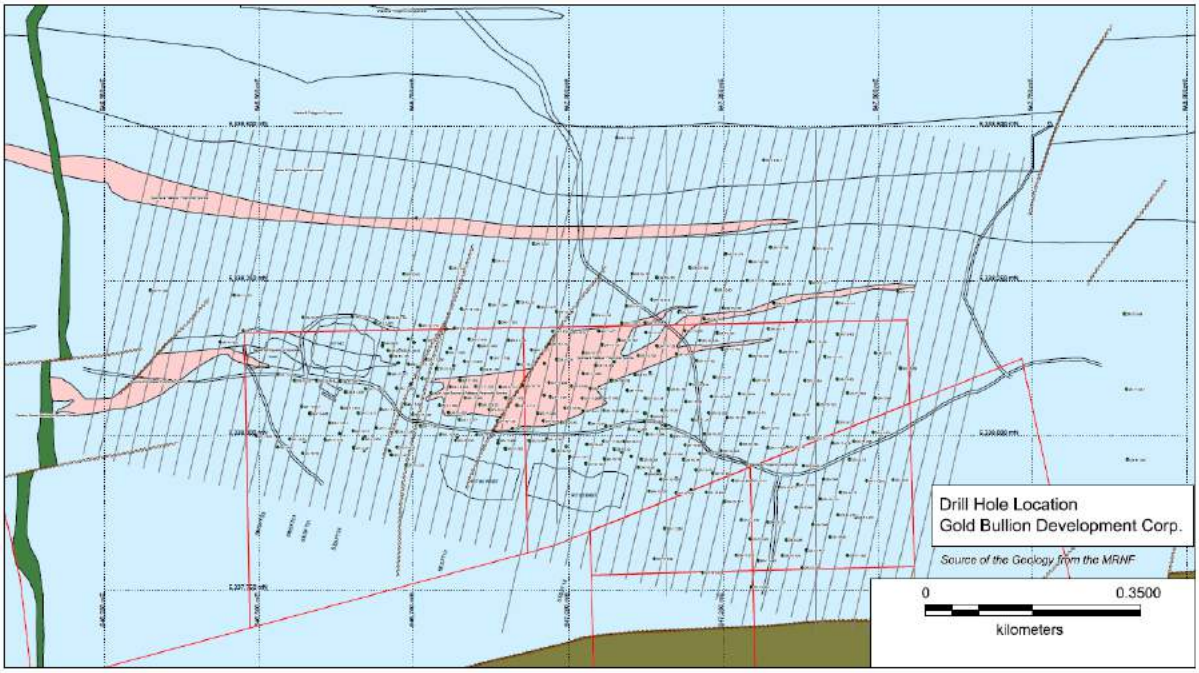


Figure 53: Drill hole phase 1 to 3 with cross section layout and property

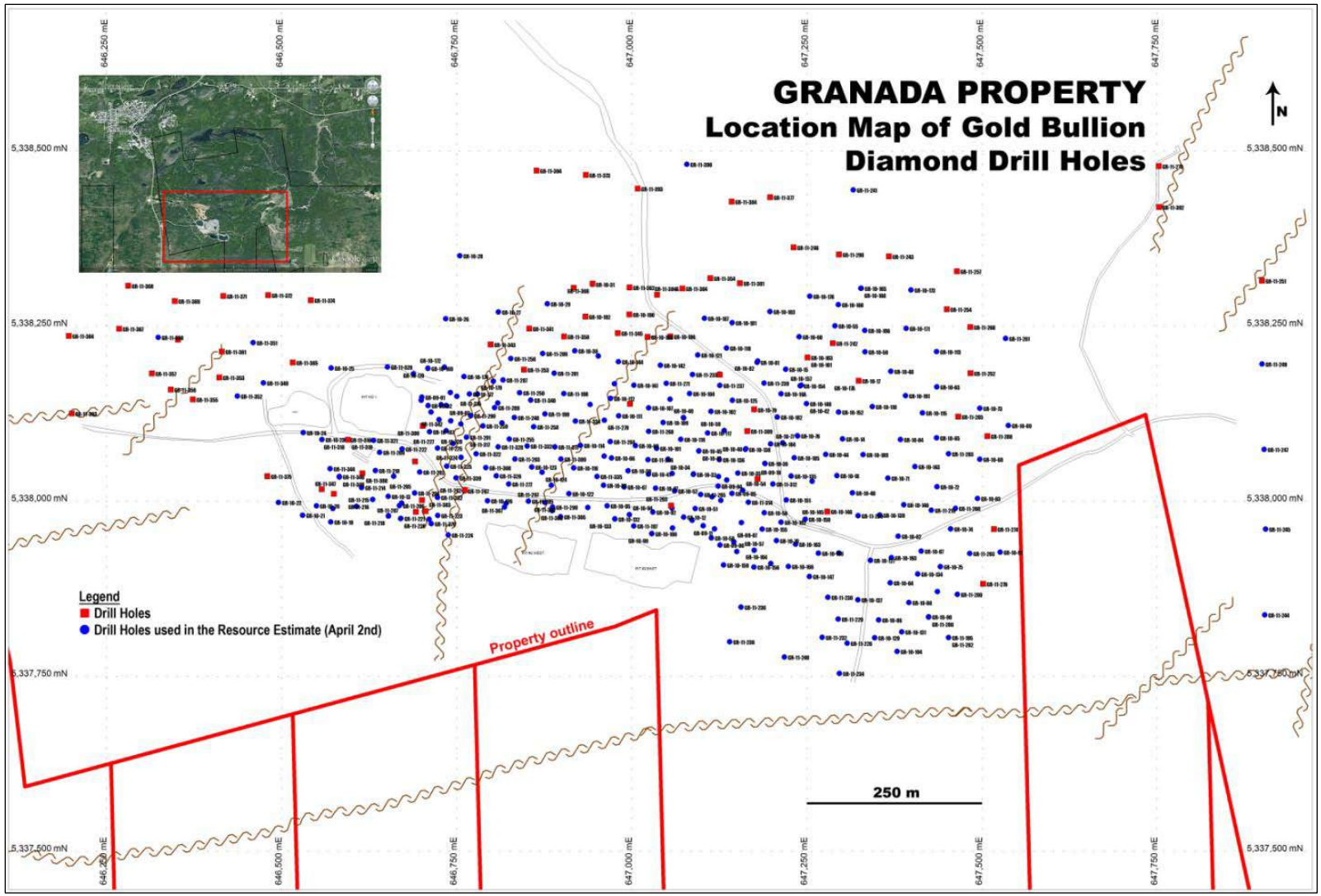


Figure 54: Drill Hole Locations and the ones used for the Modelling of first resource

14.2 Geological and block modeling

Limits of mineralized domains have been interpreted on sections and meshed together to create an envelope by Amanda Landriault GIT under supervision of the Author. This domain correspond to a broad zone with a higher than usual concentration of samples with good grades. The geometry fits that of the S1 conglomerate unit intruded by porphyry and associated main veins and alteration zones i.e. it tends to be plunging north 50 degrees with an E-W elongation. This approach is used as the model is being prepared for potential open pit resources. Hence a general envelope including dilution instead of highly selective vein mining has been done.

Underground drift and shaft in 3D were provided by Richard Laprairie in DXF file. A surface was created from the pits merged with topography survey from Mazac Geoservices with collar information and the pit bottom survey of 2012.

The next Figure shows that the supplied surfaces and underground workings fits with diamond drill hole intervals. Typical cross sections with envelope are also presented.

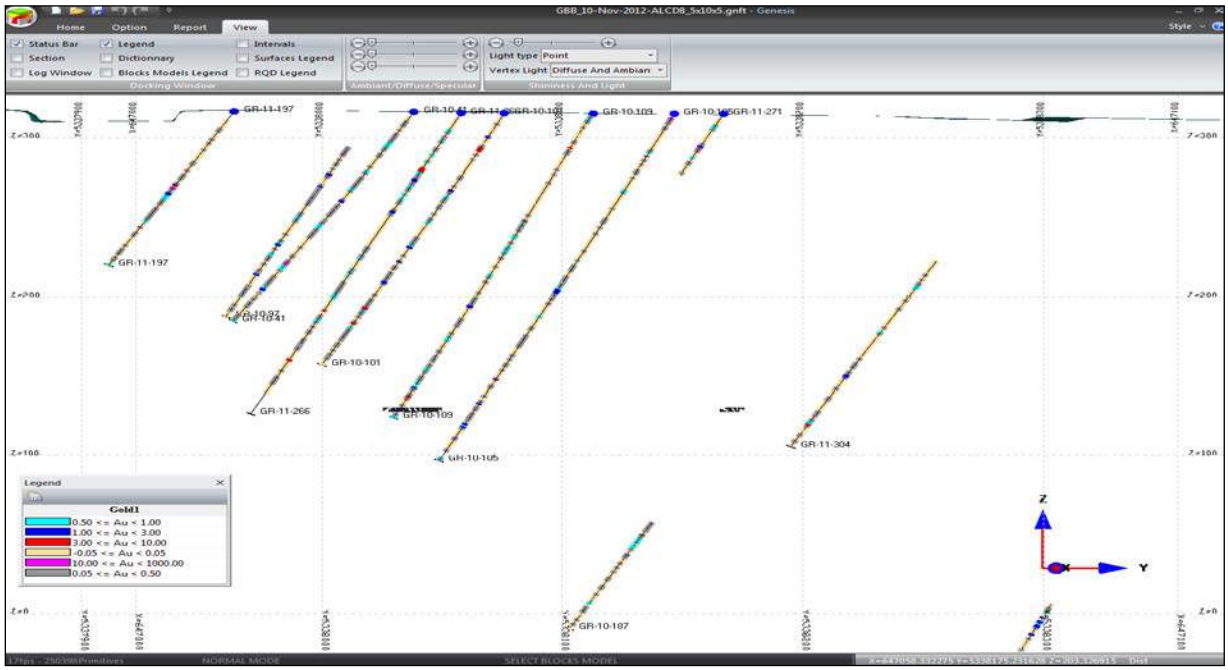


Figure 55: Section SESFT17 with drill hole trace and historical UG works

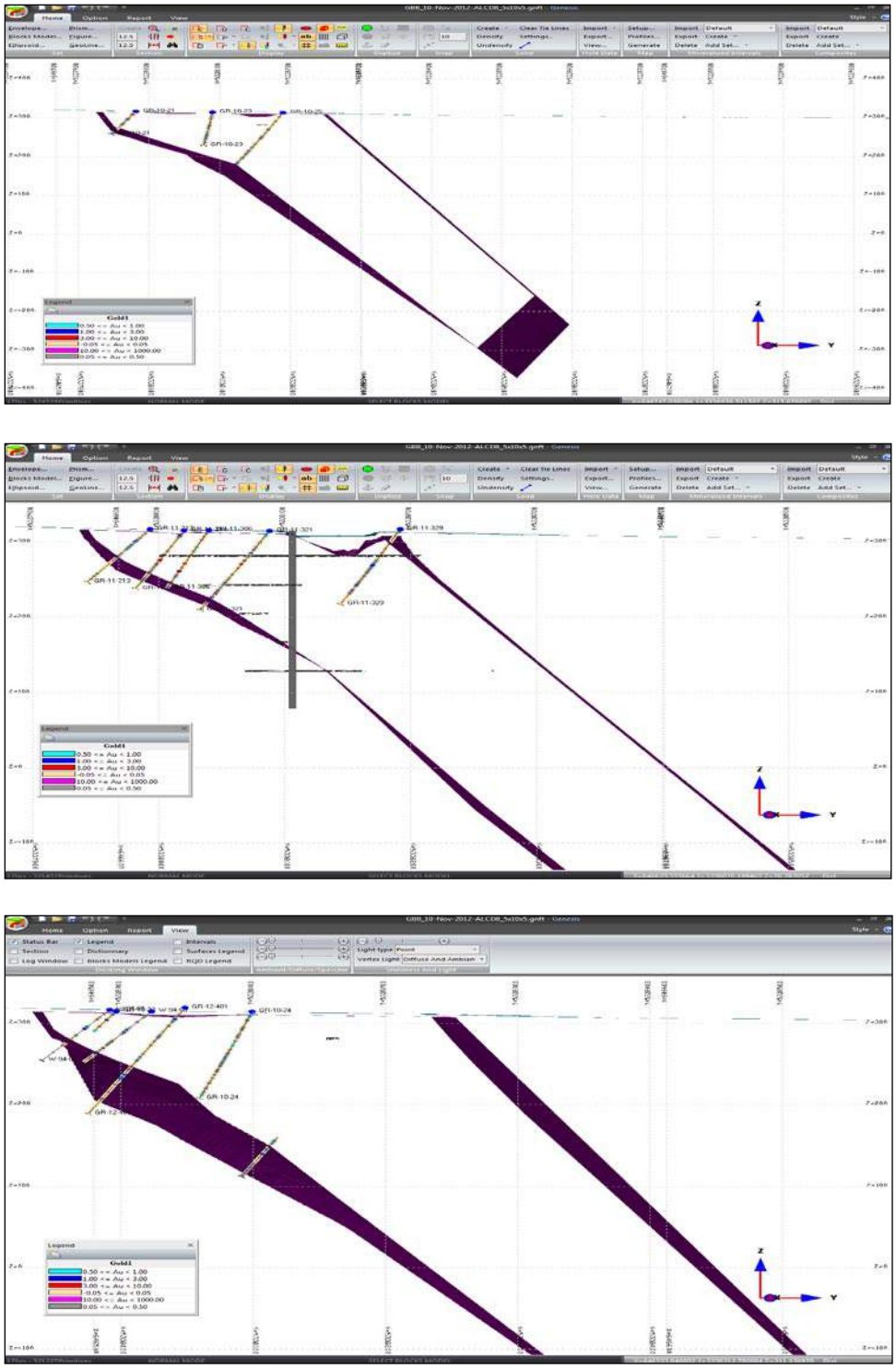


Figure 56: Typical cross sections 3 (west of shaft), 1 (centered on shaft 1) and 4 (east of shaft)

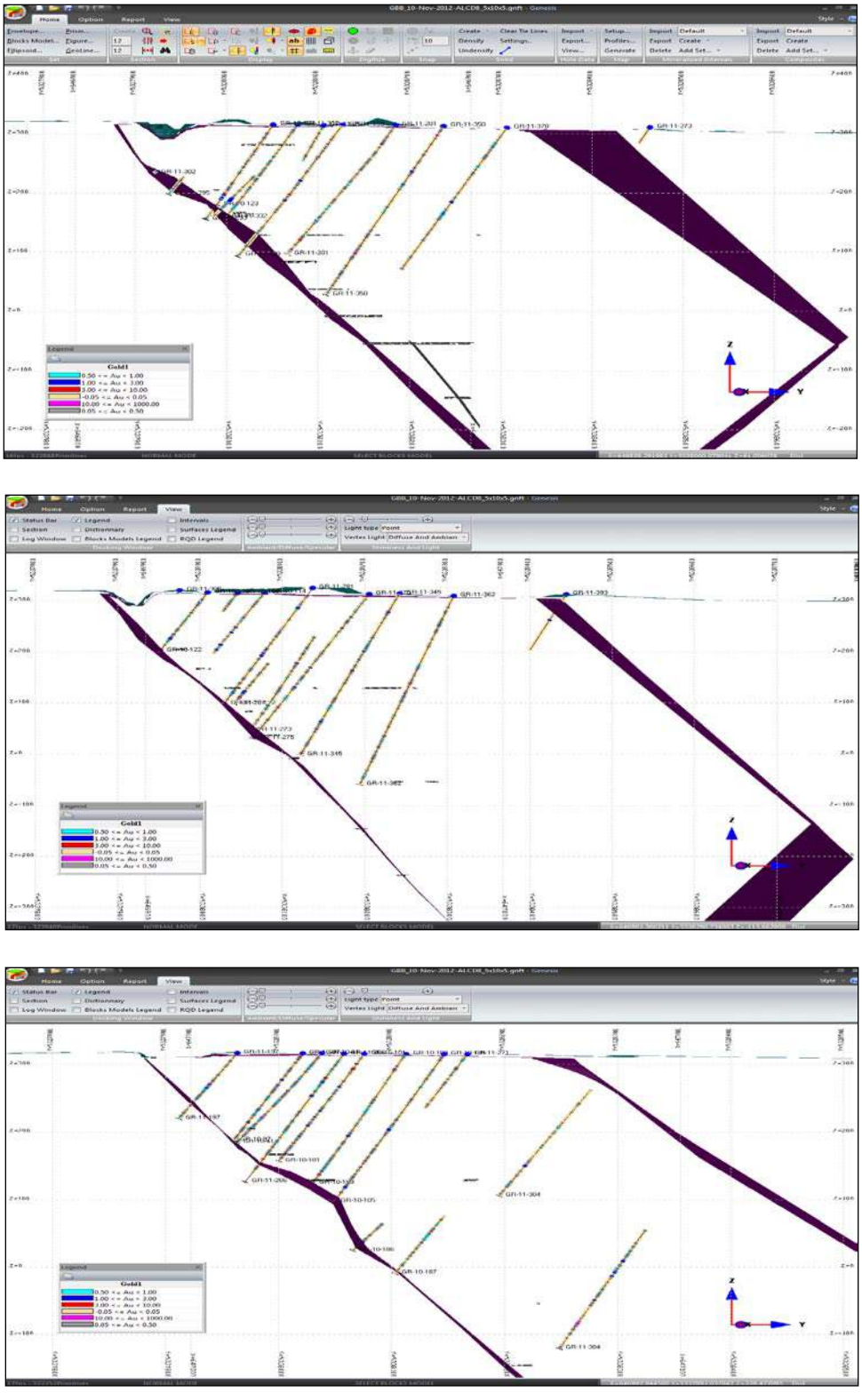


Figure 57: Typical cross sections 10, 13 and 17 (east of shaft)

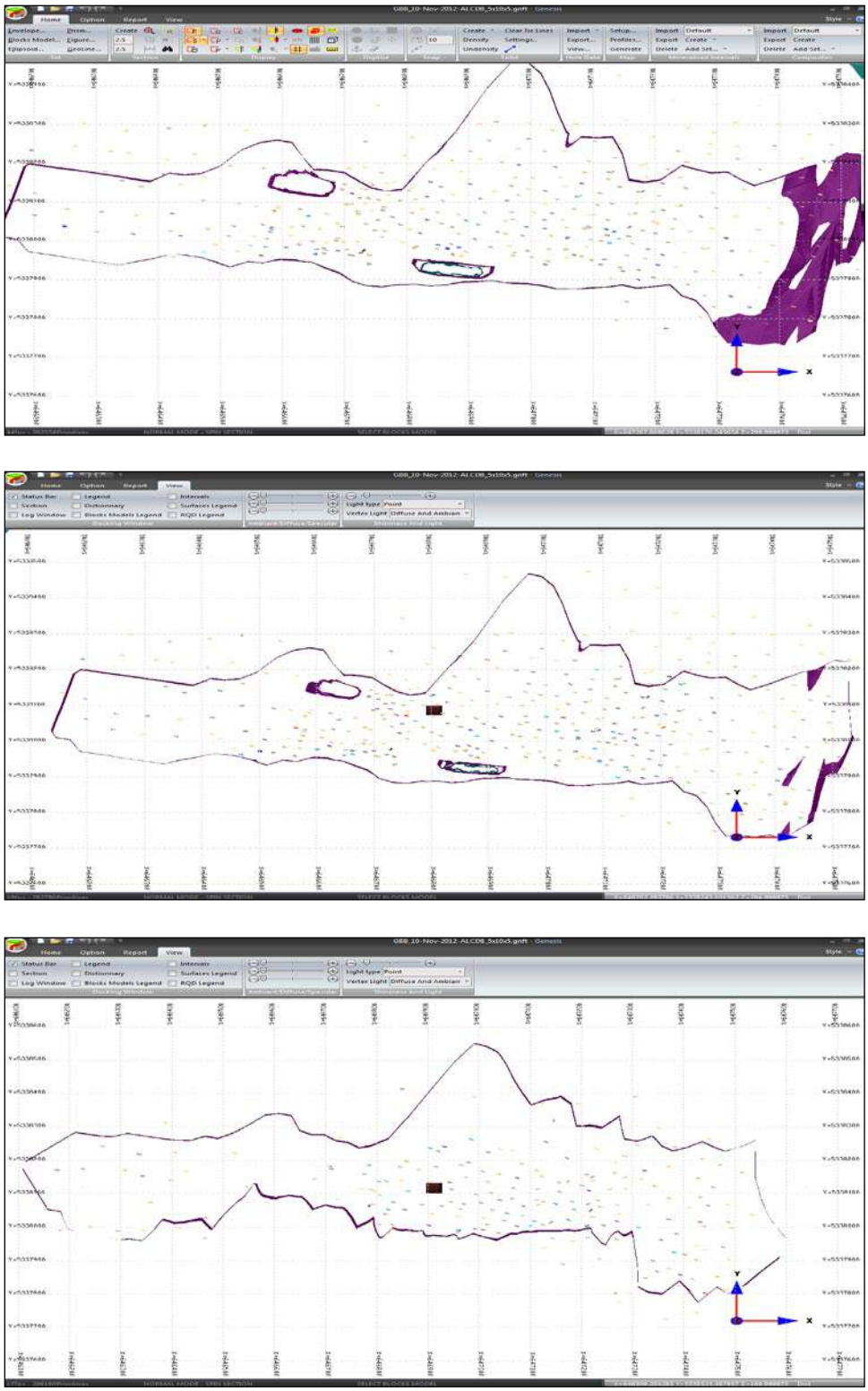


Figure 58: Plan view of envelope and drill hole trace at 300mZ, 290mZ and 170mZ elevation

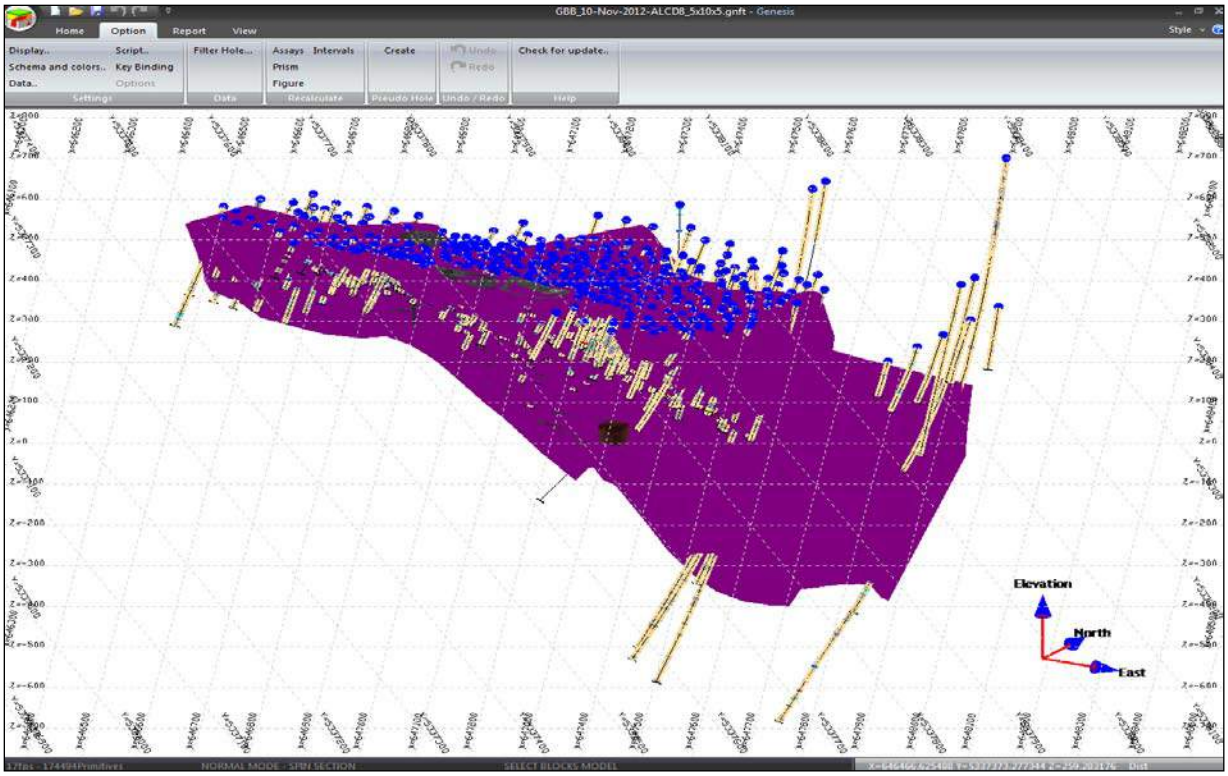


Figure 59: Isometric view of the mineralized envelope with DDH and pits looking NNW

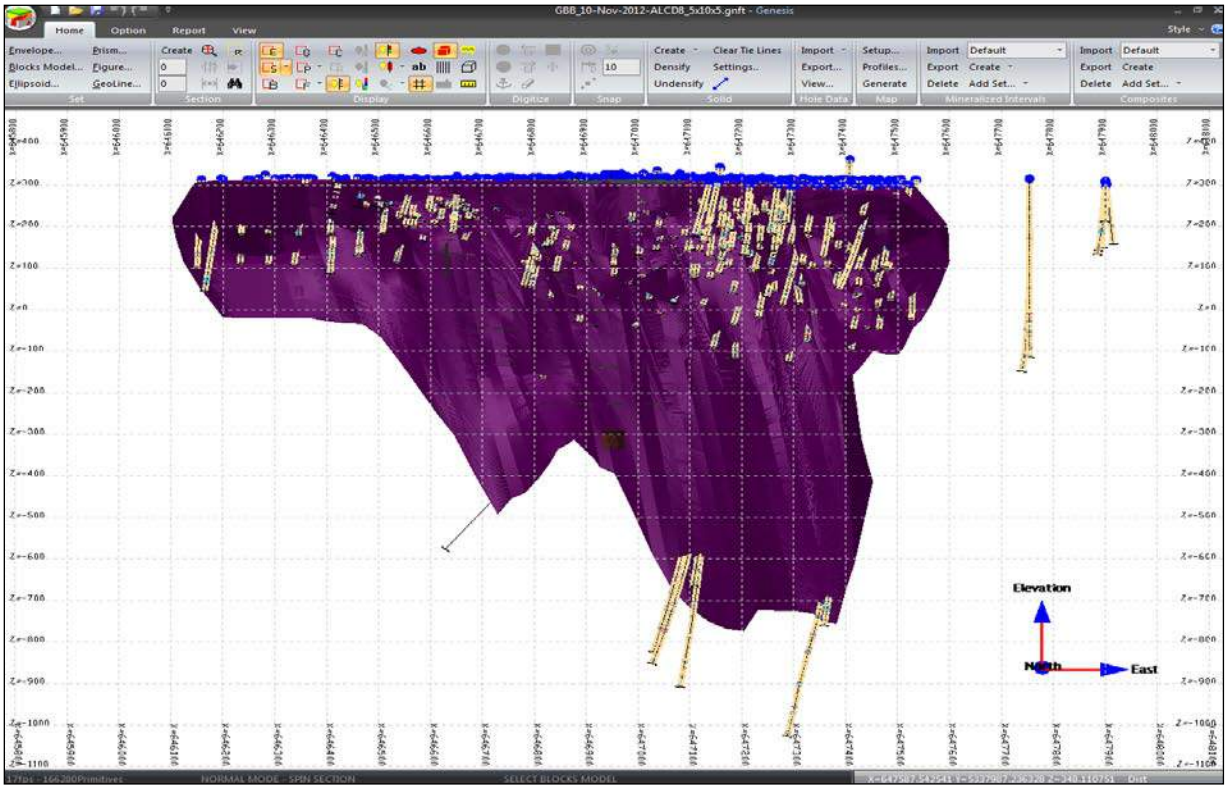


Figure 60: Longitudinal view of the envelope looking north

The envelope is around 1500 meters long east-west, extent to -775mZ elevation from 320mZ surface for a vertical depth of 1095 meters as shown in previous figure. The estimated true width of the conglomerate package varies from 200 meters up to about 350 meters.

The material within the resource model is discretized with the blocks of 5m (E-W) by 10m (N-S) by 5m (Vert.). The 5m vertical side corresponds to the bench height of the future open-pit operation. The 5m E-W dimension corresponds to about quarter the minimum spacing between GBB surface holes. The 10m N-S dimension accounts for the perceived greater grade variability along that direction. With the 2.7 t/m^3 fixed density, each full block 5x10x5m weighs about 675t and it is a reasonable assumption for the selection mining unit (SMU) or minimum size block which can be selectively extracted as ore or waste in a future potential open-pit operation.
The block model grid extends from UTM 646,000E to 647,800E and 5,337,600N to 5,339,100N from (350m) to -250m above sea level site surface elevation around 320m.

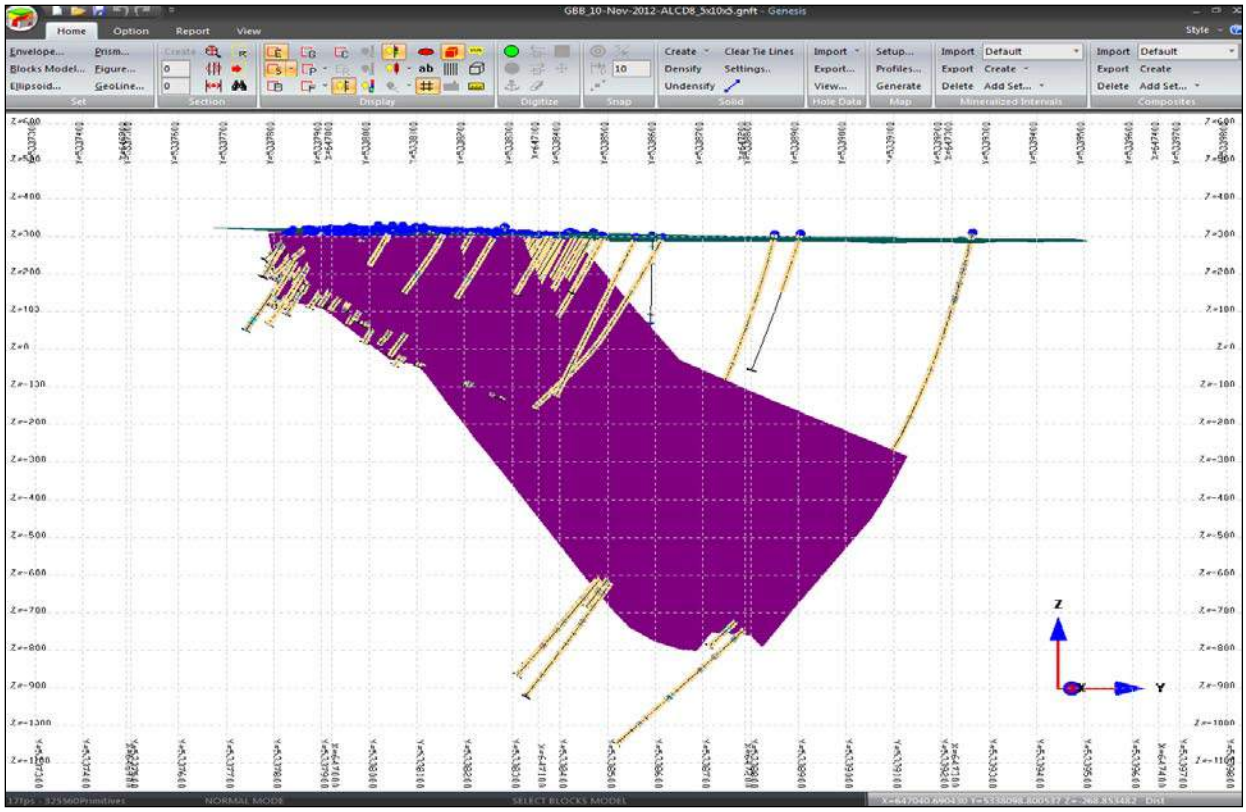


Figure 61: Section SESFT17 (south east of shaft) shows the new envelope created in Genesis with holes drilled in 2010, 2011 and 2012

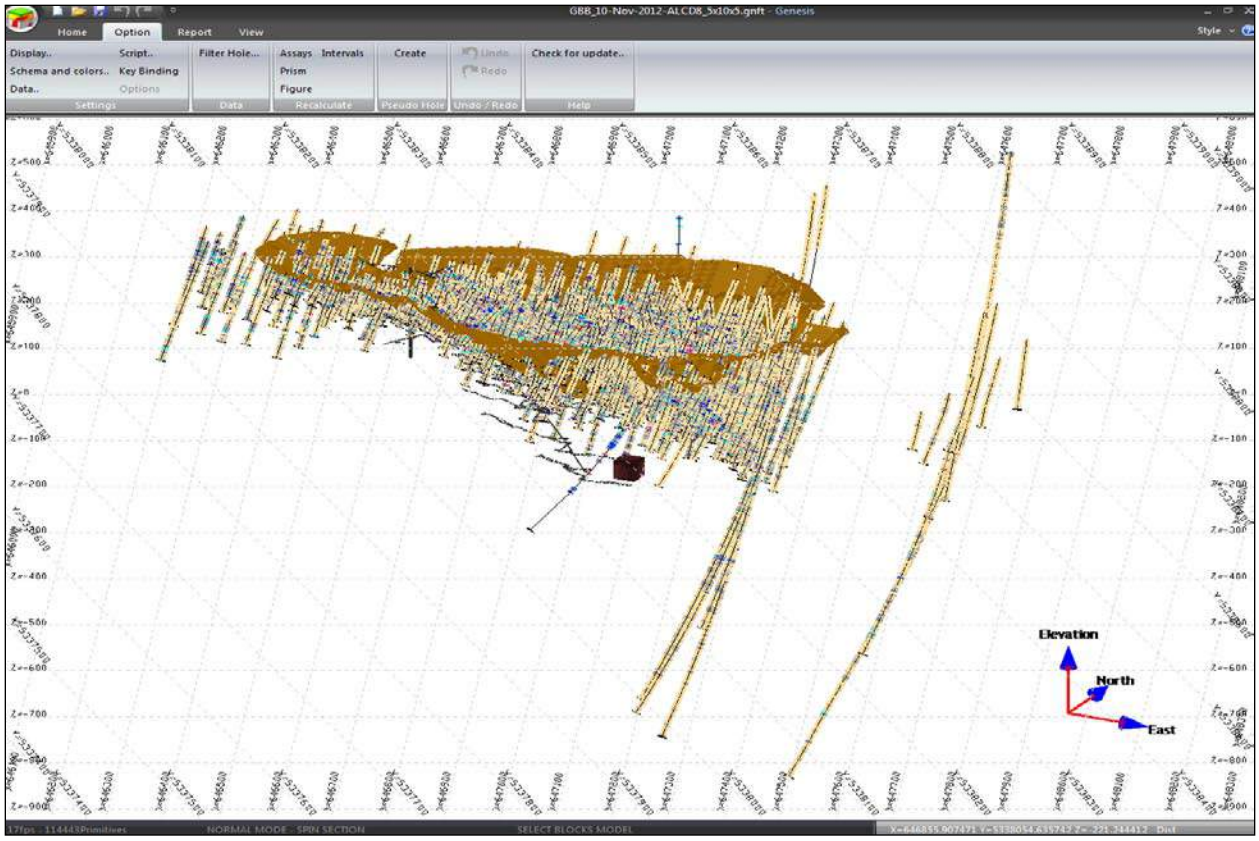


Figure 62: NNW view of the whittle Pit optimisation by SGS Geostat for the Granada Property

14.3 Compositing, statistical analysis and capping

Since original assay intervals do not have the same length, we need to standardize that length by re-compositing those assay intervals before we can use their grade in the interpolation of the average grade of nearby 5x10x5m blocks. This exercise is done with 1.5m down-hole composites. This composite size is selected as uniform length to match most original sample and the 5m N-S thickness of the 5x10x5m resource blocks to be interpolated. By selecting a composite with a smaller length to that of mineralized block intercepts, we have to increase the number of composite into the estimation to warrant that the grade dilution originating from the block size will be included in the grade of samples used to interpolate the grade of blocks.

Most gold values in the drill hole assay intervals are low grade but with a few individuals showing extremely high numbers which need be capped before those gold values are used in block grade interpolation.

A standard approach to high grade capping consists of examining the high end of gold distributions in the search for any natural gap in those distributions. The following table presents the higher grade assays. In order to put in place an adequate capping, sample intervals were composites into 1.5m standard length.

Table 18: Drill hole assay intervals with highest gold values

Hole Name	From	To	Sample N	length	Certificate	Dispatch	Aug/t	As ppm	Au SM
GR-11-310	22	23	1092596	1			443.781	541	216.288
GR-10-113	232.5	233.59	761928	1.09	VO10145810		132	322	193.5
GR-11-256	168	168.5	1022848	0.5			125.139	162	23.176
GR-10-115	49	50	207928	1	VO11044047		107	297	44.8
GR-11-239	67.2	67.7	1041565	0.5			101.998	256	4.223
GR-10-116	128.5	129.1	759452	0.6	VO10170288		71.4	2810	32.6
GR-10-55	115.14	116.64	43898	1.5			68.61	-1	-1
GR-11-330	99	100	1066907	1			66.726	61	35.544
GR-10-41	109.35	110.85	43198	1.5			64.42	-1	64.42
GR-11-199	60	61	199647	1	SD11120979		63.5	965	24.6
GR-10-89	17.5	18	200463	0.5	VO11162427		63.4	61	0.51
GR-11-284	154.8	155.9	357911	1.1	SD11150525		60.6	314	-1
GR-11-271	24.55	25.3	1023046	0.75			57.033	364	207.267
GR-10-97	29.36	30.24	758276	0.88	VO10192163		57	310	-1
GR-10-173	322.5	323.5	20108	1			56.04	595	123.623
GR-10-114	168	169	756395	1	VO10156886		54.9	4520	19.45
GR-10-104	20	21	357234	1	VO11006495		45.8	446	17.05
GR-11-326	12.5	13.5	1067926	1			45.28	341	2.383
GR-11-200	124.5	126	206431	1.5	VO11014597		42.9	277	16.6
GR-10-189	99.5	101	203221	1.5	VO11097286		41.9	24	15.55
GR-10-13	32.2	32.85	29664	0.65			40.47	-1	40.47
GR-11-294	76.5	77.5	1073856	1			39.134	364	17.958
GR-10-53	70.5	72	71501	1.5			39.013	-1	36.94
GR-10-178	229	230	1021403	1			38.858	430	41.349
GR-11-311	71.5	73	1074182	1.5			36.516	748	5.746
GR-10-86	34.8	36.3	46672	1.5			35.86	-1	-1
GR-10-167	58	59	760692	1	VO10170287		35.4	2690	15.1
GR-10-105	131	131.5	3616	0.5			34.952	22	6.602
GR-10-21	3.5	4.5	30475	1			34.52	-1	34.52
GR-10-39	136.93	138.43	70827	1.5			34.43	-1	-1
GR-11-381	16.5	17.8	1066714	1.3			33.717	119	-1
GR-10-141	40	41.5	756430	1.5	VO10159255		33.2	1080	14.85
GR-11-330	60.96	62.04	1066866	1.08			32.797	719	66.097
GR-10-17	58	60	30053	2			31.84	-1	31.84
GR-10-118	246.3	246.8	759715	0.5	VO11003148		31.7	4620	31.7
GR-11-287	110.4	111.3	1024063	0.9			30.025	3972	9.589

The following Table presents some statistics of the computed grade of those 1.5m composites within the meshed envelope. In each drill hole, compositing starts at the depth of overburden in that hole. A composite is kept if its computed grade is derived from original assay data over at least 1m of its length.

Note: The following Screen Metallics were received and replace the (-1) in the Au SM above
GR-11-284 from 154.8 to 155.9m Au SM: 1.79
GR-11-381 from 16.5 to 17.8m Au SM: 7.709

Table 19: Statistics on 1.5m composites update

STATISTICS FOR Au g/t

	Regular	Log
Minimum Value	0.0000	-4.6052
Percentile 5%	0.0100	-4.6052
16%	0.0200	-3.9120
50%	0.0500	-2.9957
84%	0.2600	-1.3471
95%	0.8800	-0.0943
Maximum Value	148.5000	5.0006

#Samples	44985
Average	0.2685
Variance	2.9177
Std. Dev.	1.7081
Coef of Var.	6.3608
Skewness	42.6559
Kurtosis	2952.0263

#Log Samples	43740
Log Average	-2.6531
Log Variance	1.7208
Log Std. Dev.	1.3118
Log Mean	0.1665
Log Skewness	1.0638
Log Kurtosis	4.2021

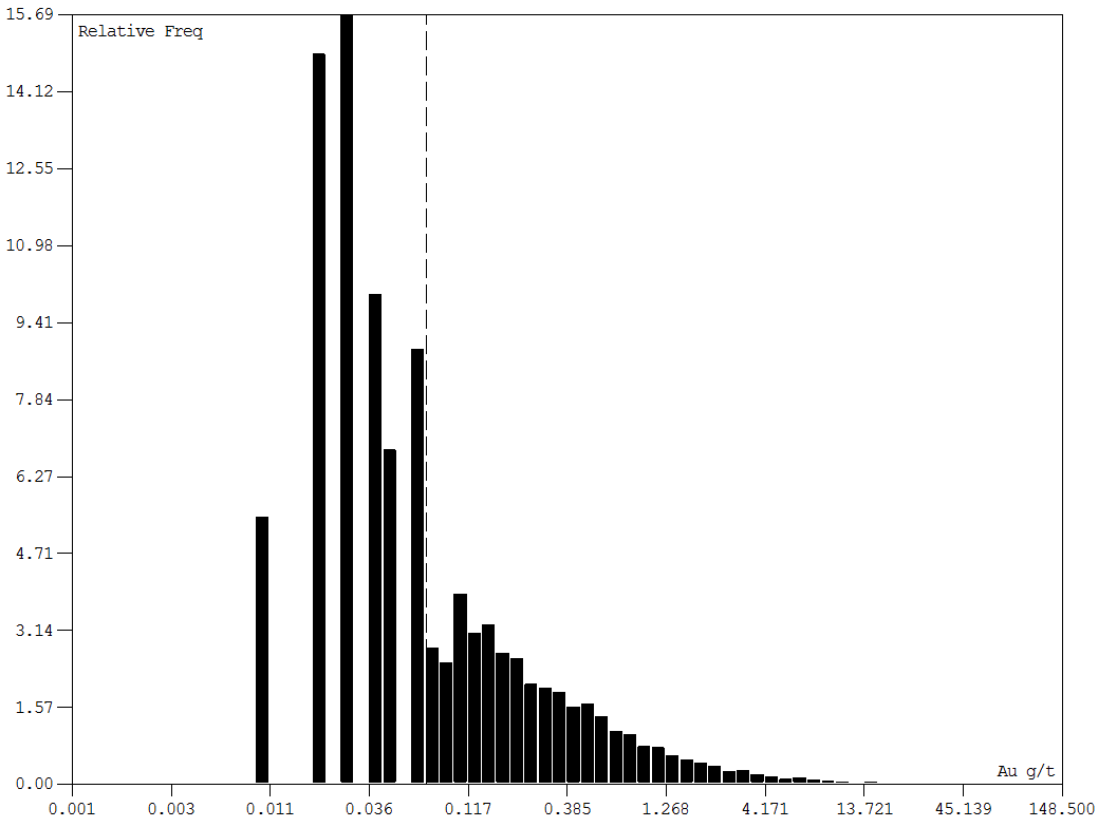


Figure 63: Histogram of Au g/t Log of the 1.5m composites

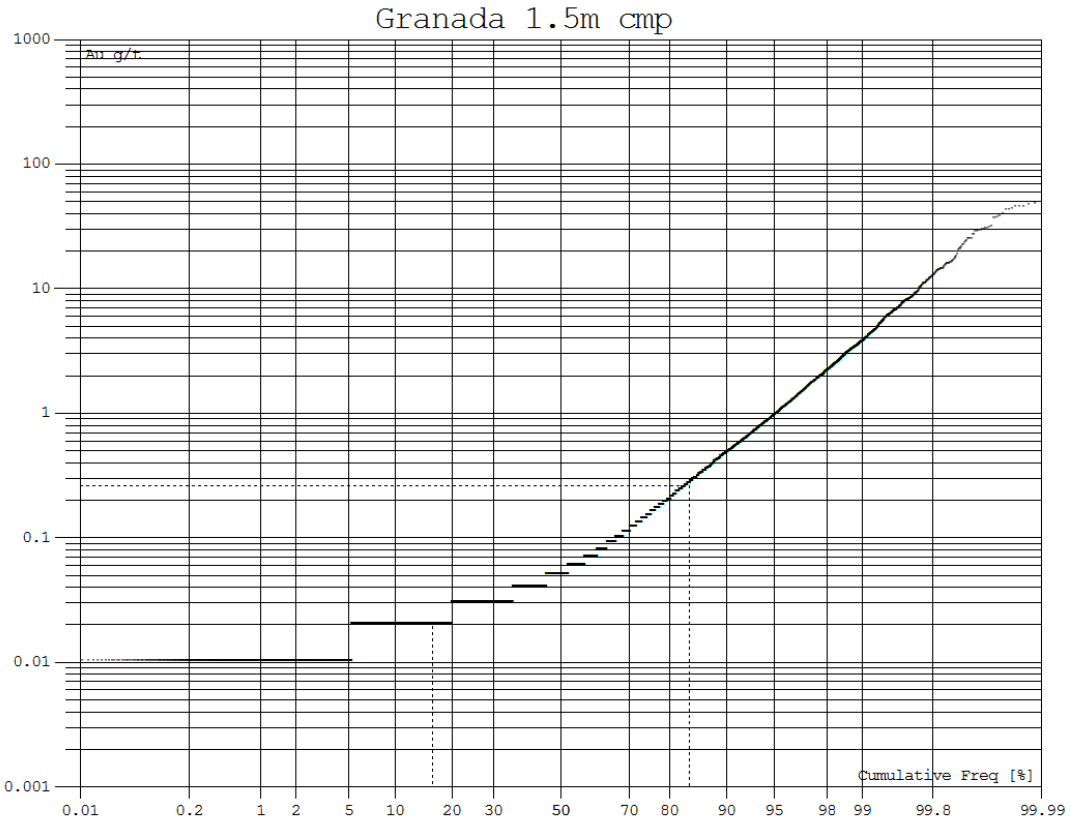


Figure 64: Cumulative Frequency diagram Au g/t Log of the 1.5m composites

The cumulative frequency supports the new selection of capping value and shows a break at 30 g/t. The total gold test also indicates Assay results need to be capped. As a result, the selected cap limits are fairly subjective and they are chosen in such a way as to stay in the safe side.

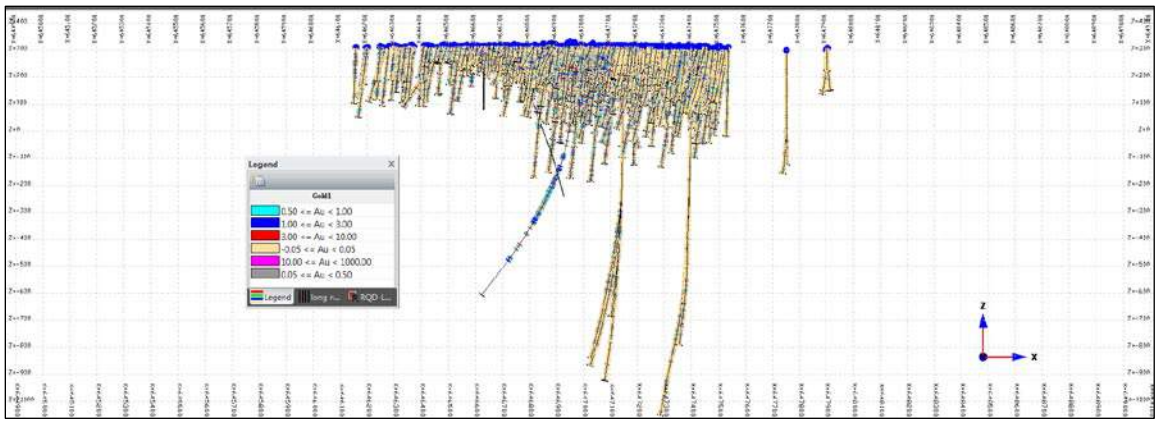


Figure 65: Long section looking north showing GBB holes used

The spatial continuity of the grade of composites is observed visually on cross section and is mostly structurally controlled.

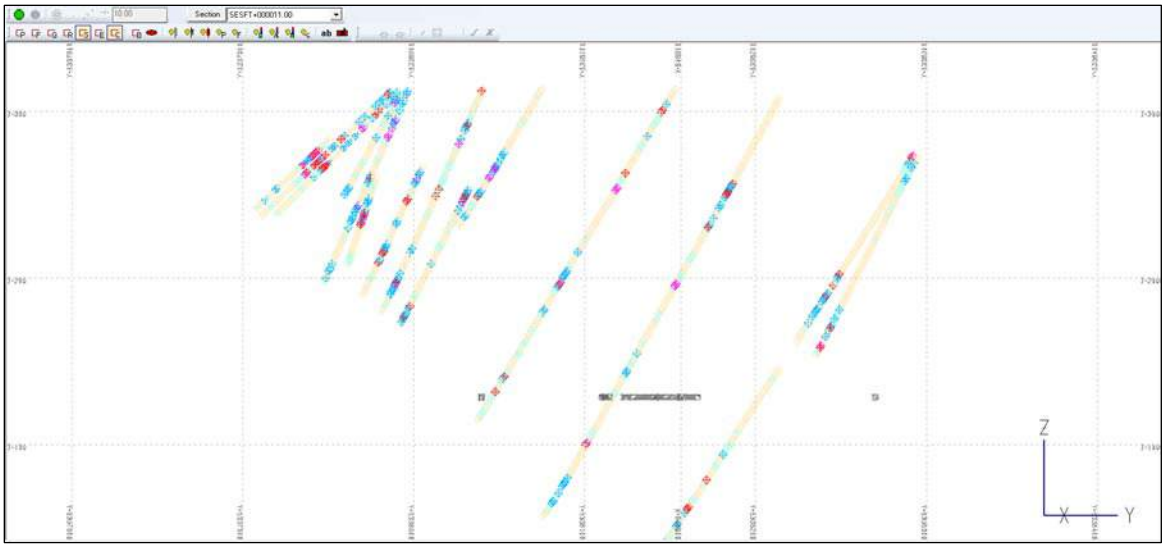


Figure 66: Cross section SESFT 11 with 1.5m composite colour coded

A variogram has been processed on the 1.5m composites to assist in the definition of the search ellipsoid parameters.

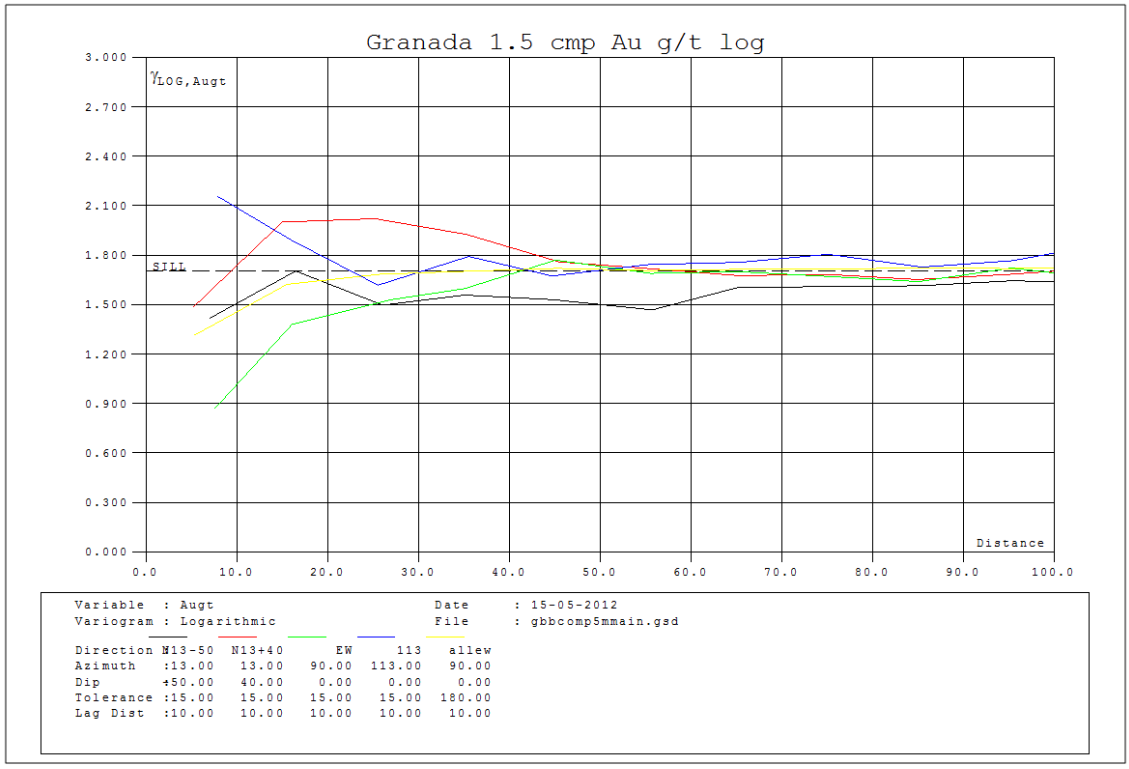


Figure 67: Variogram of 1.5m Au composites Log

Analysis of grades from pairs of composites separated by a given distance in a given direction as above demonstrate the E-W direction (green) to be the best, while the Black plunging 50 degrees in Northern direction is the second best. The red perpendicular to these shows short continuity of gold grades across the S1 geological unit. The graph shows a nugget effect typically observed in gold deposit especially higher when there is free gold in the samples.

14.4 Block grade interpolation

The block grade interpolation of the mineralized domain is done by Inverse Square of the distance from the only 1.5m composites in the same domain.
The estimation of the mineralized domain was done in 3 runs where the first required a minimum of 4 holes using a maximum of 3 composite per hole within a search ellipsoid of 50m by 50m by 5m dipping 47 degrees north, while the second run used a minimum of 3 holes within a search ellipsoid of 100m by 100m by 10m dipping 47 degrees north, and the last run one hole within the domain minimum 3 composites in a 200m by 200m by 15m dipping 47 degrees north.

The estimation of block grades is illustrated on a few benches and test sections. Old pits can be seen and the pit of the current resource in-pit is also presented.

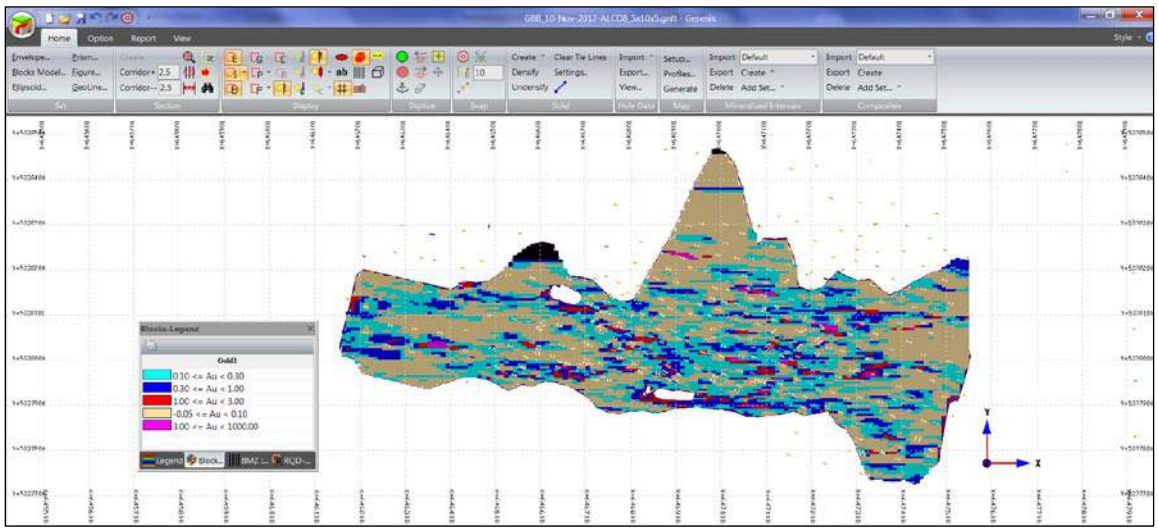


Figure 68: Test bench 300mZ elevation with DDH and estimated block grades

Composites and blocks in the 5m bench are color coded according to Au grade. Limits of mineralized domain in purple in the same bench are also shown.

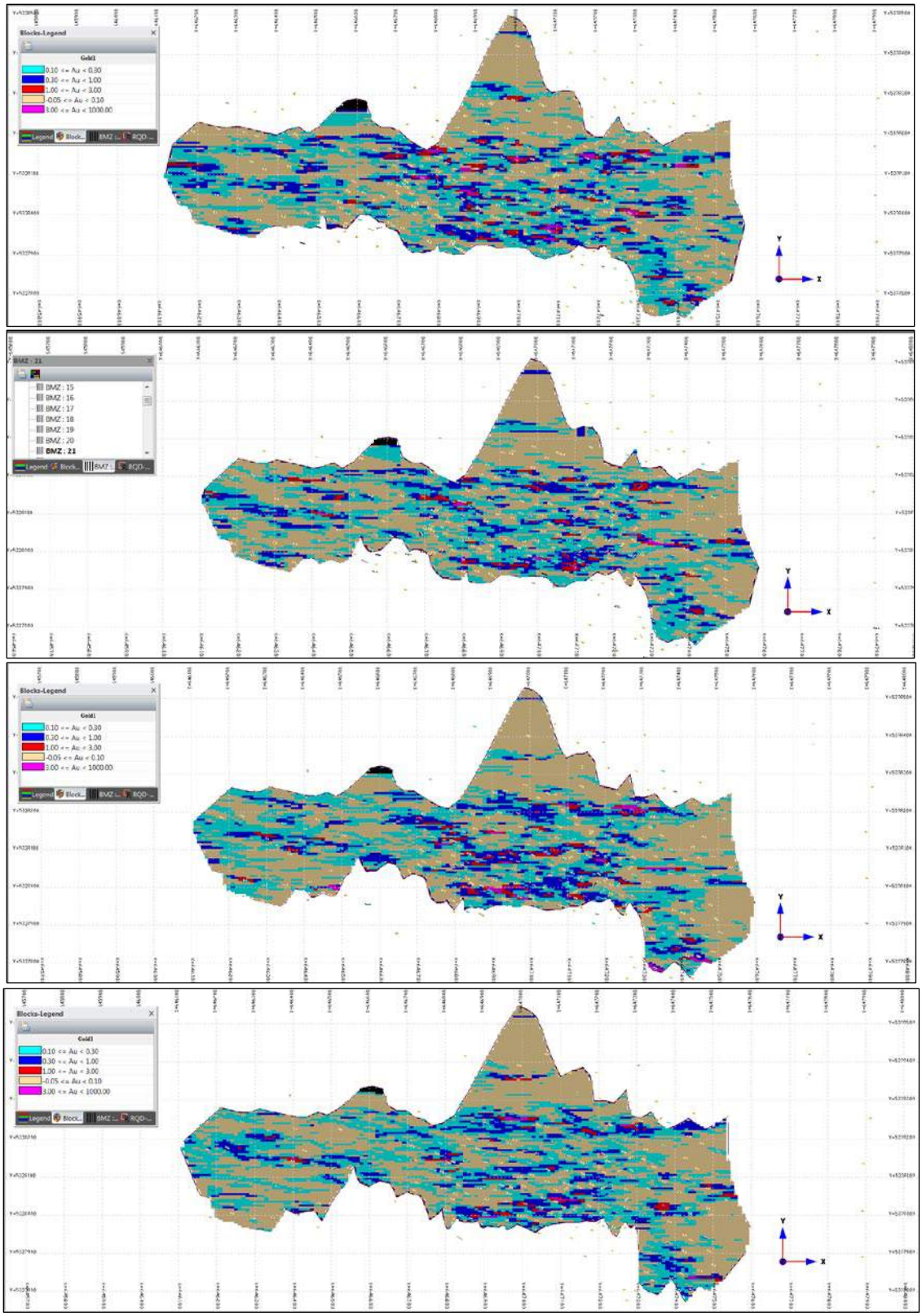


Figure 69: Test bench 275, 250, 200 and 175mZ elevation with DDH and block grades

Composites and blocks in section of 6 meters are coloured according to Au grade. Envelope of mineralized domain and pit limits in the same section are shown. The black blocks means these blocks have not been interpolated for lack of composites in their vicinity using the search ellipsoid.

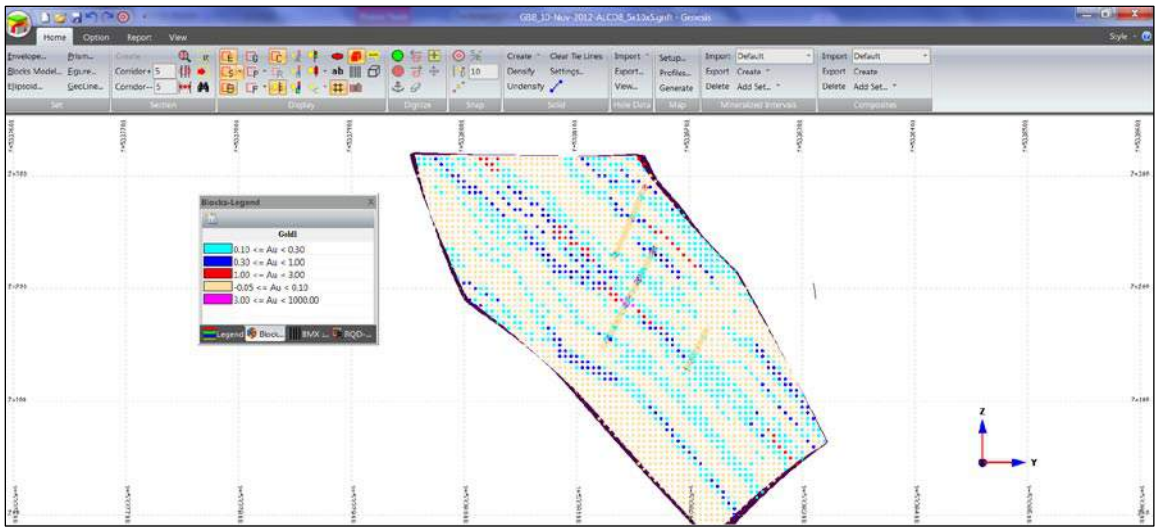


Figure 70: Typical Cross section at 646,400E with composites, blocks and envelope

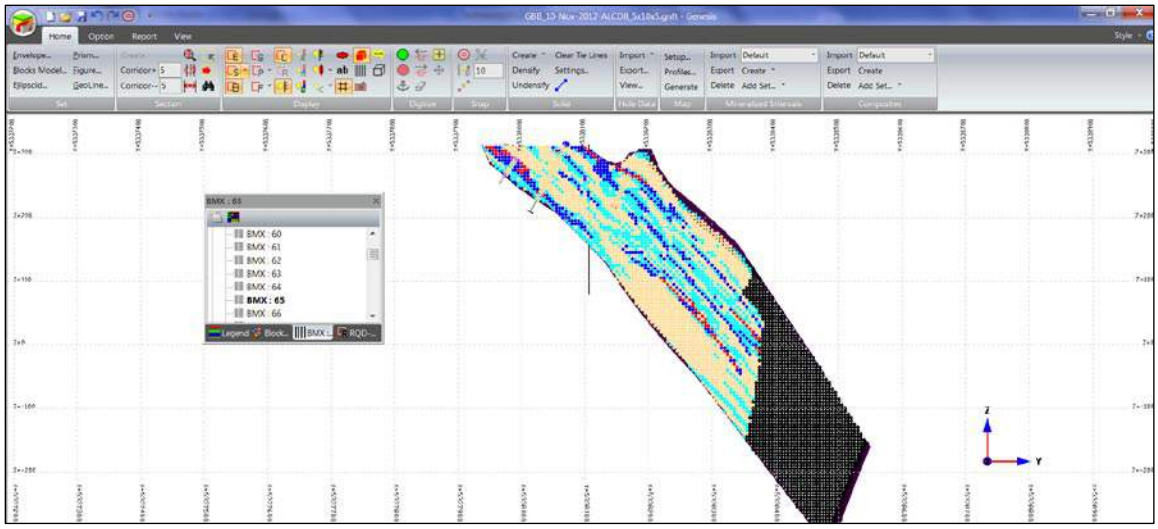


Figure 71: Typical Cross section at 646,630E with composites, blocks and envelope

14.5 Resource classification

In this study the block resources in any given block are classified in an automatic manner and are not adjusted manually.
The automatic classification of estimated resources in each block uses search conditions for composites around the block. Those conditions are set up in such a way that:

- For the classification 4 holes with 3 composites within a 40m by 40m by 5m ellipsoid for measured, 3 holes with 3 composites within a 80m by 80m by 10m ellipsoid for indicated, the rest being inferred.

As usual, the automatic classification has its drawbacks but in general reflect the level of confidence even if we observe "Swiss cheese" or "spotted dog" pattern with patches of measured alternating with patches of indicated or inferred.

The specific gravity (SG) to convert volume to tonnage by default is 2.7 tonnes/cubic meter while block in the mineralized zone is now also converted using a 2.7 tonnes/cubic meter. Historical density used by Metchem Pellemon ranges from 2.91 to 3.1. SGS limited independent measurements ranges from 2.68 to 2.9 with mean of 2.8. Additional measurements in 2012 have brought back the average to 2.7 It is associated with the rock type and alteration. However it is part of author's recommendation to carry additional SG measurements on the various sectors within the envelope to validate if variable density should be used and if so get a better appraisal.

14.6 Global resources

Estimated mineral resources of the Granada gold project are simply obtained by adding resources in blocks with an estimated grade above any given cut-off. Resource tonnage of a block is: 5mNx10mEx5mZx2.7t/m3 = 675t for a full block (100% below overburden/topo surface).

Table 20: Global classified resources at various cut-offs

Granada gold deposit In Situ Resource Estimates

Cut-off 0.4 g/t	Tonnage	Au g/t	Au Oz
Measured	28,735,000	1.02	946,000
Indicated	18,740,000	1.09	659,000
Total M+I	**47,475,000**	**1.05**	**1,605,000**
Inferred	**29,975,000**	**1.07**	**1,033,000**
Cut-off 1.0 g/t	Tonnage	Au g/t	Au Oz
Measured	7,810,000	2.14	536,000
Indicated	5,347,000	2.32	398,000
Total M+I	13,157,000	2.21	934,000
Inferred	8,600,000	2.23	617,000
Cut-off 2.0 g/t	Tonnage	Au g/t	Au Oz
Measured	2,533,000	3.76	306,000
Indicated	1,869,000	4.07	245,000
Total M+I	4,402,000	3.89	551,000
Inferred	3,030,000	3.89	379,000

Note: rounded numbers, base case cut-off >0.4 g/t shadowed. The historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935 is included in the resource statement(cannot physically remove from measured, indicated or inferred).

The *in situ* measured resource is 946,000 ounces (28.735 million tonnes grading 1.02 g/t), indicated resource is 659,000 ounces (18.740 million tonnes grading 1.09 g/t), inferred resource is 1,033,000 ounces gold (29.975 million tonnes grading 1.07 g/t Au) using a cut-off grade of 0.40 g/t.

14.7 In-pit mineral resources

Note:
The resource presented in this section took into consideration the same open-pit shell than the one used on the previous resource estimation report[1]. Further sections of the study will bring new parameters that will affect the open-pit optimization and thus the pit shape and finally the in-pit resource.

In order to have an appraisal of resources within a potential open pit, a whittle pit optimizer has been run with the following parameters. An in-pit resource within a Whittle-optimized pit shell was estimated using a base case gold price of CAN$ 1450 per ounce. The table below summarizes the in-pit resources with the selected base case in Whittle optimizations:

Table 21: In-pit resource

In-pit Estimates*		CoG g/t	Ore M tonnes	Grade g/t	Au oz
Nov 2012 (within claims & Au = 1450 $/oz)	Measured	0.36	24,992,000	1.01	811,300
	Indicated	0.36	9,336,000	1.18	354,600
	Inferred	0.36	449,800	0.77	11,100
	Mea+Ind	0.36	34,328,900	1.06	1,166,000

*Rounded numbers

The in-pit estimate is based on a mining cost of CAN$2.00 per tonne and a processing cost of CAN$16.00 per tonne (including G&A), assuming gravity cyanidation treatment of the mineralized material. Other assumptions include 94.1% recovery of gold in and pit wall slope angle of 45 degrees in the south footwall and 50 degrees in the north hanging wall.

The selected base case in-pit measured resource is 811,300 ounces (24.992 million tonnes grading 1.01 g/t), indicated resource is 354,600 ounces (9.336 million tonnes grading 1.18 g/t), inferred resource is 11,100 ounces gold (0.449 million tonnes grading 0.77 g/t Au) using an effective cut-off grade of 0.36 g/t based on a Whittle-optimized pit shell simulation using estimated operating costs, a 3 year trailing average gold price of CAN$1450 per ounce and a corresponding lower cut-off grade of 0.36 grams per tonne gold. Again; previous small open pits have been taken into account and are starting surfaces of optimization while the historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935 are included in the resource statement.(the author cannot physically remove from measured, indicated or inferred).

[1] Also done by SGS Geostat

14.8 Conclusions regarding the estimation of mineral resources

Estimated mineral resources for the Granada gold project i.e. *in situ* measured resource is 946,000 ounces (28.735 million tonnes grading 1.02 g/t), indicated resource is 659,000 ounces (18.740 million tonnes grading 1.09 g/t), inferred resource is 1,033,000 ounces gold (29.975 million tonnes grading 1.07 g/t Au) using a cut-off grade of 0.40 g/t.

Again previous small open pits have been taken into account and are starting surfaces of optimization while the historical production of 51,476 ounces (181,744 sT @ 0.28 oz/sT) from 1930 to 1935 are included in the resource statement.(cannot physically remove from measured, indicated or inferred)

The selected base case in-pit measured resource is 811,300 ounces (24.992 million tonnes grading 1.01 g/t), indicated resource is 354,600 ounces (9.336 million tonnes grading 1.18 g/t), inferred resource is 11,100 ounces gold (0.449 million tonnes grading 0.77 g/t Au) using an effective cut-off grade of 0.36 g/t based on a Whittle-optimized pit shell simulation using estimated operating costs, a 3 year trailing average gold price of CAN$1450 per ounce and a corresponding lower cut-off grade of 0.36 grams per tonne gold mostly depend on five factors:

+ the capping of high sample grade data
Capping influences the estimated gold metal and average grade of resources with limited bearing on ore tonnage. In the absence of any clear sign of natural gaps in original assay data distributions, our updated proposed capping (of 30 g/t) is subjective.

+ the interpolation of block grade from capped composite grade
The block grade interpolation method influences the estimated tonnage and average grade of resources with limited bearing on gold metal. Several factors make our block grades to look like "over-diluted" compared to what can be obtained using traditional method; the composite size, the search ellipsoid, the number on composite used and the block size. The actual parameters seem adequate for the geology and mineralization observed at Granada.

+ the classification of resources in blocks

- The classification of resources in blocks influences the estimated tonnage and metal of resources for technical end economic analysis with limited bearing on average grade. Like with any block resource classification, ours is subjective and based on the principle that drill spacing is adequate to intersect enough mineralization to provide a so called reliable estimator of the average grade in a block. The author is rather confident that the limit between indicated and inferred resources would not change much with QPs but the limit between measured and indicated resources is more in a gray zone but the demonstrated continuity of structures with the old drift layout, gold encountered at depth push in the direction of having confidence in the existing classification.

+ the accuracy of the disclosure on what has been mined out underground
The amount of material mined out is limited, however it could be a bit more than disclosed but not to a huge extent since it would be reflected with a much larger tailing footprint.

+ Other factors which could materially affect the resources are:
The presence of old orphan tailings
The presence of arsenic in the rock at Granada
The possible new Bill No 14 on mining from the provincial government of Quebec giving more power to Municipality

14.9 Recommendations regarding the estimation of mineral resources

We do recommend exploration drilling in the north west of existing drilling to validate extension of the mineralized package at depth (old tailing location). We also recommend substantial additional drilling to improve resource estimates in the conceptual open pit area lateral extension. Also recommend to complete the drilling to the west, to the north and to the east on a 40 to 50m grid of surface holes drilling southward at 55 degrees dip. A few infill holes where gap exists and 3 cross sections of 3 holes on 100m line to tests mineralization on the claims to the west.

15- Mineral Reserve Estimates

A mineral reserve has not been estimated for the Project as part of this PEA.

A mineral reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Prefeasibility Study.

16- Mining Methods

16.1 Introduction

Taking into account the geometry and the depth of the mineralized zone, both open-pit and underground mining methods, conducted simultaneously, have been considered in this study, as illustrated below.

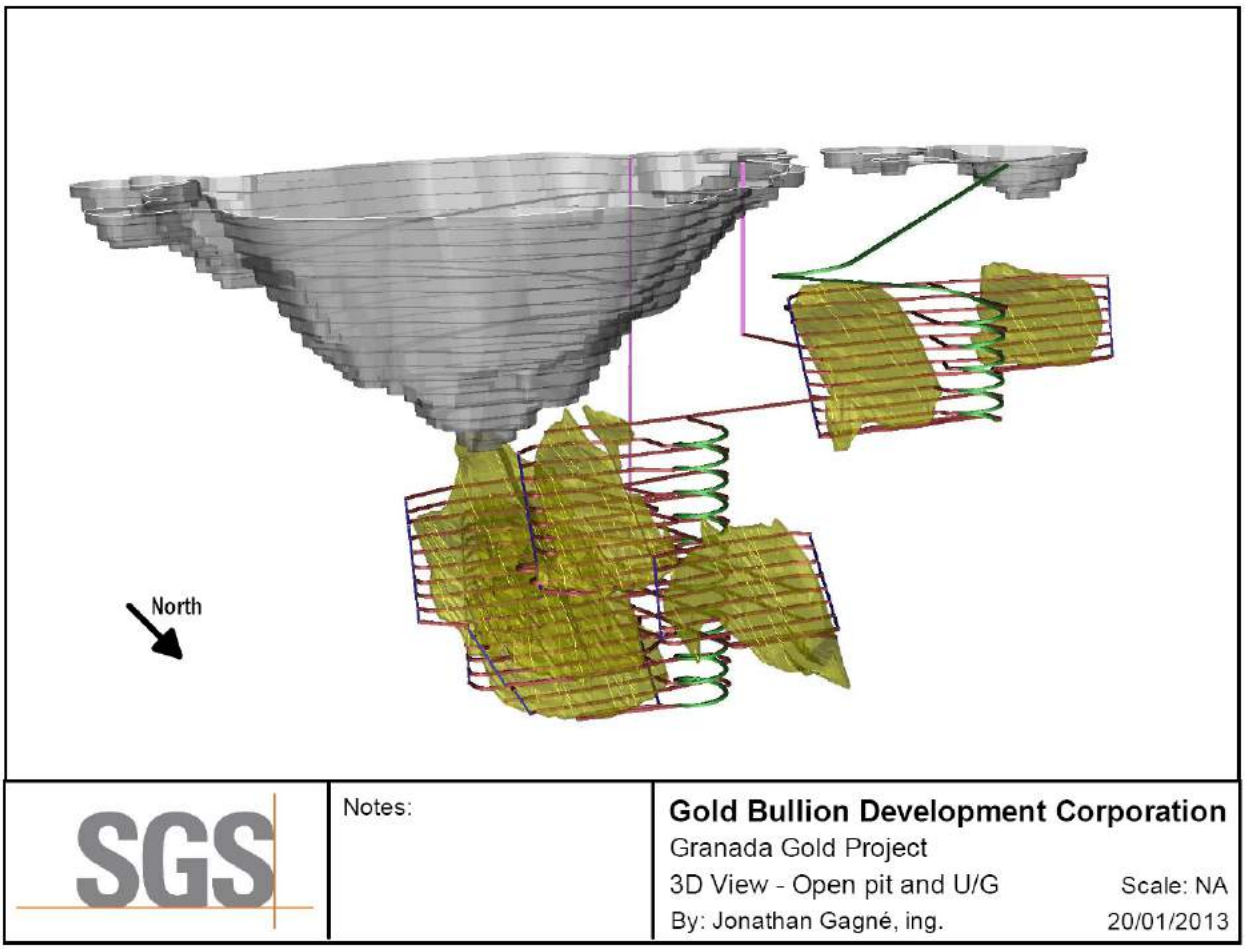


Figure 72: 3D View of Open Pit and Underground Mining

16.2 Open-Pit Mining

The near surface resources will be mined by a major open pit, which will have an eleven years life following a two year construction and pre production period. The mine plan is based on the Measured, Indicated and Inferred mineral resources contained in the pit design, which was based on a USD$1,470 /oz gold Lerchs-Grossmann optimized pit shell. Open-pit mining will be conducted by a specialized mining contractor from the beginning to the end of the operation. Surface Mining will follow the standard practice of an open-pit operation, with conventional drill and blast, load and haul cycle using a drill/truck/shovel mining fleet. The overburden and waste rock material will be hauled to the overburden and waste disposal areas near the pit. The run-of-mine mineralization will be drilled, blasted and loaded by hydraulic excavators and delivered by large mining trucks to the primary crusher or stockpiles near the crusher.

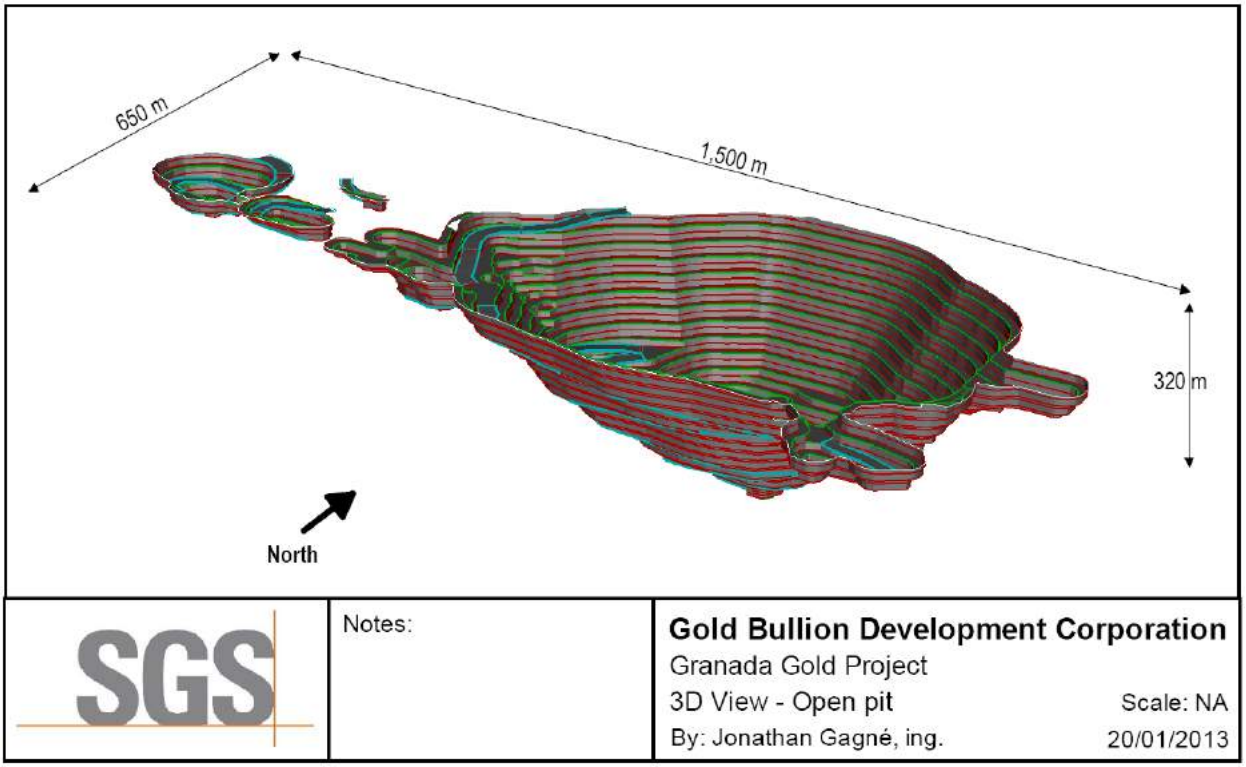


Figure 73: Open pit dimensions

16.2.1 Overall Pit Slope Angle

Since the required geotechnical data is not available for determining the pit slope angle, SGS Geostat utilized a 45° slope for the South wall and 50° slope for the North wall. These values are based on SGS knowledge of the rock characteristics and on the results of a study performed by Hoek and Bray (1974) which has the purpose of reasonably predicting the angle at which a slope is considered stable by analysing various mining projects.

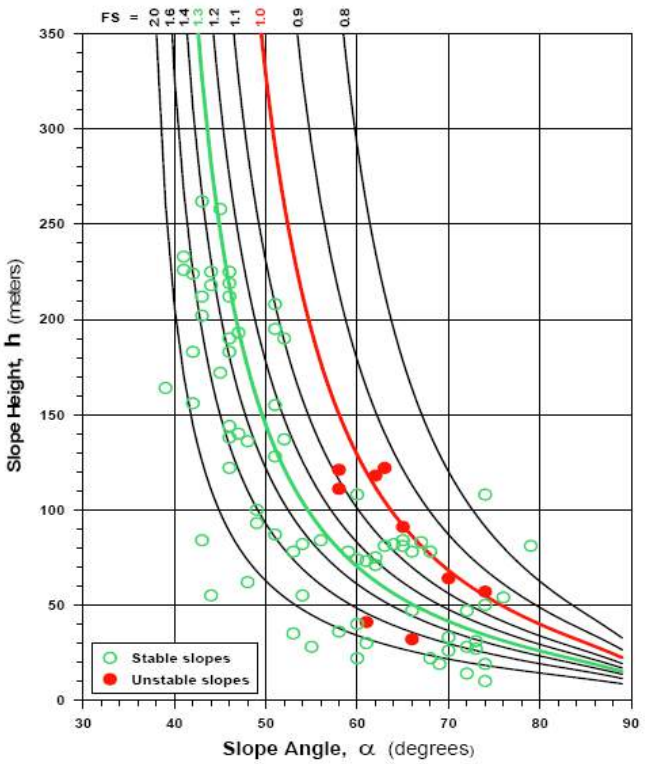


Figure 74: Cases of Rock Slope With Stable and Failed Conditions Distinguished

16.2.2 Pit Optimization Procedure and Parameters

In order to develop an optimal engineered pit design for the Granada deposit, an optimized pit shell was first prepared using the Lerchs-Grossman 3D routine in Gems Whittle ("LG 3D"). The basic optimization principle of the algorithm operates on a net value calculation for each block in the model, in other words revenue from sales less total operating cost; mining, processing, and general and administration costs.

In accordance with the guidelines of the NI 43-101 and the Canadian Institute of Mine Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves, blocks classified in the Measured, Indicated and Inferred categories are allowed to drive the pit optimizer for a Preliminary Economic Assessment Study.

For the initial optimization, the required parameters were selected by SGS to evaluate the most economic open-pit profile. Although these parameters are not necessarily final, a reasonable degree of accuracy is required, since the analysis is an iterative process. The economic and operating parameters used in the initial optimization are given in the next table.

Table 22: Open-pit optimization parameters

Parameters	Units	Values
Rock slope angle - North	deg	50.00
Rock slope angle - South	deg	45.00
Waste Mining Cost	Cdn$/tonne	2.40
Resource Mining Cost	Cdn$/tonne	2.40
Mining Recovery	%	100
Mining Dilution	%	15.00
Processing cost	Cdn$/t treated	15.00
G&A cost	Cdn$/t treated	1.50
Resource Premium Cost	Cdn$/t treated	-
Total Base Cost	**Cdn$/t treated**	**16.50**
Processing Recovery	%	94.10
Metal Price (Au)	US$/oz. troy	1,470
Exchange Rate	Cdn$:US$	1:1
Resulting Metal Price	**Cdn$/gram**	**47.26**
Resulting Marginal Cut-off	**g/t**	**0.43**

The marginal cut-off grade or milling cut-off grade (CoG) is used to classify the material inside the pit limits as in-pit resource or waste. Since the material is located inside the pit, the marginal cut-off grade excludes the mining cost and corresponds to the grade required to cover the costs of processing, G&A, and other costs related to transport resources material. The marginal cut-off is calculated as follow:

$$Resulting\ Marginal\ CoG = \frac{Total\ Resource\ Based\ Cost\ x\ (1 + \%Mining\ Dilution)}{Resulting\ Metal\ Price\ x\ Processing\ Recovery}$$

Note: The economic parameters used at the time of the pit optimization do not necessarily confirm those stated in the economic model. The impact is negligible considering the size of the resource and the quality of initial estimates.

16.2.3 Pit Optimization Results

Using the above input parameters, a total of 46 pit shells were created for prices ranging from US$147/oz to US$1,470/oz. The following table shows the sensitivity of pit size to gold prices. Shell #46, which contains approximately 22.75 Mt of resources grading at 1.06 g/t, represents the maximum pit size assuming an average long-term gold price of US$1,470/oz.

Table 23: Optimization results

Shell #	Revenu Factor	CoG Au (g/t)	Ore tonnes	Waste tonnes	Total material tonnes	Strip Ratio	Grade Au (g/t)	Au oz
...	...	...	...	...	...	...	...	...
10	0.28	1.52	443,239	2,326,372	2,769,611	5.3	3.98	56,776
11	0.30	1.42	488,253	2,449,329	2,937,582	5.0	3.80	59,653
12	0.32	1.33	584,508	2,929,538	3,514,046	5.0	3.55	66,620
13	0.34	1.25	744,416	3,975,529	4,719,945	5.3	3.29	78,667
14	0.36	1.19	793,034	4,082,672	4,875,706	5.2	3.18	81,089
15	0.38	1.12	855,910	4,205,406	5,061,316	4.9	3.05	83,994
16	0.40	1.07	954,491	4,426,354	5,380,845	4.6	2.88	88,419
17	0.42	1.02	1,217,877	6,105,836	7,323,713	5.0	2.67	104,456
18	0.44	0.97	1,401,576	7,288,891	8,690,467	5.2	2.55	115,071
19	0.46	0.93	1,507,922	7,618,348	9,126,270	5.1	2.47	119,600
20	0.48	0.89	1,895,204	10,821,501	12,716,705	5.7	2.34	142,435
21	0.50	0.85	2,048,126	11,254,818	13,302,944	5.5	2.25	148,207
22	0.52	0.82	2,308,169	12,622,866	14,931,035	5.5	2.15	159,744
23	0.54	0.79	2,577,256	14,815,328	17,392,584	5.8	2.10	173,782
24	0.56	0.76	2,951,190	16,608,581	19,559,771	5.6	1.99	188,748
25	0.58	0.74	3,949,448	24,461,046	28,410,494	6.2	1.86	236,189
26	0.60	0.71	4,131,594	24,620,816	28,752,410	6.0	1.81	240,878
27	0.62	0.69	4,503,883	25,639,843	30,143,726	5.7	1.74	252,122
28	0.64	0.67	4,831,114	27,197,681	32,028,795	5.6	1.70	263,459
29	0.66	0.65	5,032,858	27,374,517	32,407,375	5.4	1.66	268,144
30	0.68	0.63	5,327,833	28,224,964	33,552,797	5.3	1.61	276,342
31	0.70	0.61	5,612,717	29,016,536	34,629,253	5.2	1.57	283,958
32	0.72	0.59	7,342,978	39,470,063	46,813,041	5.4	1.45	343,297
33	0.74	0.58	7,796,002	40,110,449	47,906,451	5.2	1.41	353,283
34	0.76	0.56	8,465,090	43,891,417	52,356,507	5.2	1.37	374,073
35	0.78	0.55	9,383,993	49,925,567	59,309,560	5.3	1.34	404,216
36	0.80	0.53	11,226,810	68,206,128	79,432,938	6.1	1.32	476,133
37	0.82	0.52	11,614,112	68,609,902	80,224,014	5.9	1.30	483,552
38	0.84	0.51	12,363,970	71,954,818	84,318,788	5.8	1.27	502,867
39	0.86	0.50	17,807,035	115,417,179	133,224,214	6.5	1.18	677,446
40	0.88	0.48	18,530,500	117,810,236	136,340,736	6.4	1.16	693,648
41	0.90	0.47	19,037,391	117,727,100	136,764,491	6.2	1.15	701,273
42	0.92	0.46	19,524,763	117,615,118	137,139,881	6.0	1.13	708,396
43	0.94	0.45	20,579,665	123,846,586	144,426,251	6.0	1.11	735,622
44	0.96	0.44	21,265,719	125,106,722	146,372,441	5.9	1.09	747,830
45	0.98	0.44	21,952,700	125,695,432	147,648,132	5.7	1.07	758,558
46	**1.00**	**0.43**	**22,751,414**	**126,889,292**	**149,640,706**	**5.6**	**1.06**	**771,694**

In order to select an optimal pit shell for developing a life-of-mine scenario, discounted cash flow analyses were performed taking into account the sequence of mining for all the nested pit shells (46 shells created previously) using a fixed gold value of 1,470 $US/oz. Preliminary assumptions made in order to perform those analyses are:

Capital expenditure: $175,000,000 **related to open-pit mining*

Mill throughput: 2,625,000 tpy **related to open-pit mining*

Discount rate: 8.00 %

Note: The economic parameters used at the time of the pit optimization do not necessarily confirm those stated in the economic model.

Three different mining scenarios were used for the analyses: best case, specified case, and worst case. The best case (mining by layers) and worst case (mining bench per bench) were combined to produce a realistic mining scenario (specified case). This realistic case assumes three mining phases (using shells 19, 26 and 34 for pushbacks). The results of the optimization are summarized below:

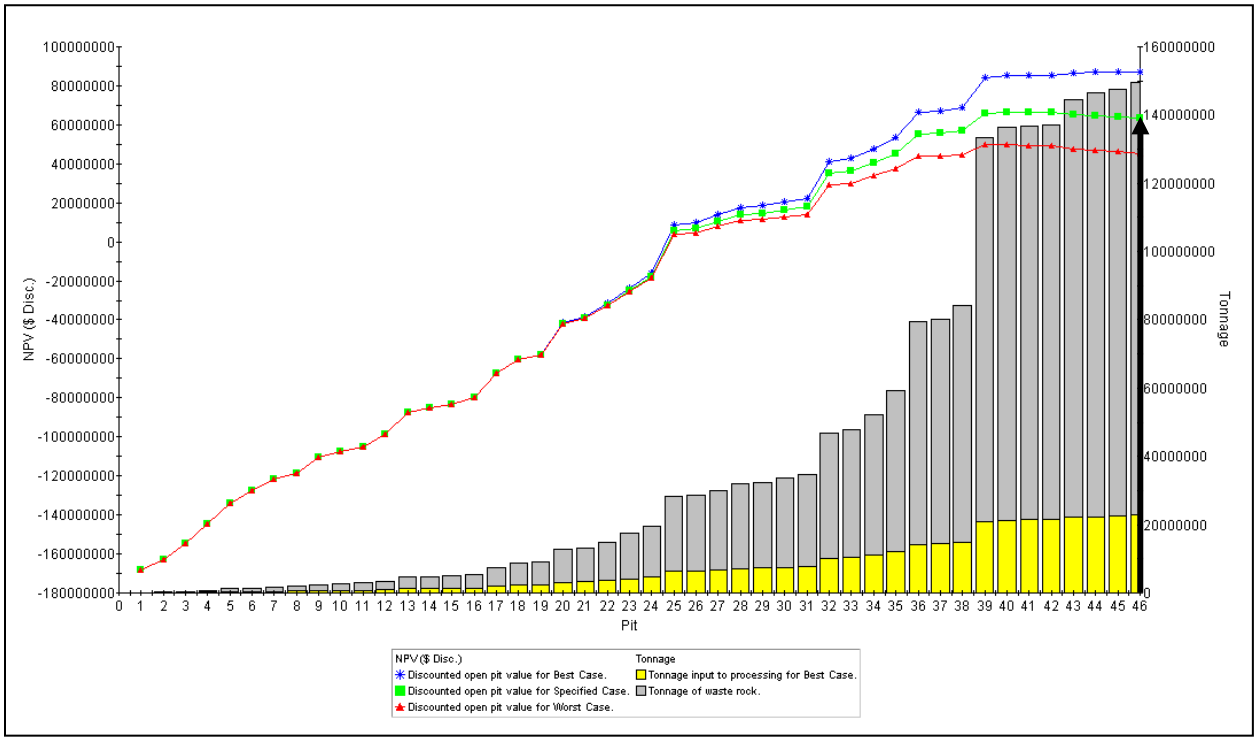


Figure 75: Pit Tonnage versus NPV ($) demonstrating optimal shell

Shell #46 is the optimal shell as defined previously. All other shells (1 to 45) are smaller in size and are used to evaluate the net present value of the project if mining would stop at this specific shell rather than at the optimal one. SGS and Gold Bullion strategy was to maximise the amount of ounces, so the selected base case shell was the optimal one (#46), and thus even if the NPV associated to this pit is a little bit lower than shells #39 to #45. A good confidence on the future of the gold price was driving this strategy.

Considering that this study is a PEA, no grade optimization scenarios were made in this report. Future studies should analyse several scenarios to quantify the variation of the Project's NPV when raising the mining CoG; and thus indirectly raising the stripping ratio and the daily mining rate.

Therefore, the optimum and selected shell (#46) has an in-situ content of 22.75 Mt of ore, at an average gold grade of 1.06 g/t , and a strip ratio of approximately 5.6:1. The following figure show pit #46.

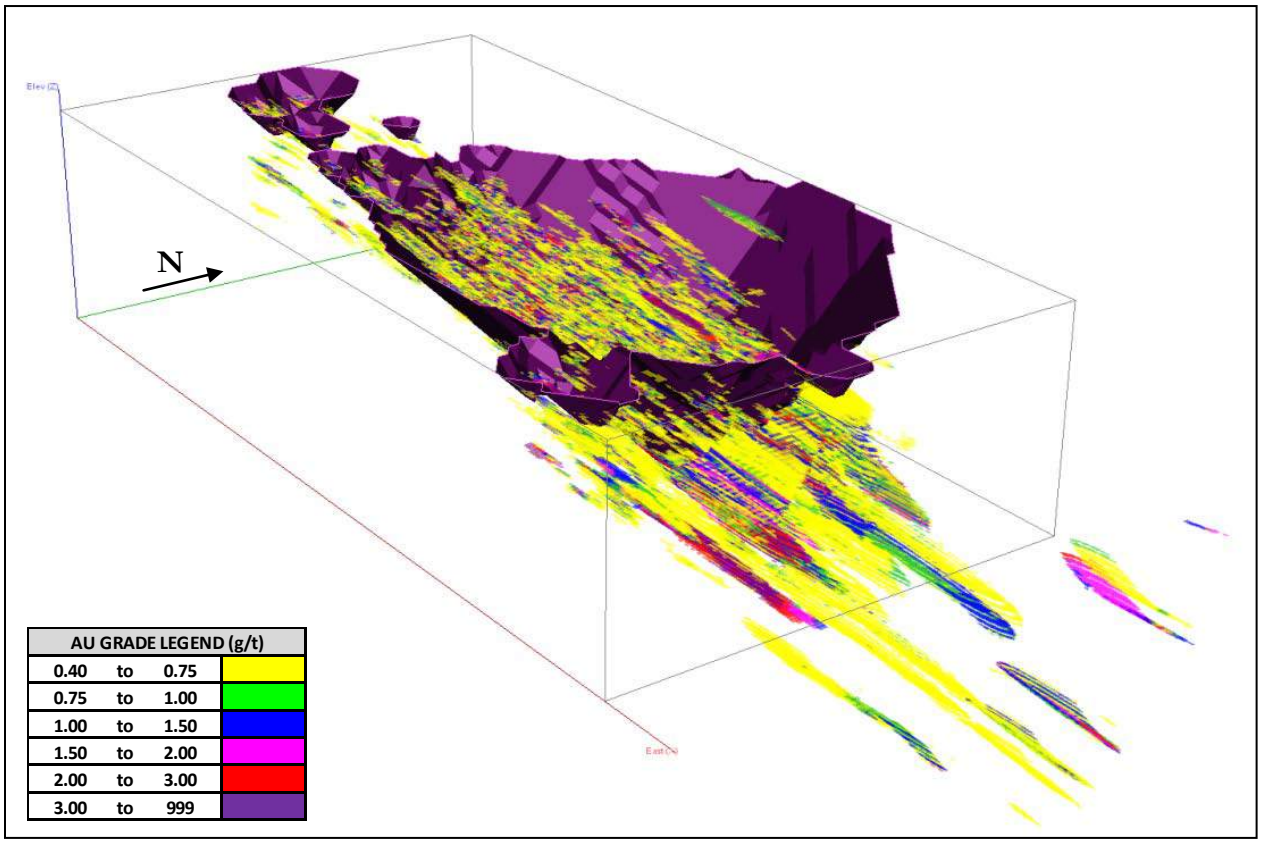


Figure 76: 3D view of the optimized shell (#46)

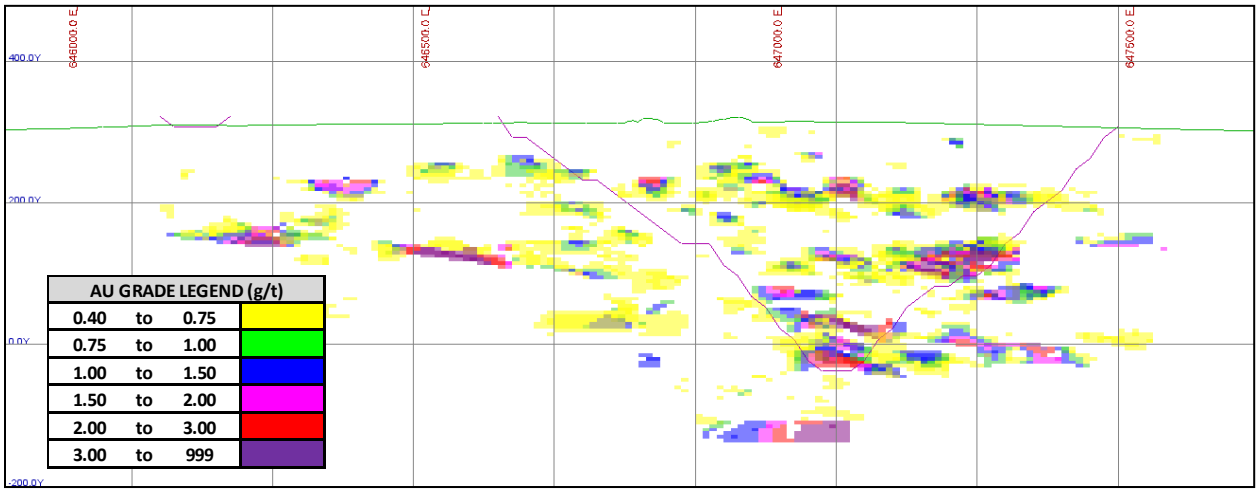


Figure 77: North view of the optimized shell (#46) – 5,338,200 N – 20 meters corridor

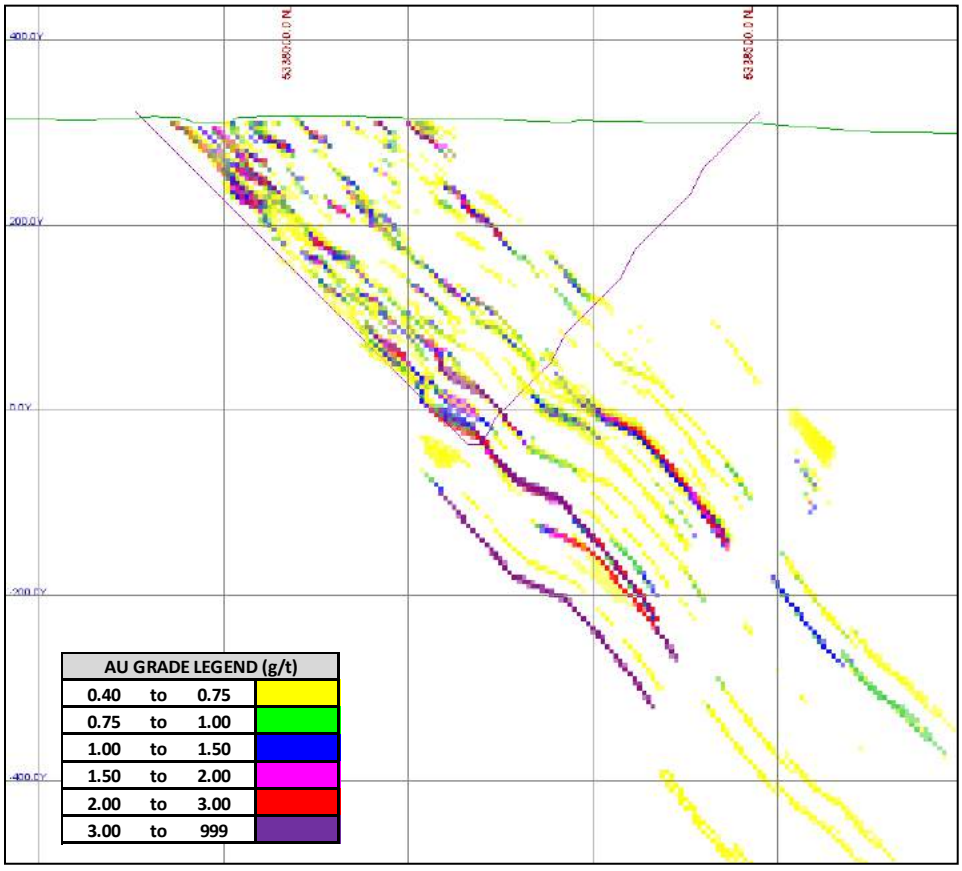


Figure 78: West view of the optimized shell (#46) – 647,080 E – 20 meters corridor

16.2.4 Ultimate Pit

16.2.4.1 Pit Design Parameters

Using the base case shell as reference, an open-pit including a ramp and safety berms was designed to develop a more realistic mining scenario. The new designed pit will account for the additional waste material coming from the addition of a ramp to the base case shell. The design parameters used are defined as:

Overall slope angle:	50° North wall / 45° South wall
Face angle:	85°
Bench height:	10 m in waste and 5 m in ore
Safety berm:	12 m width (1 safety berm at each 20 m vertically)
Ramp grade:	10%
Ramp width:	19.5 m (single lane) and 26.5 m (double lanes)

16.2.4.2 Ultimate Pit Design

The next figures show views of the designed open-pit with his dimensions.

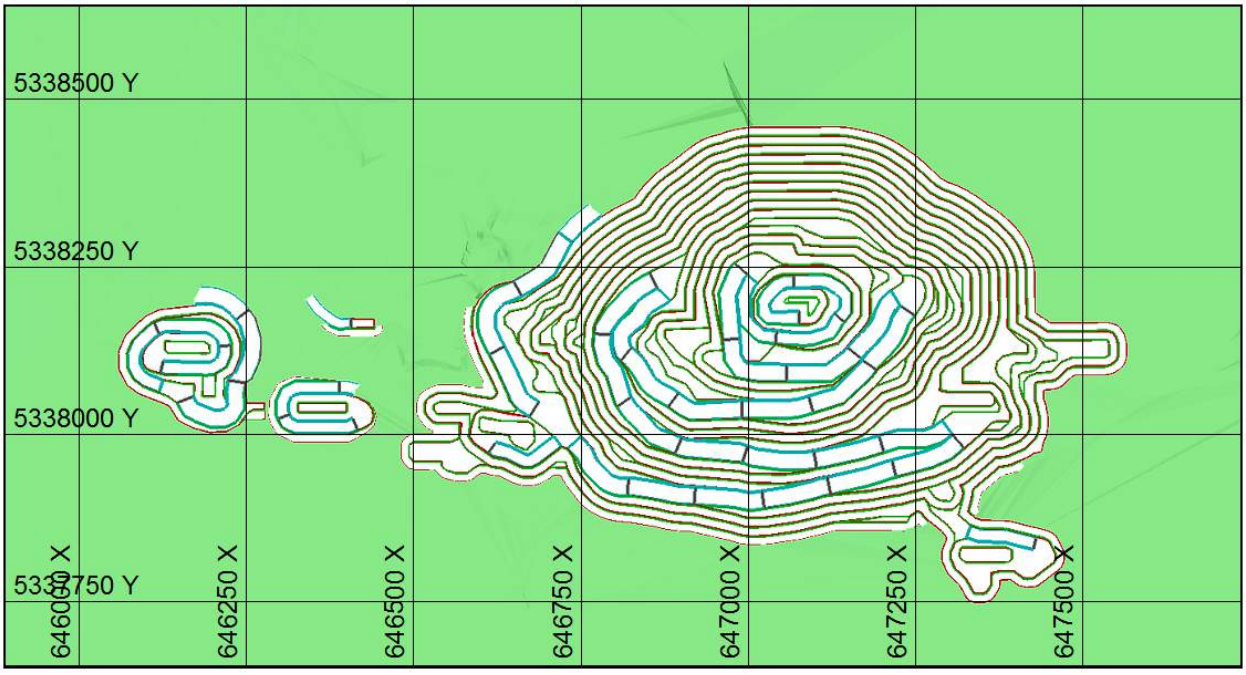


Figure 79: Plan view of the designed pit

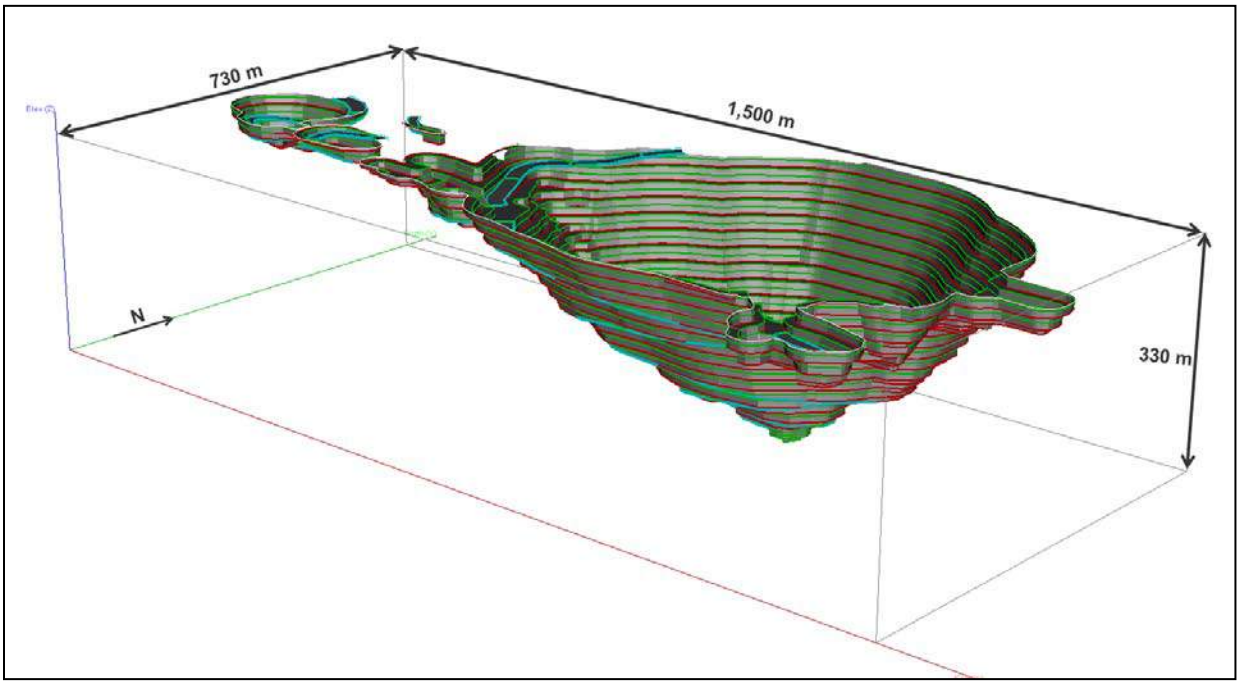


Figure 80: 3D view of the designed pit

16.2.4.3 Mineralization Contained within Pit Design

The ultimate pit design results are presented in next Table.

Table 24: Mineralization contained within pit design

	Density *t/m3*	Tonnage *tonnes*	Grade *g/t Au*	Gold *ounces*	Stripping ratio
Resource > 0.43 g/t *	2.70	22,800,000	1.07	783,000	
Waste	2.70	134,500,000			5.9
Total	**2.70**	**157,300,000**			

***Include a 15.0% mining dilution at 0.30 g/t**

16.2.5 Mine Development and Production Schedule

The mine development used a number of push-backs, or phases, designed to meet the following objectives:

Enable the mining of high grade mineralization as early as possible;

Effectively reduce stripping ratio in the initial mining stage;

Balance the stripping ratio over the period of the mine life;

Maintain a minimum mining width between two working phases.

16.2.5.1 Pushback Width

In order to have a safe operation, a minimum mining width has to be respected when introducing a pushback into an operating pit. An appropriate mining width was determined based on:

a CAT 6030 hydraulic shovel and CAT 785 mining truck;

a 20 m allowance for loader movement;

a 20 m haul road width.

The next Figure illustrates the proposed pushback width to be used in the design of the phase development:

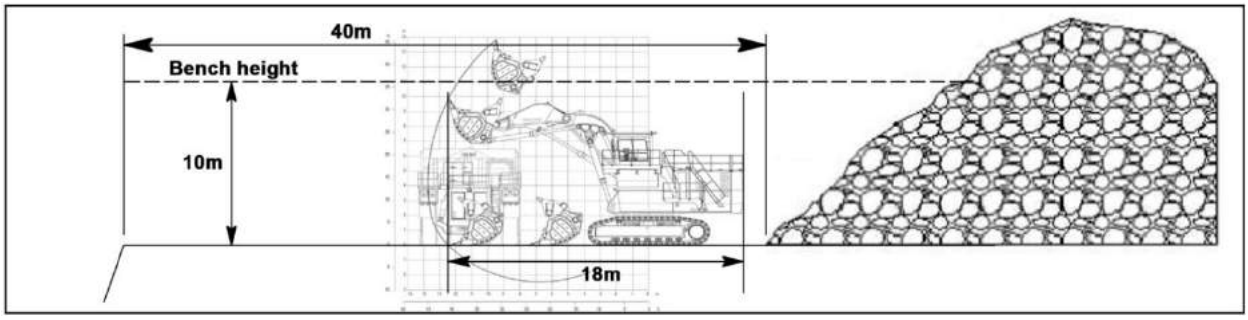


Figure 81: Minimum push-back width

16.2.5.6 Mine Development

Four minable phases are proposed to develop the ultimate pit. Each phase or pushback is designed with at least a minimum mining width of about 40 m to accommodate the mining equipment that will operate on each working bench.

Phase/Pushback #1

At the beginning of the Project, the mining activities will be concentrated around phase #1 since the shell defined by this phase gives the higher grade achievable near surface and a low waste-to-ore stripping ratio. Prioritizing the mining in this section of the deposit will maximize revenue at the beginning of the Project, thus maximizing the net present value (NPV).

Phase/Pushback #2

Phase #2 generally expands of Phase #1. A constant difference of 40 metres has been kept during development of the mining plan (LoM) to limit the number of benches mined simultaneously. This constraint has also the effect to limit the variation of stripping ratios from years to years.

Phase/Pushback #3

Phase #3 generally expands of Phase #1 and 2. A constant difference of 40 metres has been kept during development of the mining plan (LoM) to limit the number of benches mined simultaneously. This constraint has also the effect to limit the variation of stripping ratios from years to years.

Phase/Pushback #4 (Optimal Pit Design)

Phase #4 includes the mining of the rest of the mineralized material. Table 16-4 presents the tonnage for the 4 phases and schematizes them.

Table 25: Tonnage by phase

With 15% dilution @ 0.30 g/t Au					
Phase	**Material**	**Tonnage**	**Au (g/t)**	**Ounces**	**Stripping**
1	Ore ≥ 0.43 g/t Au	2,200,000	1.79	128,000	2.9
	Waste	6,400,000	-	-	
2	Ore ≥ 0.43 g/t Au	4,700,000	1.02	154,000	3.4
	Waste	16,200,000	-	-	
3	Ore ≥ 0.43 g/t Au	4,700,000	0.93	140,000	4.0
	Waste	18,800,000	-	-	
4	Ore ≥ 0.43 g/t Au	11,200,000	1.00	361,000	8.3
	Waste	93,100,000	-	-	
TOTAL	Ore ≥ 0.43 g/t Au	22,800,000	1.07	783,000	5.9
	Waste	134,500,000	-	-	

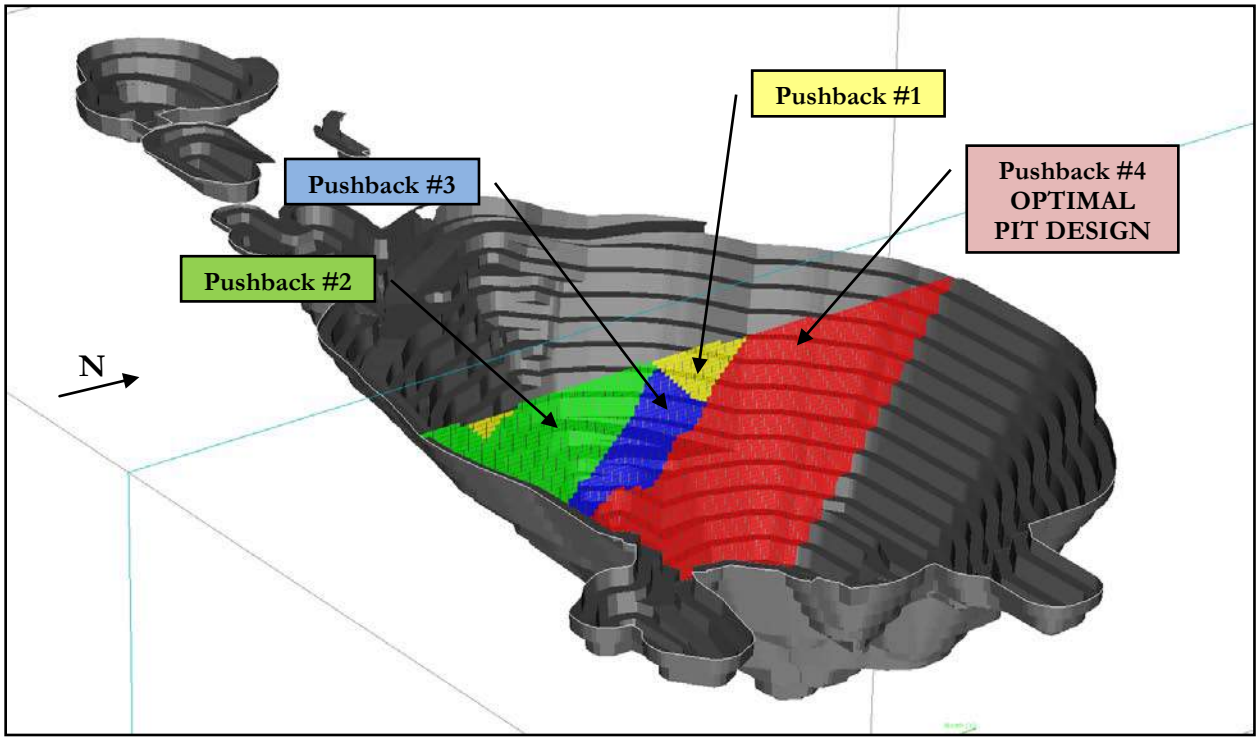


Figure 82: Typical section view of pushback's 1, 2, 3 and 4 (optimal pit design)

16.2.5.7 Pit Dewatering

The progressive deepening of the open pit will result in increasing water infiltration from precipitation (rain and snow) and groundwater inflow. The maximum depth of the pit will be reached at the end of the mine life and will be around 320 m under topography. As the pit deepens and increases in footprint, it will be necessary to control water inflow through the construction of an in-pit dewatering systems such as drainage ditches, sumps, water pipes and pumps.

The required dewatering should be investigated in the hydrogeological study, a network of dewatering wells around the proposed pit should also be investigated since its success would tend to a zero discharge in addition to maintain the operation relatively dry.

16.3 Underground Mining

16.3.1 Underground Mineralization Summary

The underground mineralized zones as described in the recent technical report of the resources estimation are hosted by east-west trending smokey grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Most of the underground mineralized zones are dipping at angles between 35° and 50°, with most of the zones close to 45°. The minimum mineralized zones are 5.0 meter or more. The mineralized zones and surrounding rocks are described are very competent with core recoveries near 99% and overall RQD of 86%.

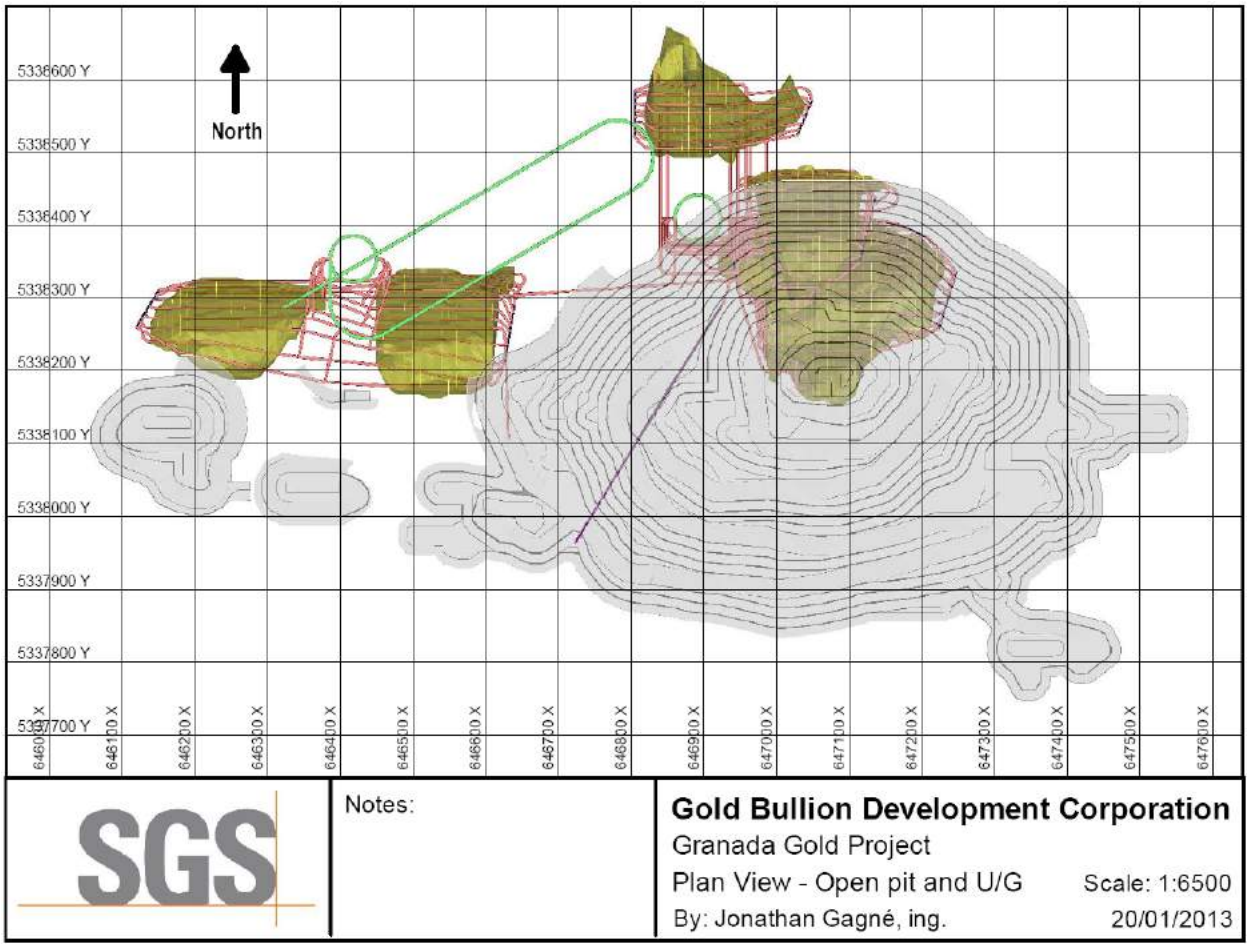


Figure 83: Plan view of open pit and U/G

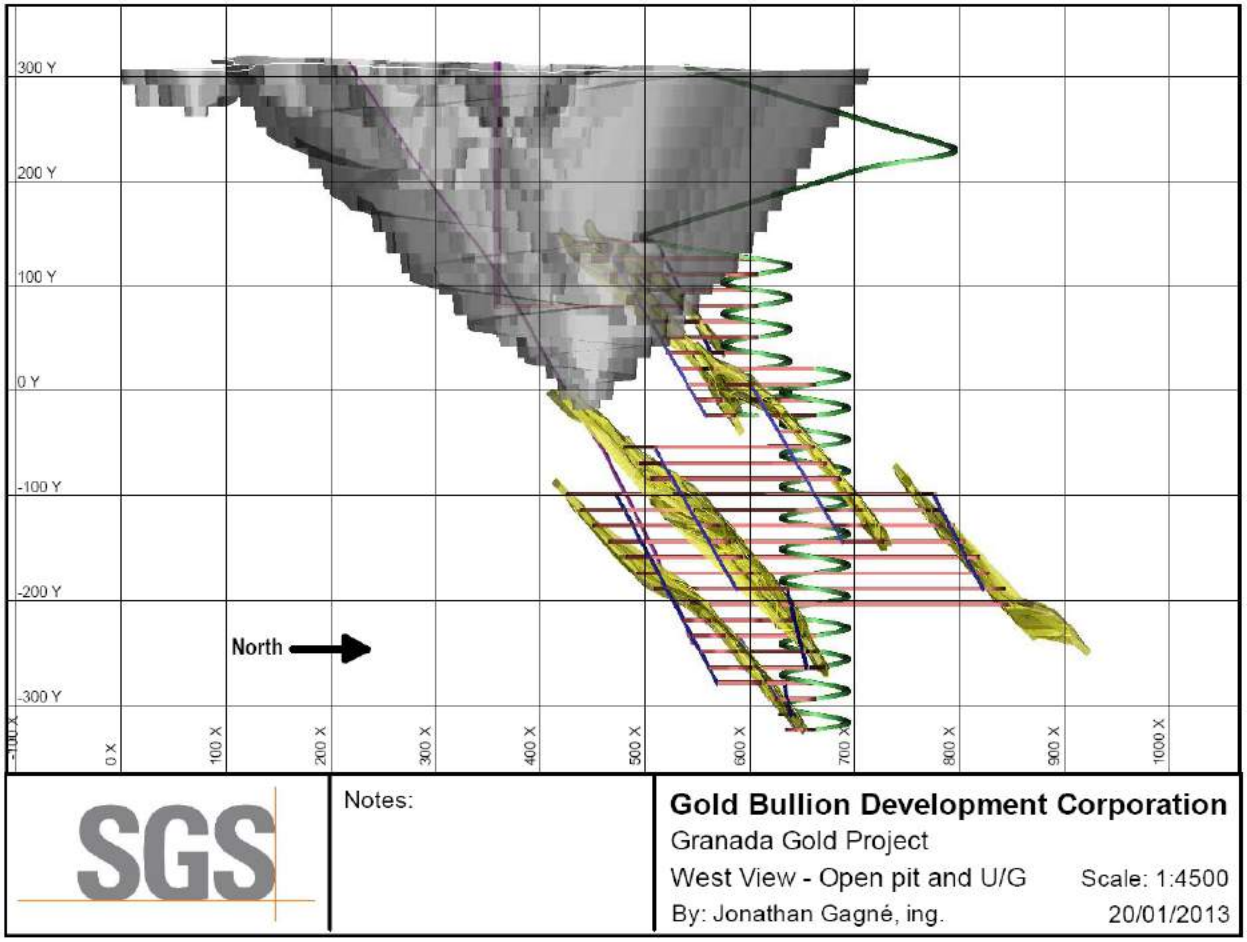


Figure 84: Open pit and U/G long section

16.3.1.1 Geotechnical Parameters

No geotechnical parameters or studies were done at the time of this report.

16.3.2 Selection of Mining Methods

In accordance to the generally very competent quality of the underground described above, two mining methods are proposed, both as variants of cut-and-fill:

- Avoca mining and;
- Drift-and-fill.

These two methods are selected mainly due to the fact that stope development and preparation work are done mainly in mineralization, minimizing the waste removal. The overall dip of the mineralized zones is the most important factor for selecting the mining method. The majority of the zones are in the range of ~45° dip; while it is considered that this dip angle is not the best one for free falling stoping methods, the longhole method is still proposed. Special recommendations, mainly for mucking are helpful for the success of this method. One of the most important aspects of the mining sequence is to leave the stope clean of muck before blasting. Blasting should be minimized to the fewest rings at the time, allowing lot of heave while blasting.

It is therefore assumed that the proposed stopes with overall dip above 45° will be mined using Avoca method, while stopes below 45° dip will be mined by Drift-and-fill method. Both methods are illustrated in next two Figures. It is estimated that about 80% of the mineralization is included in zones having a 45°minimum dip.

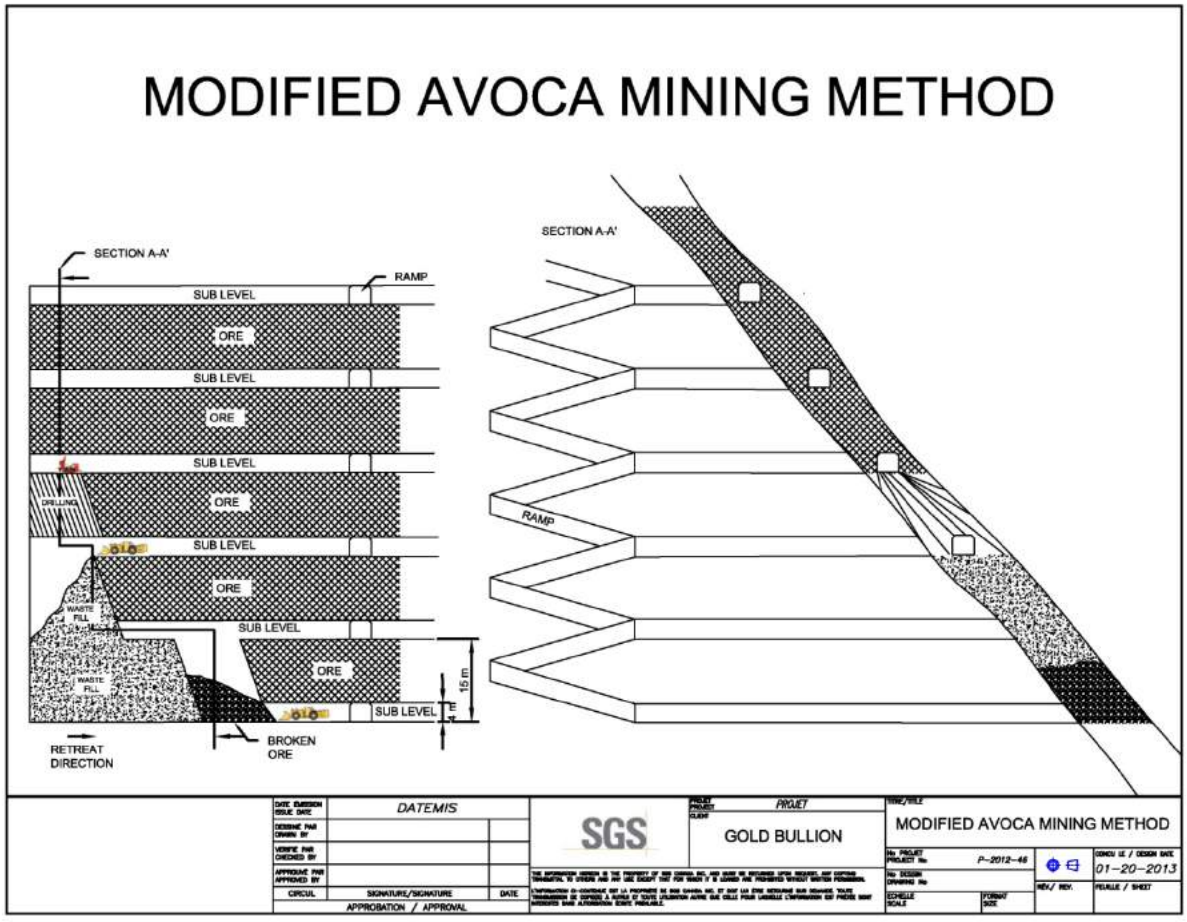


Figure 85: Avoca mining method

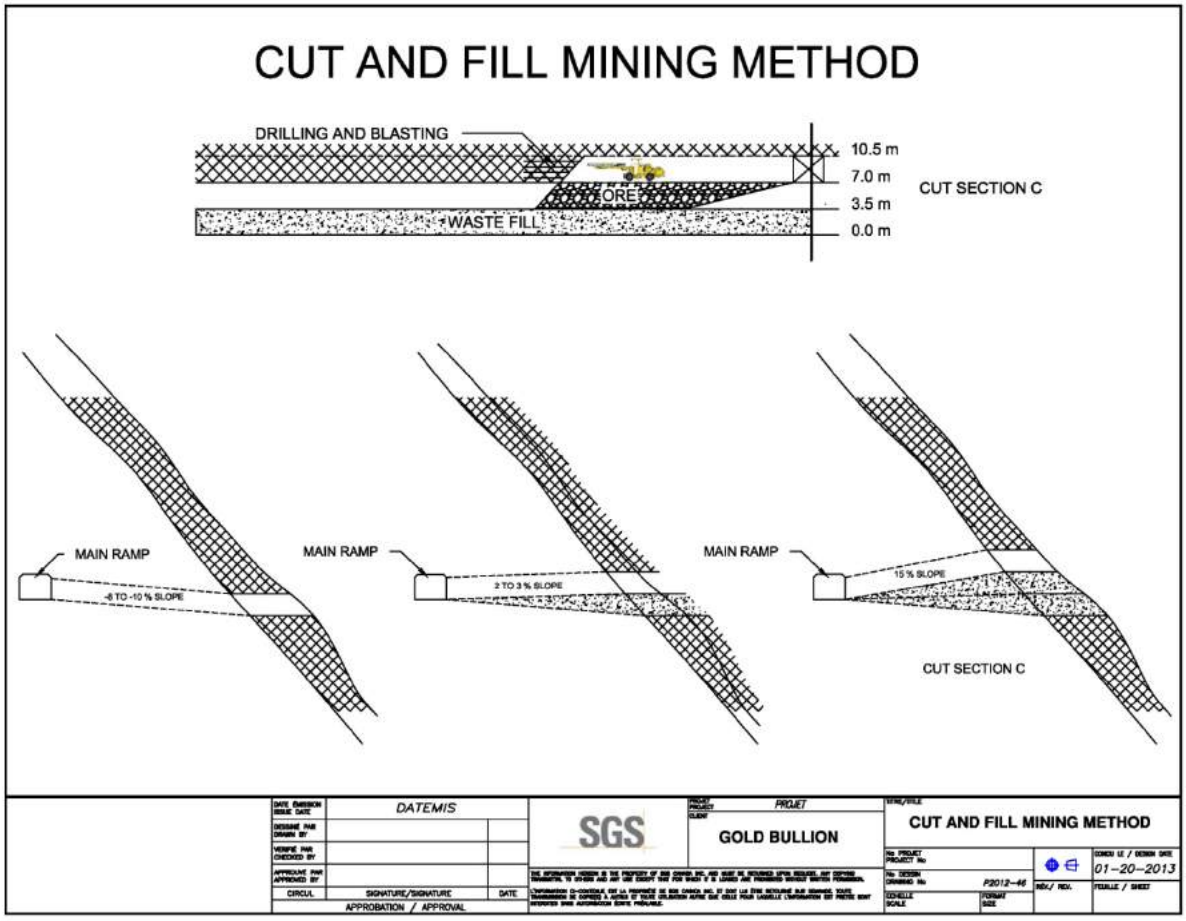


Figure 86: Drift-and-Fill method

16.3.2.1 Avoca Longitudinal Retreat Method

The underground resources of the Granada mineralized zones were estimated with a minimum true width of 5.0 meters which can be easily mined using longhole drilling. The stoping height (floor to floor) in the Avoca method is planned at 15 meters (50 ft), which means long holes with a maximum length of 17 meters (55 ft). More studies will be needed to define the maximum length of an open stope before backfilling be put in place; based on past experience with mineralized rocks of this quality, this dimension shall be in the range of 20 to 30 meters.

Longhole drilling accuracy has to be monitored carefully, as it represents the most serious source of dilution with this mining method.

With this method, mining is proceeding from one end of the stope towards the entrance, and backfilled from either mine developments or from the open pit waste, is used as rockfill (backfill). The easiest working procedure is to have LHD's or trucks able to reach both ends of the stopes in order to keep the rockfill at close distance from the open face. But additional access ways are not mandatory and they are expensive. Rockfill can also be put in place from upper levels through raises, or from the longhole next upper drilling sublevel, meaning that production is then suspended during

the rockfill operation. More detailed studies are needed to better define which procedure is the best one. Rockfill will come from surface and will be delivered to stope by trucks used to haul the ore to the concentrator. The best procedures to avoid any dilution from backfill during regular mucking is to leave a small barrier pillar to retain the backfill, or backfilling from the opposite end to the entrance one, but many operators are accepting a low ore dilution by inclining the last blasted rings and backfilling against the mineralization.

Another important mining aspect of this method is the possible dilution coming from mucking of the upper levels (stopes); as top rockfill is then becoming the mucking floor, the interface between backfill and newly blasted ore has to be well delineated and visible. One recommendation is to put in place a material that can be easily indentify, say of different color, by the LHD operators during the mucking operation. When time is not a constraint, a lean concrete floor could be pour to totally avoid dilution. There are many mining operation tricks that can be put in place to improve the Avoca mining method, known as modified Avoca methods; all of them are based on operator's experience.

16.3.2.2 Drift-and-Fill Method

Where dip is lower than 45°, the drift-and-fill method will be applied. As shown in Figure 86, this method is basically, a cut and fill, mining method with horizontal slices, or lifts, of about 3 to 4 meters each, and backfilled at every lift. This method is not as much productive as the regular long-hole but is very reliable and has been applied in many underground mines. This method requires a new access and a backfilling phase at every lift, making it slightly more expensive than the regular Avoca method. The issue of avoiding (or minimizing) the dilution at each mucking lift needs also to be seriously taken in account by the mine operators.

The two above recommended mining methods are very safe ones. Rock stability can be easily controlled using regular rock support, like regular rock bolts and expanded metal screens.

16.2.3 Production Rate and Mine Life

The present resources estimate is amounting to 3,400,000 tonnes. We assumed the underground stoping recovery to be 90%, or 3,059,000 tonnes, able to sustain the 1,000 tonnes per day operation for 11 years. There are a total of 6 stopes involved in the underground production. Underground (UG) and open pit mining are scheduled to begin at the same time. Developments for the UG will start with the location and construction of the ramp portal then will proceed to access the first stopes. The output from UG planned at 1,000 tonnes of mill feed per day has been selected in order to match the open pit duration. This is a rather small mill feed tonnage not requiring very large ramps, drifts or other access workings. The planning of the main ramp is calling for a regular grade of -15% with a X-section of a minimum of 5.0 m wide and 4.5 m high, with safety bays at every 30 meters spacing. The largest proposed mining equipment is a mining truck of 30 tonnes capacity which is 3.06 m wide and 2.68 m high.

The UG developments are designed to reach the already existing two shafts, one vertical of 200 m, and an inclined one of ~800 meters. These two shafts will be rehabilitated as airways and mine egress. Sublevels widths will be in accordance to the ore zones, it is expected to excavate most of the

sublevels to the full width of the ore zones in order to delineate the mineralization and to allow parallel longhole drilling along the mineralization contacts.

Refer to the section 16.3 for the detailed life-of-mine scheduling combining both open pit and underground operations.

16.3.3.1 Resources and Waste Handling

There is no planning to have an underground crusher installation, since most of the mineralized zones are of small to medium thickness, ~5.0 meters that will be most likely blasted to give very few oversize blocks that cannot be handled by LHD's. In the cost estimate, there is provision for secondary breaking. Resource will then be hauled to surface using the main ramp with trucks in the range of ~30 tonnes capacity, dumping to the RoM stockpile or to the open pit grizzly installation. With a daily mill feed production of 1,000 tonnes per day, only ~35 truck loads are required. To load the hauling trucks, LHD's with bucket capacities in the range of ~6 tonnes are recommended.

The same trucks will be used for the rockfill transportation of the empty stopes. Depending on the required quantities of rockfill needed, there will be underground stockpiling facilities provided to speed up the backfilling time. As mentioned earlier in this chapter, it is recommended to have special material to dispose on top of the backfill to better delineate the interfaces between mineralized material and waste and therefore reduce the dilution. Rockfill could also be put in place from upper levels through raises, in order to help to minimize the backfilling time. Due to the swelling factor, only 750 tonnes of backfill are needed daily, but most of the backfilling will be done in batches, most likely on a weekly sequence, when mining ~5.0 m wide stopes.

16.3.3.2 Dilution

An overall mining dilution of 20% at a grade of 1.0 g/t has been retained for both mining methods, the tonnage dilution is somewhat above standard mining dilution, but for stopes with true dips in the range of 45°-50° this is estimated to be realistic.

16.3.3.3 Development Requirements

The developments shall be divided in initial development requirements: those needed before the production as main ramps, stope access, ventilation raises, the egress (emergency exits) and a portion of the sublevels, all these developments are part of the Capex. The remaining of the developments will be done according to the production schedule. As the mineralized zones are of rather small thicknesses, there is a large quantity of waste development that will need to be properly scheduled and realized. The summary of waste developments requirements is shown in the following Table.

Table 26: Waste development quantities and costs

Year	Ramp	$/m	Access	$/m	Raise	$/m	V. Access	$/m	Total	
	m	5500	m	5500		3500	m	3500	m	$
1	1530	8,415,000							1,530	$ 8,415,000
2	403	2,216,500	1,280	7,040,000	285	997,500	406	1,421,000	2,374	$ 11,675,000
3	1414	7,777,000	2,096	11,528,000	203	710,500	435	1,522,500	4,148	$ 21,538,000
4	797	4,383,500	1,677	9,223,500	330	1,155,000	521	1,823,500	3,325	$ 16,585,500
5	407	2,238,500	1,494	8,217,000			487	1,704,500	2,388	$ 12,160,000
6			859	4,724,500			424	1,484,000	1,283	$ 6,208,500
7					246	861,000	564	1,974,000	810	$ 2,835,000
8			70	385,000			98	343,000	168	$ 728,000
9			40	220,000			35	122,500	75	$ 342,500
10					262	917,000	138	483,000	400	$ 1,400,000
11			342	1,881,000			129	451,500	471	$ 2,332,500
12			715	3,932,500			471	1,648,500	1,186	$ 5,581,000
Total	**4,551**	**$ 25,030,500**	**8,573**	**$ 47,151,500**	**1,326**	**$ 4,641,000**	**3,708**	**$ 12,978,000**	**18,158**	**$ 89,801,000**

16.3.4 Underground Equipment

There is no Capex for mining fleet equipment proposed, as it is planned that UG developments workings and production will be completely subcontracted, but a preliminary estimation of a typical mining fleet is done to give an estimate of the need of fresh air.

16.3.4.1 Ventilation Requirements

The minimum fresh air for an underground mine is fixed by the provincial regulations respecting the occupational health and safety in mines. This regulation states that a minimum of 15 m^3/min per employee is needed, plus 5.5 m^3/min per diesel kW of underground equipment. This air has to be heated during winter time, with preferably surface installations, most likely on top of one of the two shafts already available.

Production areas (stopes) are designed with ventilation airways at both ends in order to have permanent ventilation loops, in other word, avoid forced air ventilation which creates problems, delays and is expensive to maintain.

Ventilation requirements

Underground Equipment	Type	Units	CFM	M^3/Min
Jumbo	2-boom	2	40,000	1,120
LHD	3.5m^3	3	60,000	1,680
Mine truck	30 t	4	180,000	5,040
Scissor lift	5 m reach	2	25,000	700
Rock bolter		1	30,000	840
Grader	Low profile	1	12,500	350
Service truck	With boom	1	17,000	476
Man carrier		2	30,000	840
Pick up		3	48,000	1,344
		Sub-total	442,500	12,390
Personnel (on one shift)		**Q**		
Employees & supervision: 15m^3/min each		30	16,000	450
		Total	**458,500**	**12,840**

16.3.4.2 Electrical Power Requirements

The underground operation power requirements are mainly for ventilation, water pumping, diamond drills, lighting, maintenance shops and all electrical equipment like jumbos, longhole drills, compressors, etc. The following table is a preliminary summary of the electrical requirements for the underground mine.

UG Mine Power

Description	kW
Main ventilation fans (on surface)	350
Compressors (on surface)	350
Longhole production drills	150
Development jumbo	150
Diamond drill allowance	100
Auxiliary fans	200
Water pumps	200
Maintenance shop	25
Lighting	25
Miscellaneous & losses	100
Total	**1,650**

16.4 Combined Production Schedule

As discussed previously, Granada Project is planned to be mine by both open pit and underground mining method. For a total of 7,500 tonnes per day of mineralized material send to the process facilities, 6,500 tonnes will come from the open pit operation and 1,000 will come from the underground operation. Both operations will start simultaneously while underground will last one year longer that the open pit. The detailed mine plan is presented in Table 27 and by Figure 87.

Table 27: Mine plan

	Year		0	1	2	3	4	5	6
Open pit	Resources mined	tonnes	-	-	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
	Input grade	g/t	-	-	1.49	1.13	0.97	0.98	0.96
	Waste mined	tonnes	-	-	9,367,028	10,296,436	14,115,132	22,371,197	20,189,606
	Stripping ratio	t:t	-	-	4.1	4.5	6.2	9.8	8.9
U/G	Resources mined	tonnes	-	-	175,000	350,000	350,000	350,000	350,000
	Input grade	g/t	-	-	3.23	3.04	2.77	2.75	4.04
	Ramp	m	1,530	403	1,414	797	407	-	-
	Ramp	tonnes	92,948	24,482	85,901	48,418	24,725	-	-
	Stopes accesses	m	-	1,280	2,096	1,677	1,494	859	-
	Stopes accesses	tonnes	-	77,760	127,332	101,878	90,761	52,184	-
	Raises	m	-	285	203	330	-	-	246
	Raises	tonnes	-	6,733	4,796	7,796	-	-	5,812
	Ventilation accesses	m	-	406	435	521	487	424	564
	Ventilation accesses	tonnes	-	13,428	14,388	17,232	16,108	14,024	18,654
Open pit & U/G	**Total resource mined**	**tonnes**	**-**	**-**	**2,450,000**	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**
	Input grade	**g/t**	**-**	**-**	**1.62**	**1.38**	**1.21**	**1.22**	**1.37**

	Year		7	8	9	10	11	12	Total
Open pit	Resources mined	tonnes	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	24,890	**22,774,890**
	Input grade	g/t	0.97	1.01	1.11	1.05	1.07	0.99	**1.07**
	Waste mined	tonnes	15,298,731	15,413,884	11,780,394	8,073,822	7,560,663	29,294	**134,496,187**
	Stripping ratio	t:t	6.7	6.8	5.2	3.5	3.3	1.2	**5.9**
U/G	Resources mined	tonnes	350,000	350,000	350,000	350,000	350,000	322,997	**3,648,000**
	Input grade	g/t	4.06	4.17	3.60	3.60	3.60	3.60	**3.51**
	Ramp	m	-	-	-	-	-	-	**4,551**
	Ramp	tonnes	-	-	-	-	-	-	**276,473**
	Stopes accesses	m	70	40	-	342	715	-	**8,573**
	Stopes accesses	tonnes	4,253	2,430	-	20,777	43,436	-	**520,810**
	Raises	m	-	-	262	-	-	-	**1,326**
	Raises	tonnes	-	-	6,190	-	-	-	**31,327**
	Ventilation accesses	m	98	35	138	129	471	-	**3,708**
	Ventilation accesses	tonnes	3,241	1,158	4,564	4,267	15,578	-	**122,642**
Open pit & U/G	**Total resource mined**	**tonnes**	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**	**2,625,000**	**347,887**	**26,422,890**
	Input grade	**g/t**	**1.38**	**1.43**	**1.44**	**1.39**	**1.41**	**3.41**	**1.41**

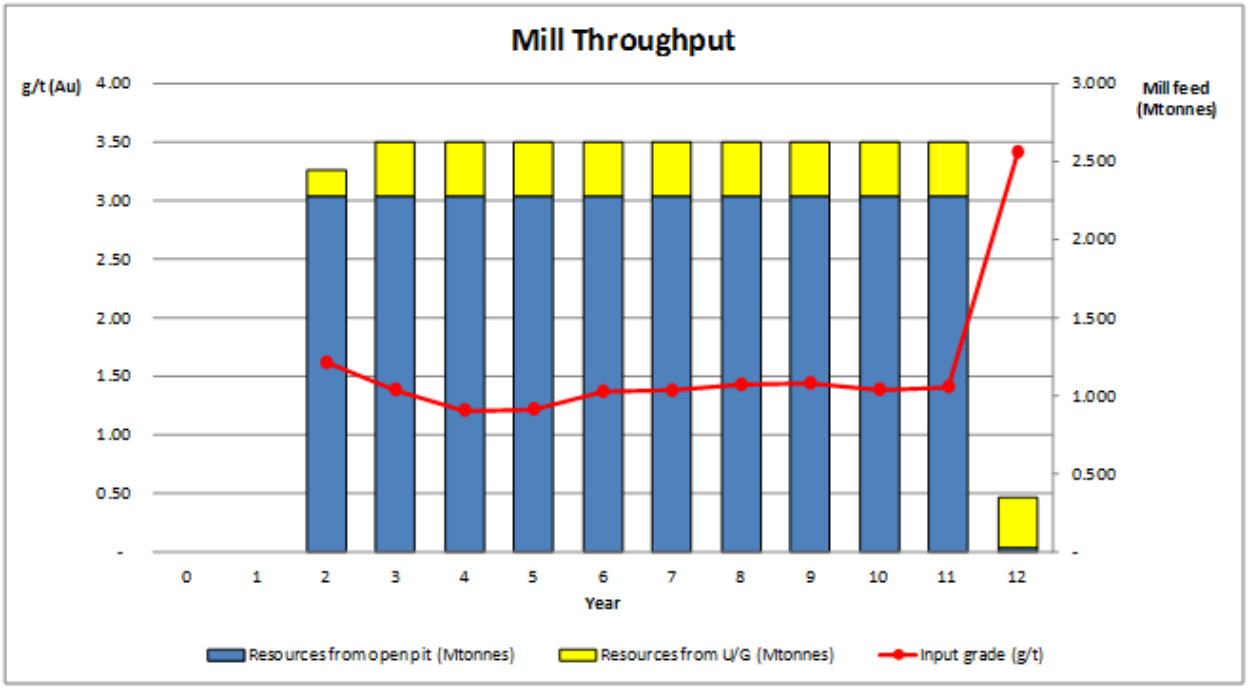


Figure 87: Mill feed tonnage and grade

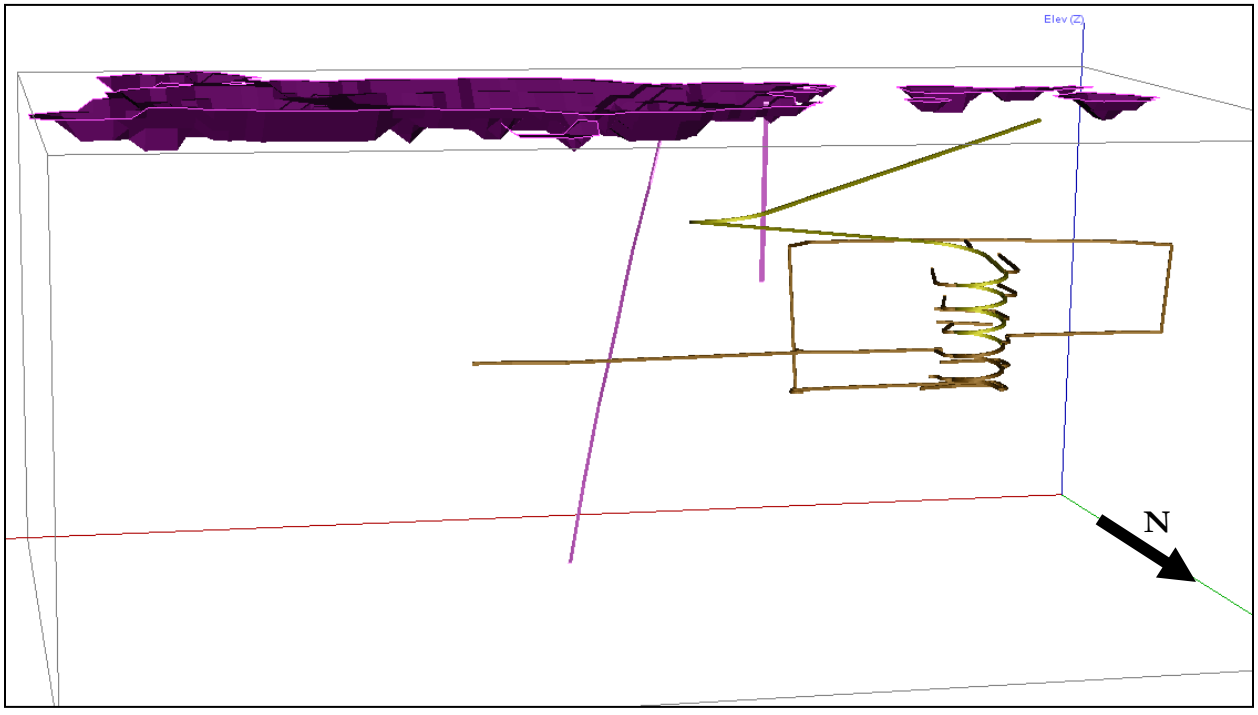


Figure 88: 3D view - end of year 3

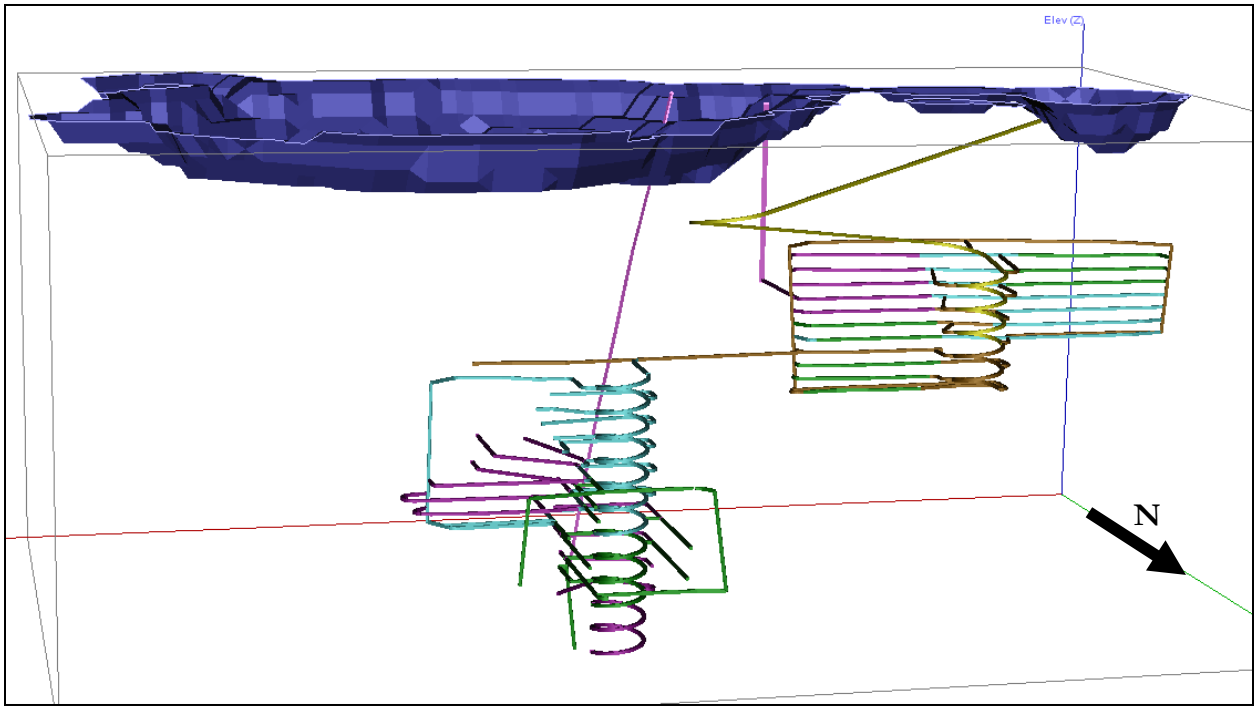


Figure 89: 3D view - end of year 6

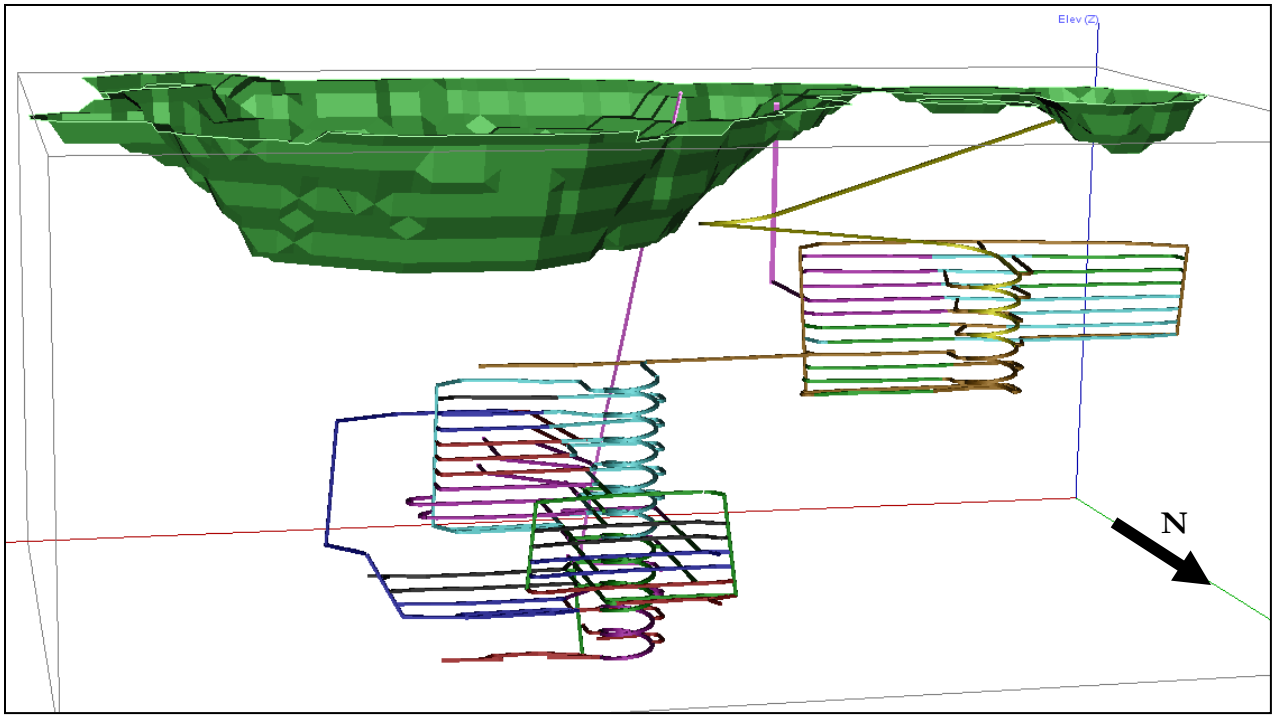


Figure 90: 3D view - end of year 9

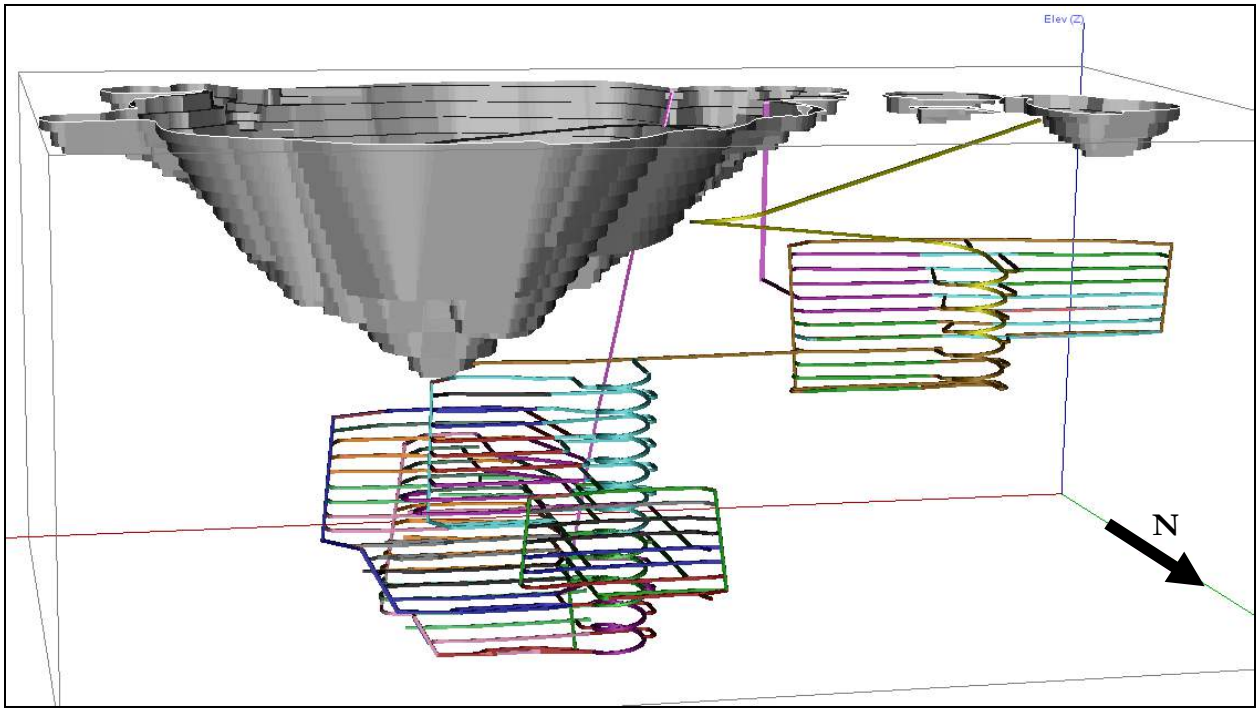


Figure 91: 3D view - end of year 12

17- Recovery Methods

17.1 Historical Background

In 1929, a 63 metric tonnes per day mill has been built. Mill capacity was increased to 181 metric tonnes per day in 1934. In October 1935, a fire halted the milling operation. It is reported that between 1929 and 1935 some 1601 kg of gold and 249 kg of silver were produced.

From 1993 to 1996 approximately 87,311 metric tonnes of ore were milled from open pit no 1. During the same years, 22,095 metric tonnes of ore were processed from open pit no 2. Since there was no mill on site these ores were milled at the Malartic Highgrade and Norebec Manitou mills.

In September 1999 RSW-BEROMA built a 175 tpd direct cynidation – Merril Crowe mill. Between February and October 2000, the mill processed 27,300 tonnes of ore containing 2.51 g/T Au. With a recovery of 92.2 %, gold production for this period totalled 2,032 ounces.

The mill capacity was increased from 175 to 250 tonnes per day in November 2000 by enlarging the SAG mill.

The next production period took place from December 2001 to March 2002 with the milling of 24,640 tonnes of ore from #2 pit grading 1.80 g/T Au. 1,120 ounces of gold were recovered for an overall recovery of 78.6%. At that time, the low gold recovery was attributed to a lower feed grade.

Between November and the end of December 2006 there was a trial period in which the top part of the waste rock stock pile was grated resulting in the production of 186 ounces of gold.

17.2 Milling

Upon a review of the resources and discussion with Gold Bullion and SGS mining engineering team, a 7,500 tpd mill[2] is proposed in this study. The mill process will be conventional with operation relying on operators' experience and skill supported by electronic monitoring and instrumentation. Mill design criteria follow those used in several mines in Canada where apart for the run of mine grizzly, the hopper, the jaw crusher, the water and cyanidation tanks and the thickener, the entire mill services and operations are under the same roof. Whenever possible, mill equipment will be chosen on the basis of the optimization of the overall gold recovery.

[2] 2,625,000 T/y based on 350 operating days per year

This preliminary assessment is based on the following assumptions:

- A good mill design will have a good gold recovery and a low operating cost.
- Unless in extremely good working condition, Gold Bullion will buy new milling equipment
- The open pit & underground mine will be able to feed the mill at a rate of 7,500 tpd, 7 days per week
- No major setbacks will be encountered with the federal and provincial environmental agencies, trade unions and/or indigenous people
- Electrical power of sufficient capacity is readily available
- Approximately 5 hectares of a more or less flat site will have to be prepared for the mill and its ancillary infrastructure
- It will be possible to dispose of the tailings both acid and neutral without jeopardizing the surrounding environment
- It is anticipated that the gold recovery will be in the 95% range while the grade of sulphur in the neutral tailings will be less than 0.5%
- The liberation size is typically less than 75 μm
- No attempt was made for the recovery of other minerals.

17.2.1 Process Description

Because the main purpose of the metallurgical testing at SGS Lakefield was to determine the true grade of the Granada gold deposit, no real optimization has been attempted to obtain the maximum recovery and no other tests besides gravity-cyanidation were carried out. This is the reason why, most of the mill equipment is not dimensioned. The following is based as much on the results of the gravity-cyanidation tests as on the milling experience of the author of this section of the report.

The beneficiation method is straightforward and more than probably will follow the metallurgical test work at least for the cyanidation part.

The process plant is designed to recover the gold by gravity separation followed by the cyanidation of the gravity tailings. The mill will incorporate the following sections: run-of-mine ore storage, a one-stage crushing plant, crushed ore storage, SAG milling with screens classification followed by a single-stage ball milling with cyclone classification, gravity separation, thickening of the gravity tailings, cyanidation (CIP process), cyanide destruction, sulphides flotation, tailings handling, water and reagents distribution.

The process plant is also designed to discriminate the sulphide part of the cyanidation tailings from its neutral part. To do so, the sulphides in the cyanidation tailings will be partly floated and/or undergo magnetic separation[3] to reduce the sulphur content of the neutral tailings below the acidity production threshold. Both tailings will be stored in different tailings ponds.

For the ease of reading, only major milling pieces of equipment are enumerated and described in this report.

Note: Refer to the process flowsheet in Appendix-2 for a more complete listing of main mill equipments.

17.2.1.1 Underground and Open Pit Mill Feed (RoM)

Underground material at 1000 tpd is delivered by mine trucks via the mine ramp directly to the jaw crusher hopper when possible, or to the RoM stockpile.

The open pit material of 6,500 tpd is hauled by trucks. From the open pit, whenever possible the mill feed will be dumped directly in the jaw crusher hopper. However, because the open pit mining and crushing operations will not always be on the same time schedule, it is assumed that 25% of the time the haul trucks will proceed to the RoM stockpile and the rest of the time the haul trucks will dump directly onto the grizzly above the crusher feed hopper. The RoM stockpile area is sized to hold approximately 50,000 tonnes. Secondary handling will be by a CAT 938 front end loader (or equivalent) that will, among other things, be used to feed the crusher hopper with stockpiled RoM material as necessary.

17.2.1.2 Crushing

A grizzly (10) having 40mm x 50mm openings scalps the oversize rock from the run of mine mill feed. The oversize will be broken in place with a pneumatic rock breaker (05). Grizzly undersize falls into a 100 tonne capacity hopper (15) which in turn feeds a 17' x 5' apron feeder (20) discharging on an incline fix bar scalper (25). Bar scalper oversize falls by gravity into the 48" x 60"

[3] See Article 26, Recommendations

jaw crusher (30) while the undersize, the crushed material (minus 200 mm) and the fines from the apron feeder reports to a 60" wide sacrificial belt conveyor (35). The sacrificial belt conveyor in turn reports to a 36" wide belt conveyor (40) which discharges on a buffer stockpile (50). The stockpile which is above ground has a live load of ~10,000 tonnes, and feeds through longitudinal slots two apron feeders (55, 60) located in a 2.44m x 2.44m underground concrete tunnel.

17.2.1.3 Grinding – Classification - Thickening

Apron feeders (55, 60) discharges on a second 36" belt conveyor (65) feeding a SAG mill (75). The SAG mill discharges on a 16 mesh Derrick screens (80). Derrick screen oversize is conveyed back to the SAG mill feed via three, 24" belt conveyors (100, 105, and 110) in series while the undersize is pumped (95) to a set of three or four Falcon or Knelson type gravity concentrators (115). Gravity concentrate report directly to the mill refinery while the rejects are mixed with the ball mills discharge and pumped (125) to a set of four 20" Kreb type cyclones (130). Cyclones underflow flows by gravity to a 2-way splitter box feeding two ball mills (135) in parallel. It is anticipated that the circulating load will be in the 300% range. Cyclones overflow having a P_{80} of 75µm reports by gravity to a thickener.

Thickener overflow is pumped directly to the first carbon adsorption tank via pumps no 165 while thickener underflow is pumped to first cyanidation tank no 160.

17.2.1.4 Cyanidation – Carbon Adsorption

Thickener underflow (145) is pumped at 60% solid to a series of agitation tanks (160 to 163) having a total retention time of 48 hours[4]. Thickener overflow reports directly to pump box (164) and is mixed with the last cyanide tanks of the series before being pumped to a series of carbon adsorption tanks (170 to 173)[5]. Loaded carbon from each tank is screened (180 to 183) in such a way that the pregnant liquor is more and more depleted from its gold content while the carbon content gets more and more enriched.

Screen 180 undersize is the cyanidation circuit tailings and is pumped to the cyanide destruction circuit via pump box (245) while screen (183) oversize reports to the loaded carbon bin (186) via a bucket elevator (184).

[4] Contrarily to the flowsheet, a series of 10 – 10mD x 20mH cyanidation tanks will probably be necessary.

[5] Contrarily to the flowsheet, a series of 5 – 10mD x 20mH carbon adsorption tanks will probably be necessary.

17.2.1.5 Elution – Refining Circuit

From the loaded carbon bin (186) the carbon is acid washed (190) and then reports to the carbon stripping vessels (195). The stripped carbon is screened (230) to remove the fines. Coarse carbon particles (screened oversize) are dried and quenched in a rotary kiln (240) before being pneumatically conveyed (241, 242, 243) to the fresh and recycled carbon bin (185). Fine carbon particles (screen undersize) falls by gravity on a shaking table (235). Table concentrate is dried (215) and then poured into doré bars with the gold recovered at the cathode (steel wool) of the electrowinning cell (210).

Pregnant liquor from the carbon strip vessels reports to a heat exchanger (205) before being poured by gravity into a surge pregnant solution tank (205). From the pregnant solution tank, the loaded liquor pours into an electrowinning cell (210). Cathode (steel wool) from that cell, loaded with gold, is dried (215) before being melted in the mill refinery induction furnace (220) to be finally poured into doré bars.

17.2.1.6 Cyanide Destruction Circuit

Undersize of screen 180 (CIP Circuit) is pumped via pump 250 to a first reactor (255) (cyanide destruction tank). Sodium bisulphite, sodium hydroxide and air are the main reagents. The second reactor (260) is used to precipitate the iron cyanide and the heavy metals by the addition of copper and ferric sulphates. The second reactor discharge by gravity into pump box 270 and from there the cyanide tailings are pumped (275) to the sulphides circuit.

17.2.1.7 Sulphides Circuit

Cyanide free tailings from the cyanide destruction circuit are pumped (275) with the flotation reagents to a pre flotation conditioner (280). Potassium amyl xanthate (PAX) and amyl isobutyl carbinol (MIBC) are added to pump box (270) or to the conditioner. Conditioner overflows by gravity to a bank of flotation cells (285) where most of the sulphides are floated. Since it is quite possible that flotation alone cannot eliminate enough sulphides so that the final tailings will be below the acid production threshold, flotation tailings are pumped (295) to a magnetic separator (300) in order to eliminate the pyrrhotite part of the sulphides. After being sampled (301), magnetic separator tailings are pumped (305) to the non acid generating (chemically neutral) tailings pond.

Flotation concentrate, containing most of the sulphides is mixed with the magnetic separator concentrate and pumped (320) to the sulphides tailings pond.

17.2.2 Mill Operation Costs (OPEX)

The mill operating costs for the Granada Project presented in this section are strictly related to the mineral processing for the recovery of the gold and the silver. The limits for the cost estimation start at the RoM stockpile and end at the tailings ponds. General and administrative costs (G&A) are included but are limited to the mill operation and do not consider any costs related to either the mine or Gold Bullion head office.

Milling cost is mainly based on salaries, consumption of reagents, supplies and electrical power. The costs presented include the fringe benefits but exclude contingency allowances. The mill operation costs are considered to have an accuracy range of +/-30%.

The breakdown of the mill operation costs per tonne milled is as follows:

Consumables:	$ 5.00
Spare parts:	$ 2.70
Electric power :	$ 3.21
Salaries:	$ 1.80
G&A ≈10%:	$ 1.30
TOTAL	$14.01

17.2.2.1 Consumables (wear parts, grinding media, lubricants and reagents)

Crushing and grinding wear parts as well as grinding media consumption will be limited to the jaw crusher wear plates, the SAG and ball mills liners, plus different sizes of steel balls. Mill reagents and other chemicals consumption will be for all practical purpose limited to sodium cyanide, lime and activated carbon for the cyanidation and adsorption of the gold and the silver, a frother (MIBC) and a collector (PAX) for the recovery of the sulphides, a flocculent for the thickener, sodium bisulphite, sodium hydroxide, copper and ferric sulphates for the cyanides destruction circuit and of some chemicals for the assay office. The cost for the consumables is expected to be around $5.00/tonne.

17.2.2.2 Spare Parts

Spare parts are all pieces of mechanical or electrical equipment that are subject to the wearing of time and are normally kept in the warehouse. This cost is evaluated at $3.00/tonne

17.2.2.3 Electrical Power

Based on an ore Work Index of 14 kW-h/t, SGS Geostat is of the opinion that the mill power cost will be around $ 2.90 per tonne based on the following assumptions:

Total mill power demand ≈ 10,000 kW
For 312 t/h → 10,000 kW/312t/h = 32.05 kW-h/t
At $0.10/kW-h → 32.05 kW-h/t x $0.10/kW-h = $3.21/tonne

17.2.2.4 Manpower

After the break in period, for an efficient operation of the mill, a work force of 50 employees will be required. As the mill will operate on three 8-hour shifts per day schedule and seven days per week, manpower repartition will be as follow:

Mill superintendent	1
Mill metallurgist	1
Metallurgical technician	1
Mill general foreman	1
Mill shift technicians (leaders)	3 + 1 swing
Crusher operators	3 + 1 swing
Grinding operators	3 + 1 Swing
CIP operators	3 + 1 swing
Refinery	3
Cyanide destruction – sulphides flotation	3 + 1 swing
Maintenance foreman	1
Millwrights	4
Electricians - electronicians	3
Chief analyst	1
Samplers	2
Assayers	2
Mill clerk	1
Mill general laborers/helpers	8
Janitor	1
Total	**50**

The mill metallurgist and general foreman will not work on the same time schedule as the mill superintendent and will replace him during his days off.

17.2.2.5 Salaries

The salaries will be what are normally paid to mill personnel for the same type of work in Abitibi. The fringe benefits have been set at 35% of the base salary.

DESCRIPTION	ANNUAL COST	COST/TONNE
	$	$
Mill superintendent	125,000	0.05
Mill metallurgist	115,000	0.04
Metallurgical technician	90,000	0.03
Mill general foreman	115,000	0.04
Mill shift technicians (leaders)	360,000	0.14
Crusher operators	344,000	0.13
Grinding operators	344,000	0.13
CIP operators	344,000	0.13
Refinery	258,000	0.10
Cyanide destruction and sulphides circuit	344,000	0.13
Maintenance foreman	90,000	0.03
Millwrights	344,000	0.13
Electricians - electronicians	346,000	0.13
Chief analyst	115,000	0.04
Samplers	135,000	0.05
Assayers	172,000	0.07
Mill clerk	67,500	0.03
Mill general laborers/helpers	540,000	0.21
Janitor	54,000	0.02
Total	$ 4,302,500	$ 1.64
Overtime 10%	430,000	0.16
TOTAL	$ 4,732,500	$ 1.80

17.3 Mill Control and Instrumentation

SGS Geostat is of the opinion that the Granada mill should rely as much on electronic monitoring and instrumentation as on the skill and knowhow of the mill operators. At the very minimum a good and versatile PLC (Programmable Logic Controller) interface should be bought and installed to monitor most of the mill equipment and operation.

17.4 Mill Services and other Mill Common Spaces

The mill service spaces are the assay office, the metallurgical laboratory, the millwright shop, the electrical shop, the mill stationary, the tool crib, the mill superintendent office, the shift bosses office, the MCC room, the computer-PLC room, the maintenance foreman office and the mill clerk office. Mill common spaces are the rest rooms and change rooms for men and women, the lunchroom, and the conference room.

17.5 Recovery

Since the beneficiation of the Granada material seems to be straightforward, a projection of the gold recovery throughout the whole mill circuit is as follow:

Head grade:	1.07 g/t
Gravity recovery:	54%
Cyanidation recovery:	89%
Overall maximum recovery:	95%
Final tailings:	0.049 g/t

The proposed flow diagram is illustrated on the following page at Figure 92.

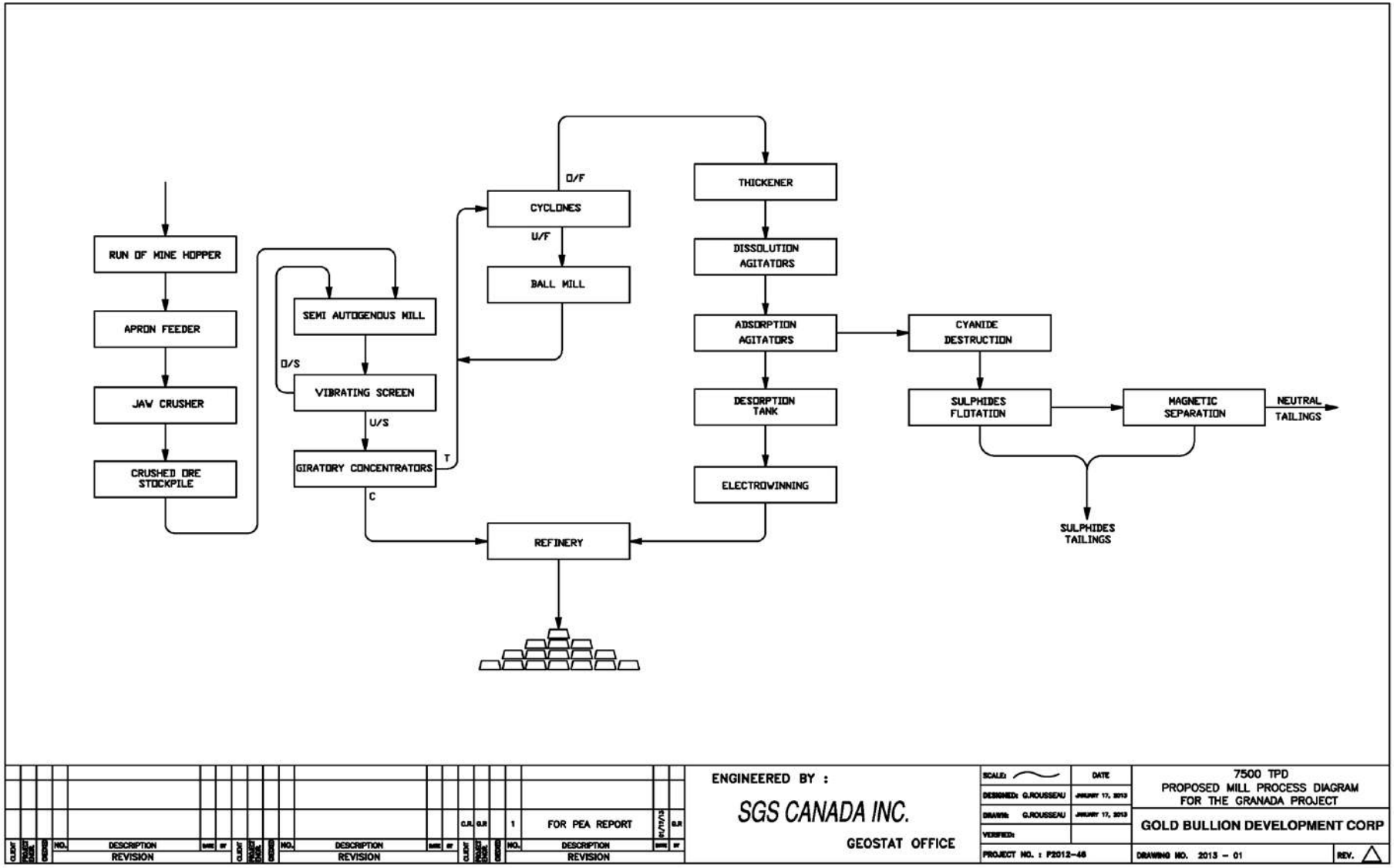


Figure 92: Flow diagram

18- Project Infrastructure

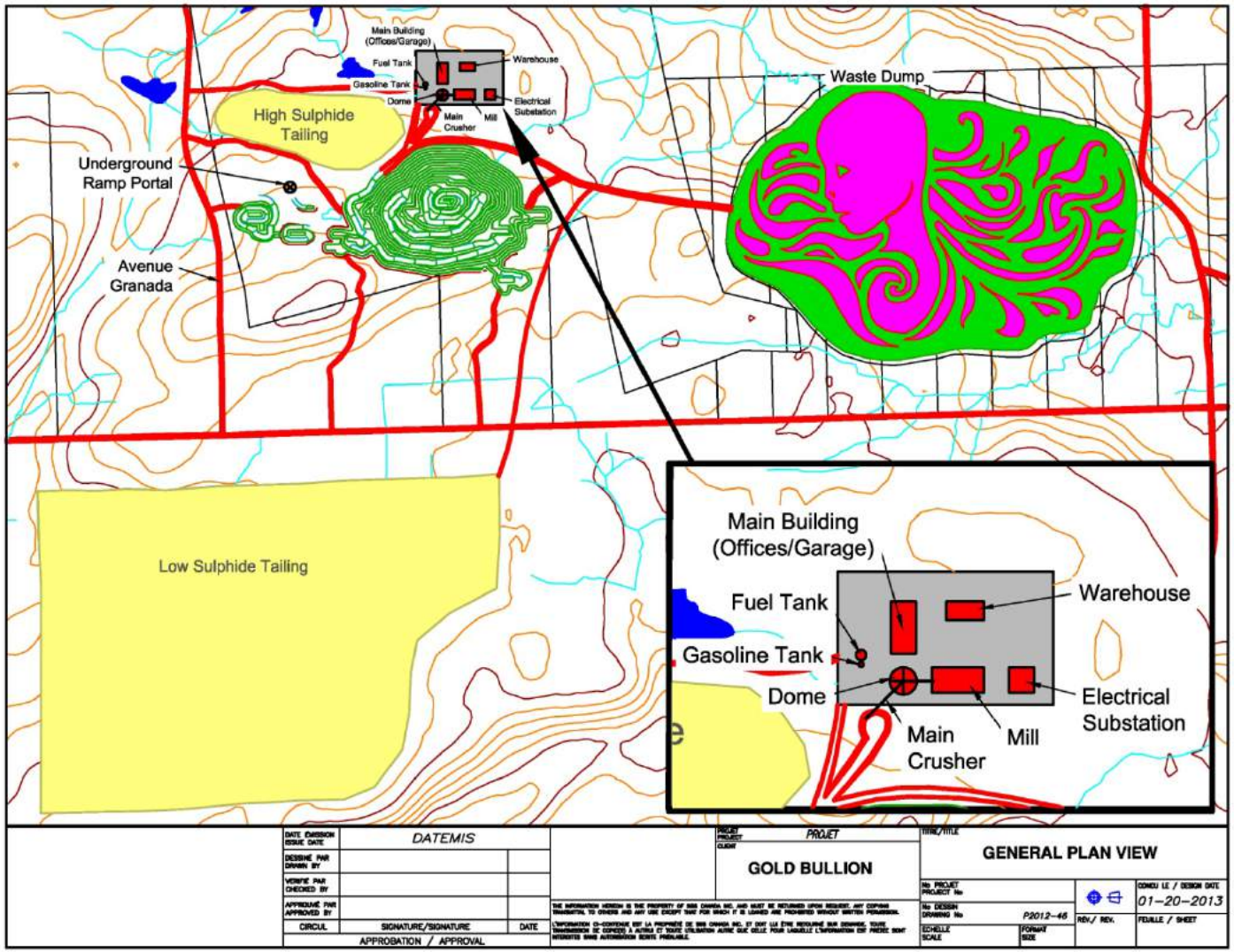


Figure 93: General site layout

The proposed on-site major infrastructures will include:

- Resources processing facilities
- Main building (offices and mechanical shop)
- Electrical substation
- Warehouse/Lay down yard
- Fuel farm
- Explosives magazines
- On-site roads
- Tailings management facilities
- Waste rock stockpile
- Underground ramp portal
- Underground heathers/ventilators
- Etc.

➢ Resources Processing Facilities

Described in the previous section 17

➢ Main Building (Offices and Mechanical Shop)

The proposed main building will be a pre-engineered building with steel cladding and roofing. It will be adjacent to the process building, warehouse, etc. It will be a large structure that will house:

- office for each department (administration, engineering, geology, etc.);
- a first aid facility;
- a welding and mechanical shop;
- a secondary warehouse;
- a vehicle repair shop for heavy mobile equipment and light vehicles, including a wash-bay and a 20 t overhead crane;
- an electrical shop;
- a mine dry.

With the exception of the vehicle repair shop, the other services will be located at one end of the building and constructed over 2 stories. The service complex will have a footprint of ± 1,500 m^2.

➢ **Electrical Substation**

The source of electrical power will likely be the Hydro Quebec 25,000 volts, 3-phase aerial line along the Granada road[6]. Since the mill power requirement alone will be in the order of 10,000 kW, it is a fair assumption that the total power demand for the whole operation will be in the 11,000 kW range. Based on an overall power factor of 0.80, a 7.5 MVA substation will thus be bought and installed. Because the bigger motors in the mill are rated at 4160 volts, the substation will comprise two (2) main transformers: a first one will transform the 25,000 V Hydro Quebec aerial line to 4400V and a second one in parallel will down grade the 25,000 volts from the main line to 660 volts. Secondary step down transformers will transform the 660 volt to 220V and 110V to service the smaller motors and other appliances. Because the mill is the most energy intensive component of the mine, the substation will be located as close as possible to the processing plant.

➢ **Warehouse/Lay down Yard**

A ±1,000 m^2 building will be used as main warehouse. The building will be a pre-engineered steel frame building covered by cladding and roofing panel. The building will be assembled on site. An outside area, adjacent to the warehouse building will be reserved to store larger goods, such as drill rods, rebars, etc.

➢ **Fuel Farm**

The storage capacity at the mine site for fuel and gasoline will be about one week of operation as the main suppliers are less than 10 km away. All tanks will have facilities to fuel the mine and support mobile equipments. These tanks will be field-erected within proper containments.

➢ **Explosives Magazines**

Two explosives magazines will be installed on site. One of these magazines will house priming explosives products such as caps and detonating cord while the second will house all packages explosives and boosters. The magazines will be constrained and strategically disposed to meet Provincial and Federal explosive regulations.

➢ **Roads**

The Granada property is connected to Highway 17 by a gravel road. There are gravel roads within the property to service the drilling program. On-site gravel roads will be built to service the process plant (mill), the main building, the warehouse complex and the tailings storage facility (TSF). Haul roads will be built for 150 tonnes ore trucks to deliver ore from the pit to the primary crusher, waste rock dump and to the tailings area to build the dams.

As show on the Fig 93, a part of the Avenue Granada will also need to be relocated. The road relocation, less than 1 km, will be built following Government standards.

[6] A request was addressed to Hydro Quebec asking if Gold Bullion could use the 25k Volts aerial line along the Granada road for its mining operation. At the moment of writing this report, no answer was received from Hydro Quebec. However, according to the electrical engineer consulted by SGS Geostat, it is theoretically possible to use that line if there is no other big energy consumer connected to it. Moreover, Gold Bullion must be aware that one third to one half of the total power of the line will be used for the mine alone.

➢ **Tailings Management Facilities**

The Tailings Management Facilities will be located somewhere to the South-west and south of the process plant (Fig 93). Two (2) tailings ponds will be required. One (1) facility will be used to store the sulphides tailings while the second one will store the non-deleterious neutral tailings.

Non-deleterious Neutral Tailings Pond

The non-deleterious neutral tailings pond located south of the proposed mill location will store 90% of the total volume of the tailings generated by the processing plant. The initial construction will consist of three (3) embankments located south, west and north of the tailings pond. Since there is a natural elevation on the eastern part of the tailings pond, no dam is required on that side. The semi impervious starter dams will be built during the initial construction period. The dam height will be increased on a yearly basis. At the same time as the construction of the starter dams, a concrete decant tower will be installed to divert the supernatant water to a polishing pond located west of the main tailings pond.

Sulphides Tailings Management

The sulphides tailings amounting to10% of the total mass of the mill rejects will initially be stored in a natural depression located south-west of the proposed mill emplacement. Tailings will be submerged below the water level in order to avoid physical contact with ambient air. A one (1) meter water cover will be kept at all times above the solid tailings level.

If necessary and until there will be some mine-out openings available to store the sulphides tailings, four (4) dams will be built all around the natural depression. The dams will be lined with impervious liner to avoid any seepage of water from the sulphides pond to the surroundings. Same as with the neutral tailings, a concrete decant tower will be installed to direct the supernatant water to a second polishing pond where the water will be continually monitored for acidity and presence of heavy metals.

After water treatment (if necessary), both polishing ponds water will be pumped back to the processing plant. As soon as there will be some mined-out openings available, the sulphides tailings will be diverted to these openings. At the end of the operation, if necessary and to make sure that the sulphides tailings will at all time be submerged, some of the tailings from the sulphides pond will be pumped in the useless underground openings.

➢ **Waste rock stockpile**

Waste rock stockpile will be located near open pit and will contain approximately 65.0 Mm^3 of blasted rock and will cover an area of approximately 2.33 Mm^3. Gold Bullion will stockpile his waste material respecting a specific design as presented in the next Figure.

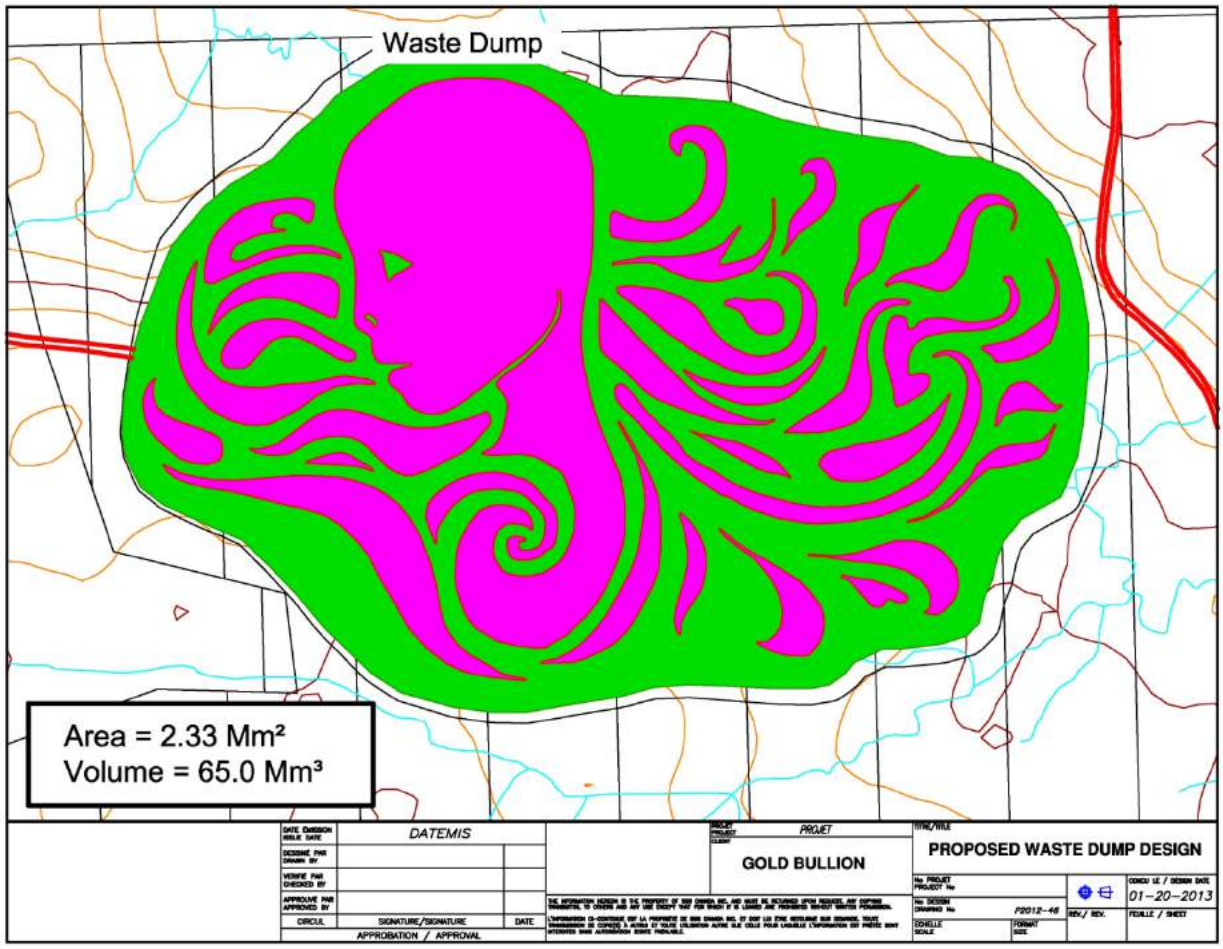


Figure 94: Waste Rock Stockpile Design

➢ **Water supply**

No detailed investigations into the water requirements and supply sources have been carried out. It is envisaged that water for processing would be obtained from several sources and would be treated prior to use in the process. Primary water sources would be from pit dewatering, collection of surface runoff in natural or artificial structures, existing ponds, reclaim water from the tailings polishing pond and other sources. Studies on the water supply balance and remedial measures will need to be conducted as part of the next stages of feasibility analysis.

➢ **Emulsion Plant**

Not necessary at this point. Blasting contractors are in the near area of the project and will be able to supply explosives on a daily/weekly basis.

19- Market Studies and Contracts

At this date, Gold Bullion does not have a contract with a refinery to treat (and pay for) its anticipated gold production from the Granada Project. However, since the gold market is categorized as an open-market and for the purpose of this study, SGS made the assumption that Gold Bullion will sell all its production to regular gold buyers.

20- Environmental Studies, Permitting and Social Community Impact

The reader is advised that there are no mineral reserves at this stage and the preliminary economic assessment is conceptual in nature and further work will be required to support the presented conceptual disposal requirements.

20.1 Site Characterization

The site is a brown field, however historical documents and environmental studies with associated testing are considered obsolete by the author and the company management at this stage.

No exhaustive site characterization of the project site was performed in the course of the present study. When preparing documentation for the permitting process to proceed with possible commercial production in a preliminary feasibility study, some characterization works will be needed, mainly for the waste, ore and rejects in addition to the baseline environmental study with assessment of the impact on the community. The company will have to fulfill the requirements of the *Directive 019 on the mining industry*.

An orphan uncontained tailing is present on site and is related to historical mining and processing of gold ore in the 1935's. It is known that the tailings contain mercury and arsenic above acceptable levels. The author is aware that the company is preparing to take effective measures to clean this orphan site.

The cleanup of this tailing is a first step to be achieved in order to correct the environmental situation. The positive success of the development of the Granada Project could be a positive factor in the remediation of this encumbrance in the near future.

20.2 Environment

Jurisdictions and Applicable Laws and Regulations

The evaluation process and review of environmental impacts will apply according to the dimension of the project in this study. For the Granada Project of this study, it is assumed that public hearings will be required given the relative proximity of the town of Granada and the fact that environmental groups have raised concerns about an open-pit operation in the mining industry. It should be noted that Gold Bullion Development Corp. has already initiated active and participative discussions with local and regional stakeholders and that such an approach will be continuing as the project progresses. This approach aims at establishing and maintaining a sustainable dialogue with stakeholders in order to identify specific issues associated with the Project. As per other mineral projects in the region a period of about 18 to 24 months is anticipated for the preparation of the Environmental Impact Assessment and obtaining the government decision. Within the context of the current Study, fish habitat was not considered a trigger for the federal environmental review procedure considering project-specific characteristics and their potential impacts on the receiving environment.

20.3 Environmental Permitting

Once the Project will have undergone Environmental Impact Assessment and be authorized by the Government pursuant to Section 31.5 of the Act, it would still be subject to Section 22 of the Environment Quality Act and must therefore obtain a general certificate of authorization. The issuance of that authorization, however, should only be a formality as the certificate issued pursuant to Section 31.5 of the Act binds the Minister as to where he exercises the powers provided in Section 22. In addition to the certificate of authorization required under Section 22 of the *Environment Quality Act*, the proponent must obtain various permits, authorizations, approvals, certificates and leases required from the appropriate authorities. The authorization application and permitting process is expected to take one year. Applications may be filed concurrently with the construction work and should not therefore impact the project development should it proves to be positive.

Environmental Baseline Study

An environmental baseline study should be performed in order to define, in compliance with all applicable guidelines, policies, regulations and laws in Quebec and Canada, the current state of reference of the Granada Project receiving environment. A review of all existing information on local topography, regional hydrography (watershed) and geomorphology has to be done in order to precisely define the physical context in which the Granada Project will be implemented.

Hydrogeological and geotechnical study

The characterization of surface and the groundwater flow regime with geotechnical and hydrogeological studies will be required in the development of the project. Ideally the project should aim for a zero discharge, and if discharge has to happen it should be controlled with a water processing plant should it be required. In addition to the previous aspects, a study area covering the entire Property will be required to establish and assess biological conditions prevailing prior to the implementation of the Project. A vast review of all existing information on wildlife in the study area will be required including field surveys with mapping of fish habitats within the Property limits. The assessment aim at limiting the ecological footprint of the project and avoid impact on recreational and Aboriginal fisheries activities.

20.4 Tailings Characteristics and Management

Mineral processing includes gravity, cyanidation, cyanide destruction and sulphides flotation. For the Granada Project, the objective is to incorporate environmental protection measures in a context of sustainable development. It has therefore been decided to manage tailings separately. The goal is to produce a first tailing, without sulphides, through step flotation of sulphides (~90% of tailings). The other type of tailings (~10% of tailings) is probably leachable and will require protective measures specified under Directive 019. Consequently, two tailings management facilities will be constructed on site. The tailings of the probably leachable tailings shall be protected with a geo-membrane to prevent groundwater contamination. All tailings sites shall have polishing ponds and periphery trenches to collect any possible seepage from the embankments.

20.5 Waste Rock, Overburden and Top Soil Management

The geochemical characterization of the waste rock should be addressed in the next study, from historical results, the conglomerate, greywacke and intrusions are low-risk under Directive 019 and account for about 90-100% of all waste rocks, whereas the alteration zones around the mineralized rocks could be considered leachable for arsenic and could represent about 5-10% of all the waste rocks. Waste rocks near mineralized zones may therefore require separate piles. The area where the leachable waste rock is stockpiled will be protected with a geo-membrane to prevent groundwater contamination. A low-grade ore stockpile should be set up near the crusher site and should be protected similarly to the leachable waste rock stockpile if required. Topsoil and overburden that are removed to allow for pit operations should be stockpiled into two separate piles and used for site restoration.

20.6 Water Management Plan

A detailed water management plan will have to be prepared, as previously mentioned a zero discharge objective should be aimed for. The effluent of the Pounds should be considered as the final effluents following Québec's Directive 019. The final effluents have to comply with all provincial (Directive 019) and federal (CCME, MMER) criteria/guidelines.

Other possible water discharges will have to be analysed (Topsoil, Overburden and Waste Rock piles). A collection plan of water running off of the Waste Rock Pile, the Ore Stockpile and the Mill Area must be envisaged from a collecting basin towards the Process Water Ponds. Separate sewage disposal will be installed for the chemical/toxic discharges from the Mill and Laboratories. Mine water should be pumped to the Process Water Ponds. Water from the process Pond should be recirculated to the mill. All water accumulated in the Process Water Ponds and that will not have been recirculated to the mill may only be discharged through the final effluent following the Ponds appropriate treatment.

20.7 Disposal sites

Waste Rock Material

The waste coming from the open pit will constitute an important volume of material to manage. Based on the current mine planning, approximately 135 M tonnes of waste will be produced corresponding to about 243 M m^3 (1.8 tonne per m^3). The waste pile will accommodate a volume of more than 100 000 m^3 at a height of 10 m. The area covered by the waste pile is shown on Figure 95. A stability analysis will be completed during the permitting process. The waste material is not acid generating, based on historical information, but additional tests will be required. The assessment on waste material should determine if the waste is not leachable and not at high risk, as defined by the *Directive 019*.

The company has requested SGS to include a special design of the waste pile. The requested design is an out of the box concept which aimed to build a new world marvel observable from aircraft and even from space. The company is willing to make the additional effort in the preparation and modelling of the rock pile. The design shown in the following figure has been transpose to the best location on Gold Bullion exploration property and preliminary scaled to accommodate the estimate waste rock to be produced. The design is planned to sit on a leveled waste rock pad with a height not higher than 5 meters. On this pad the artist design should be built from the center to the sides over time with progressive reclamation where the pad should be covered with top soil and seed. The height of the art should not exceed 5-10 meters high from the pad.

A peripheral drainage trench around the pile should be prepared in order to maintain long term stability of the positive legacy. A detailed field design will be required at a higher level of development of the project.

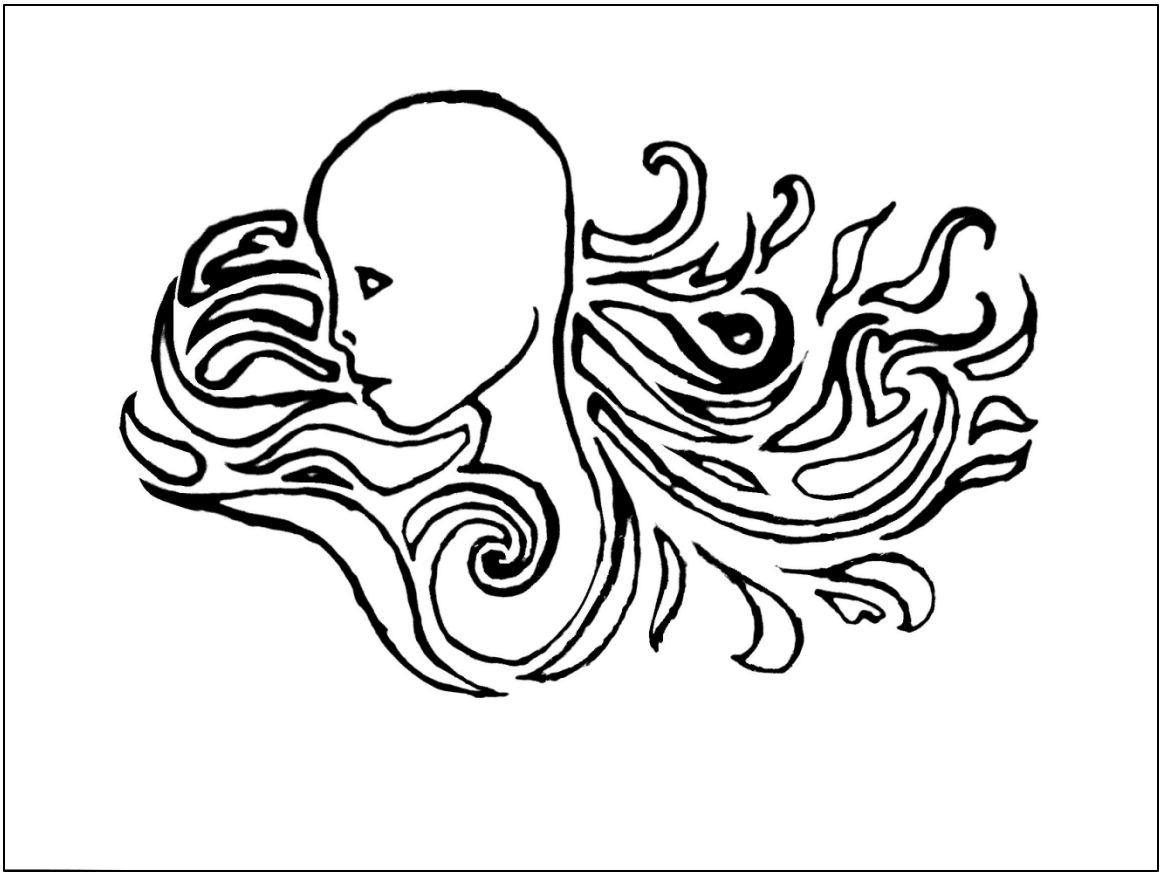


Figure 95: Waste pile

20.8 Dust and Noise

The equipment circulating around the mine site can generate dust as well as the personal vehicles on the access road. Dust control will be done when required by applying environmental accepted dust control products on the access road and mine road. Since the Granada site is relatively close to habitations, special approached are planned to limit the noise. Good practices will be in place to control noise for workers on site.

One of the company objectives is the installation of the milling and processing facilities below the horizon to reduce to maximum the visual, dust, vibrations and noise impact. The next study will have to incorporate this concept in the preparation of the study.

20.9 Conceptual Closure and Rehabilitation Plan

At this time, there is no closure plan for the future mine operation. The following section will present the required work to close the Granada site according to the actual regulation and requirements of the *Quebec Environmental Act*.

20.9.1 Overview

The closure objectives are as follows:
- characterize the soil, surface water and groundwater that the mining operation may have impacted;
- reclaim the soil and water to the accepted level of contamination for the site;
- dismantle and remove buildings and infrastructures;
- secure the underground openings for long term safety;
- establish sustainable vegetation for long term stabilisation of the land surface and for aesthetic purposes;
- limit or eliminate long term care and maintenance for the site.

20.9.2 Site Characterization and Reclamation

As required for the closure of an industrial site such as a mine, the characterization work must be carried out based on the requirements of the *Environmental Act*. If land contamination is proven, an environmental rehabilitation plan must be produced and submitted to the MDDEP. The land may have to be decontaminated in order to meet the applicable criteria.

20.9.3 Underground Openings

All the equipments will be removed from the underground openings and contaminated materials will be disposed according to regulation. All the openings (ramp portal, ventilation raise) will be safely blocked. The crown pillar condition will be assessed prior to closing the mine. If required, stopes could be filled to insure the long term stability of the crown pillar.

20.9.4 Buildings and Infrastructure

All the buildings and infrastructures will be dismantled or demolished following the end of operations.
If possible, buildings and infrastructures will be salvaged.
Following the removal of the buildings and infrastructures and the decontamination of soils and water if necessary, the surface will be shaped and vegetation re-established.

20.9.5 Waste and Ore Piles, Settling Ponds

The waste pile will be shaped to a stable angle and regenerated with progressive reclamation as per proposed art design. The top soil accumulated on site will be used to facilitate the regeneration.

The ore pad and the settling ponds will have to be characterized to verify the presence of contamination. If contamination is proven, these sites will have to be rehabilitated.
The neutral settling pond will be open to limit water accumulation. If sediments are presents, they will be sent underground. The surface of the neutral settling pond will be regenerated.

A guarantee of will have to be prepared for the Quebec Ministry of Natural Resources to cover a portion of the reclamation costs.

20.9.6 Closure and Post Closure

During rehabilitation work, environmental controls will be done as during production period. A post closure program will be planned according to regulation.

Cost

Actually a one million dollars provision is clearly stated in the cash flow analysis and is considered low by the author, however proposed art design and discharge plan should have a positive impact on reducing reclamation costs. The additional costs are considered to be within the contingencies costs of 65 millions.

21- Capital and Operating Costs

21.1 Capital Cost

The total capital expenditures cost (CAPEX) is estimated at an overall accuracy of ±30%, which is the standard for a preliminary economic assessment. The CAPEX were defined by SGS using in-house database and the Mine & Mill Equipment Costs Estimator's Guide: Capital & Operating Costs (2012). The total required investment is estimated at 259.3 M$ and includes a contingency of 20%. Refer to Table 28 for the CAPEX breakdown

The capital costs do not include:

- Costs to obtain permits (excepted for airstrip);
- Costs for pre-feasibility and feasibility studies;
- Any provision for changes in exchange rates;
- GST/QST;
- Project financing and interest charges;
- Price/cost escalation during construction;
- Import duties and custom fees;
- Pilot plant and other testwork;
- Sunk cost;
- Exploration activities;
- Severance cost for employees at the cessation of operations;
- Royalties and taxes; and
- Any additional costs (but can partly be absorbed in contingency allowance).

The underground operation will require development prior to start mining operation. This development, which will require about two years, is categorized as capital expenditure and will include:

- Portal at the ramp entrance
- Rehabilitation of the vertical shaft
- Rehabilitation of the incline shaft
- Surface ventilation and heating facilities

Table 28: Capex summary

Item	Cost	% of total
Site preparation	$ 700,000	0.3%
Drinking water treatment plant	$ 50,000	0.0%
General maintenance workshop	$ 3,300,000	1.3%
Warehouse	$ 1,200,000	0.5%
Fuel storage tank & pumping station	$ 110,000	0.0%
Gas storage tank & pumping station	$ 30,000	0.0%
Main office building	$ 2,400,000	0.9%
Explosive magazines + Access	$ 120,000	0.0%
Telecommunication system	$ 250,000	0.1%
Electrical power line		
Sub-station	$ 4,000,000	1.5%
Site distribution		
Processing plant	$ 165,000,000	63.6%
Shaft rehabilitation	$ 1,800,000	0.7%
Ventilation raise rehabilitation	$ 2,100,000	0.8%
Undergound portal	$ 400,000	0.2%
Ventilation/heater units	$ 1,200,000	0.5%
Underground development	$ 27,100,000	10.4%
Equipments not under leasing		
Mechanical Service Truck	$ 165,000	0.1%
Boom and flatbed truck	$ 150,000	0.1%
Tower lights	$ 60,000	0.0%
On site loader	$ 300,000	0.1%
Water pumps	$ 80,000	0.0%
Others	$ 1,500,000	0.6%
Pick-Up 4 x 4	$ 400,000	0.2%
Others		
Equipments spare parts - Starting inventory	$ 1,000,000	0.4%
Computers / Softwares / Printers / Network	$ 400,000	0.2%
EPCM - Mains Infrastructures (10%)	$ 1,826,600	0.7%
Working capital	$ 4,000,000	1.5%
Rehabilitation and decommissioning	$ 1,000,000	0.4%
Subtotal	$ 220,641,600	85.1%
Contingency (20%) (not applied to U/G develop.)	$ 38,708,320	14.9%
Total	$ 259,349,920	100.0%
Total rounded	**$ 259,300,000**	

21.2 Sustaining Capital Cost

The sustaining capital cost ($16.35 M) will last overall operating years (2 to 12) and will be composed of:

- Site preparation;
- Tailing ponds dikes enhancement;
- Rehabilitation and decommissioning;
- Others (a provision for any unexpected costs).

The sustaining capital will be spread as follow:

Table 29: Sustaining capital

Year		0	1	2	3	4	5	6
Sustaining Capital								
Site preparation	$			250,000	250,000			
Tailing ponds	$				300,000		300,000	
Rehabilitation and decommissioning	$			2,000,000	1,000,000	1,000,000		
Others	$			250,000	250,000	250,000	250,000	250,000
Total	$			2,500,000	1,800,000	1,250,000	550,000	250,000

Year		7	8	9	10	11	12	Total
Sustaining Capital								
Site preparation	$							500,000
Tailing ponds	$	300,000		300,000		300,000	100,000	1,600,000
Rehabilitation and decommissioning	$						7,500,000	11,500,000
Others	$	250,000	250,000	250,000	250,000	250,000	250,000	2,750,000
Total	$	550,000	250,000	550,000	250,000	550,000	7,850,000	16,350,000

21.3 Mining Costs

The mining costs (OPEX) are estimated at an overall accuracy of ±30%, which is the standard for a preliminary economic assessment. The mining costs were defined by SGS using in-house database and the Mine & Mill Equipment Costs Estimator's Guide: Capital & Operating Costs (2012).

The mining/operating costs do not include:

- Any provision for inflation;
- Any provision for changes in exchange rates;
- GST/QST;
- Corporate administration and head offices costs; and
- Exploration activities.

The total mining cost related to open pit and underground over the life of the mine is estimated at $508.9 M ($353.9 M for open pit and $155.0 M for underground).

21.3.1 Open pit mining cost

The open pit mining cost is estimated at $353.9 M which equates to $15.54 per tonne treated or to an average of $2.25 per tonne mined.

For this PEA, all material was assigned the same mining cost irrespective of destination or depth. The mining unit cost of $2.25 /t was based on research and benchmarking studies for similar projects, including a prime, considering that the mining will be performed by a contractor. This mining unit cost represents an estimate of the costs for a contractor to undertake all of the open pit mining activities (drilling, blasting, mucking and services) for the life of the mine.

21.3.2 Underground mining cost

The underground mining cost is estimated at $155.0 M which equates to $42.50 per tonne treated. The stoping costs are divided in two: 80% of the mineral resource is expected to be mined using the Avoca method, while the rest (20%) will be done using the Drift and Fill Method, both methods are variants of the Cut-and-Fill method. We have made an allowance of $2.20/tonne, for the special workings that are sometimes hard to define and evaluate. The unit direct mining costs for each method are shown in the following Table 30.

Table 30: Direct U/G mining costs

Avoca Mining - 80% of total	Quantity Tonnes	Unit cost $/t	Cost $
Stope production	2,918,400	31.63	92,321,963
UG services, supervison and grade control	2,918,400	7.97	23,259,648
	2,918,400	39.60	115,581,611
Allowance for emergency jobs by contractor	2,918,400	2.20	6,420,480
Sub-total (1)	2,918,400	41.80	122,002,091
Drift and Fill Mining -20% of total	**Quantity Tonnes**	**Unit cost $/t**	**Cost $**
Stope production	729,600	35.07	25,589,903
UG services and supervison	729,600	7.97	5,814,912
	729,600	43.04	31,404,815
Allowance for emergency jobs by contractor	729,600	2.20	1,605,120
Sub-total (2)	729,600	45.24	33,009,935
TOTAL for the two mining methods (average)	**3,648,000**	**42.50**	**155,012,026**

The unit cost of 7.97 $/t is representing the U/G services and supervision as defined below:

Table 31: U/G mine services

Mine services, supervision and grade control	Cost $/t
Underground power consumption at $0.075/kWh	1.25
Ventilation controls & maintenance: $0.20/t of ore	0.20
Air heating in winter time - spread over all year	0.25
Dewatering & sump cleaning	0.10
Maintenance of manways & airways	0.17
Surveying of workings: 2 technicians	0.33
Diamond drilling for ore definition	5.00
Grade control supervision: 1 geologist & 2 technicians	0.67
Sub-total	**7.97**

21.4 Underground Development Costs

The underground development costs are estimated at an overall accuracy of ±30%, which is the standard for a preliminary economic assessment. These costs were defined by SGS using in-house database and the Mine & Mill Equipment Costs Estimator's Guide: Capital & Operating Costs (2012). The following subcontractor's unit prices are retained in this study for the waste workings:

Table 32: U/G development unit costs

Waste Developments Costs	Unit cost $/m
Main ramp: 5.0m x 4.0m	5,500
Access drifts: 5.0m x 4.0 m	5,500
Ventilation raises: 2.5m x 2.5m	3,500
Secondary developments: 3.5m x 3.5m	3,500

The total of waste developments is illustrated in the following Table.

Table 33: Total U/G waste developments

Year	Ramp m	$/m 5500	Access m	$/m 5500	Raise	$/m 3500	V. Access m	$/m 3500	Total m	Total $
1	1530	8,415,000							1,530	$ 8,415,000
2	403	2,216,500	1,280	7,040,000	285	997,500	406	1,421,000	2,374	$ 11,675,000
3	1414	7,777,000	2,096	11,528,000	203	710,500	435	1,522,500	4,148	$ 21,538,000
4	797	4,383,500	1,677	9,223,500	330	1,155,000	521	1,823,500	3,325	$ 16,585,500
5	407	2,238,500	1,494	8,217,000			487	1,704,500	2,388	$ 12,160,000
6			859	4,724,500			424	1,484,000	1,283	$ 6,208,500
7					246	861,000	564	1,974,000	810	$ 2,835,000
8			70	385,000			98	343,000	168	$ 728,000
9			40	220,000			35	122,500	75	$ 342,500
10					262	917,000	138	483,000	400	$ 1,400,000
11			342	1,881,000			129	451,500	471	$ 2,332,500
12			715	3,932,500			471	1,648,500	1,186	$ 5,581,000
Total	**4,551**	**$ 25,030,500**	**8,573**	**$ 47,151,500**	**1,326**	**$ 4,641,000**	**3,708**	**$ 12,978,000**	**18,158**	**$ 89,801,000**

21.5 Processing costs

The 26.42 Mt to be treated (open pit and U/G) are resulting from a processing cost of $370.0 M which equates to an average of $14.00 per tonne treated through the life of the mine.

Refer to Section 17 for cost breakdown.

21.6 General and Administration (G&A) Costs

The total G&A cost is estimated at $59.7 M through the life of the mine. The average yearly G&A cost is 2.23 $ per tonne treated and is defined as follow:

Table 34: G & A costs

Salaries	Qty.	$/pers./year	30% benefits	Total $/year	$/tonne treated
Open-pit & U/G operations					
Mine superintendant	2	$ 115,000	$ 34,500	$ 299,000	$ 0.11
Shiftboss	2	$ 90,000	$ 27,000	$ 234,000	$ 0.09
Clerk	1	$ 50,000	$ 15,000	$ 65,000	$ 0.02
Mine Engineering			$ -		
Engineering superintendant	1	$ 115,000	$ 34,500	$ 149,500	$ 0.06
Mine engineer	4	$ 90,000	$ 27,000	$ 468,000	$ 0.18
Mine technician	2	$ 65,000	$ 19,500	$ 169,000	$ 0.06
Surveyor	6	$ 62,500	$ 18,750	$ 487,500	$ 0.19
Environment engineer	1	$ 85,000	$ 25,500	$ 110,500	$ 0.04
Environment technician	2	$ 65,000	$ 19,500	$ 169,000	$ 0.06
Clerk	1	$ 50,000	$ 15,000	$ 65,000	$ 0.02
Geology			$ -		
Geology superintendant	1	$ 115,000	$ 34,500	$ 149,500	$ 0.06
Geologist	2	$ 90,000	$ 27,000	$ 234,000	$ 0.09
Geology technician	2	$ 65,000	$ 19,500	$ 169,000	$ 0.06
Administration			$ -		
Mine manager	1	$ 140,000	$ 42,000	$ 182,000	$ 0.07
Managing secretary	1	$ 60,000	$ 18,000	$ 78,000	$ 0.03
HR agent	2	$ 60,000	$ 18,000	$ 156,000	$ 0.06
Accountant clerk	2	$ 65,000	$ 19,500	$ 169,000	$ 0.06
Warehouse responsible	1	$ 85,000	$ 25,500	$ 110,500	$ 0.04
Warehouse employees	3	$ 65,000	$ 19,500	$ 253,500	$ 0.10
Nurse	1	$ 80,000	$ 24,000	$ 104,000	$ 0.04
I.T.	1	$ 65,000	$ 19,500	$ 84,500	$ 0.03
General			$ -		
Janitor	1	$ 50,000	$ 15,000	$ 65,000	$ 0.02
Security guards	4	$ 58,000	$ 17,400	$ 301,600	$ 0.11
Pick-Up driver	1	$ 60,000	$ 18,000	$ 78,000	$ 0.03
Total salaries	**45**	**$ 1,845,500**	**$ 553,650**	**$ 4,351,100**	**$ 1.66**
On site general expenses				**$ 1,500,000**	**$ 0.57**
Total G&A				**$ 5,851,100**	**$ 2.23**

22- Economic Analysis

22.1 Principal assumptions

SGS made a numbers of assumptions in order to develop the Granada Project financial model:

- price of gold at $1,470 USD per ounce troy (3 years trailing average);
- 3.0% NSR is attributable to a third party;
- processing rate of 7,500 tonnes per day (6,500 from open pit and 1,000 from U/G)
- constant exchange rate of $1.00 (US$:CDN$);
- discount rate of 5.50 %;
- economical analysis is presented as pre-finance and pre-tax;
- 35% contingency is added to all underground activities in order to absorb any extra costs;
- sunk costs and owner's costs are not included in the model;
- 2 years construction period (infrastructures and underground mine development);
- 11 years of mining operation;
- initial capital cost will be spend over the 2 first years of construction;
- open pit and underground mining will be carried out by contractors;
- mining equipment and operators will be provided by the contractors;
- mining and processing expenses will commence in the first year of operation.

22.2 Cash flow forecasts

A summary of the base case results is given in Table 35, while the cash flow statement related to the base case scenario is presented by Table 36.

Table 35: Project cash flow summary

Items	Units	Value
Total Revenue	M$	1,656
Total Operating Costs	M$	1,113
Pre-production Capital Costs	M$	259
Sustaining Capital Costs	M$	16
Royalties paid	M$	49
Undiscounted benefits	M$	217
NPV discounted at 5.50%	M$	74.6
Internal rate of return	%	10.1
Payback period*	years	6.8

Table 36: Base case cash flow

			0	1	2	3	4	5	6	7	8	9	10	11	12	Total
OPERATING REVENUES	Resources treated from open pit	*tonnes*			2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	24,890	22,774,890
	Input grade	*g/t*			1.49	1.13	0.97	0.98	0.96	0.97	1.01	1.11	1.05	1.07	0.99	1.07
	Metal recovery	*%*			94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10
	Recovered ounces from open pit	*oz. troy*			102,686	77,743	66,737	67,715	65,932	66,427	69,318	76,270	72,009	73,868	748	739,452
	Gold value	*$Cdn/oz. troy*			1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470
	Revenues from open pit	***$***			**150,948,107**	**114,281,790**	**98,103,688**	**99,540,393**	**96,919,925**	**97,648,395**	**101,897,802**	**112,116,616**	**105,853,798**	**108,585,560**	**1,098,889**	**1,086,994,964**
	Resources treated from U/G	*tonnes*			175,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	322,997	3,648,000
	Input grade	*g/t*			3.23	3.04	2.77	2.75	4.04	4.06	4.17	3.60	3.60	3.60	3.60	3.51
	Metal recovery	*%*			94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10	94.10
	Recovered ounces from U/G	*oz. troy*			17,074	32,208	29,296	29,119	42,797	42,973	44,120	38,120	38,120	38,120	35,179	387,126
	Gold value	*$Cdn/oz. troy*			1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470	1,470
	Revenues from U/G	***$***			**25,099,465**	**47,345,407**	**43,064,863**	**42,805,437**	**62,911,020**	**63,170,447**	**64,856,722**	**56,036,208**	**56,036,208**	**56,036,208**	**51,712,843**	**569,074,829**
	Total resources treated (open pit + U/G)	*tonnes*			2,450,000	2,625,000	2,625,000	2,625,000	2,625,000	2,625,000	2,625,000	2,625,000	2,625,000	2,625,000	347,887	26,422,890
	Input grade (open pit + U/G)	*g/t*			1.62	1.38	1.21	1.22	1.37	1.38	1.43	1.44	1.39	1.41	3.41	1.41
	Total recovered ounces (open pit + U/G)	*oz. troy*			119,760	109,950	96,033	96,834	108,729	109,401	113,438	114,390	110,129	111,988	35,926	1,126,578
	Total revenues (open pit + U/G)	***$***			**176,047,572**	**161,627,197**	**141,168,552**	**142,345,829**	**159,830,945**	**160,818,842**	**166,754,524**	**168,152,824**	**161,890,006**	**164,621,768**	**52,811,733**	**1,656,069,794**
OPERATING COSTS	Resources mined	*tonnes*	-	-	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	24,890	22,774,890
	Waste mined	*tonnes*	-	-	9,367,028	10,296,436	14,115,132	22,371,197	20,189,606	15,298,731	15,413,884	11,780,394	8,073,822	7,560,663	29,294	134,496,187
	Stripping ratio	*t:t*	-	-	4.1	4.5	6.2	9.8	8.9	6.7	6.8	5.2	3.5	3.3	1.2	5.9
	Mining cost (2.25 $/t)	*$*	-	-	26,194,563	28,285,731	36,877,797	55,453,943	50,545,364	39,540,895	39,799,989	31,624,637	23,284,850	22,130,242	121,914	353,859,923
	Processing cost (14.00 $/t)	*$*	-	-	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	31,850,000	348,460	318,848,460
	G&A cost (1.50 $/t)	*$*	-	-	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	3,412,500	37,335	34,162,335
	Total open pit cost	***$***	**-**	**-**	**61,457,063**	**63,548,231**	**72,140,297**	**90,716,443**	**85,807,864**	**74,803,395**	**75,062,489**	**66,887,137**	**58,547,350**	**57,392,742**	**507,709**	**706,870,718**
	Resources mined	*tonnes*	-	-	175,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	322,997	3,648,000
	Resources mining cost (42.50 $/t)	*$*	-	-	7,437,483	14,875,017	14,875,017	14,875,017	14,875,017	14,875,017	14,875,017	14,875,017	14,875,017	14,875,017	13,727,364	155,040,000
	Ramp cost (5,500 $/m)	*$*	8,415,000	2,216,500	7,777,000	4,383,500	2,238,500	-	-	-	-	-	-	-	-	25,030,500
	Stopes accesses cost (5,500 $/m)	*$*	-	7,040,000	11,528,000	9,223,500	8,217,000	4,724,500	-	385,000	220,000	-	1,881,000	3,932,500	-	47,151,500
	Raises cost (3,500 $/m)	*$*	-	997,500	710,500	1,155,000	-	-	861,000	-	-	917,000	-	-	-	4,641,000
	Ventilation accesses cost (3,500 $/m)	*$*	-	1,421,000	1,522,500	1,823,500	1,704,500	1,484,000	1,974,000	343,000	122,500	483,000	451,500	1,648,500	-	12,978,000
	Processing cost (14.00 $/t)	*$*	-	-	2,451,744	4,903,506	4,903,506	4,903,506	4,903,506	4,903,506	4,903,506	4,903,506	4,903,506	4,903,506	4,525,185	51,108,480
	G&A cost (7.00 $/t)	*$*	-	-	1,224,997	2,450,003	2,450,003	2,450,003	2,450,003	2,450,003	2,450,003	2,450,003	2,450,003	2,450,003	2,260,978	25,536,000
	Contingency cost (35% of U/G opex)	*$*	2,945,250	4,086,250	11,428,279	13,584,909	12,035,984	9,952,959	8,772,234	8,034,784	7,899,859	8,269,984	8,596,359	9,733,334	7,179,734	112,519,918
	Total U/G cost	***$***	**11,360,250**	**15,761,250**	**44,080,503**	**52,398,934**	**46,424,509**	**38,389,984**	**33,835,759**	**30,991,309**	**30,470,884**	**31,898,509**	**33,157,384**	**37,542,859**	**27,693,261**	**434,005,398**
	Total cost (open pit + U/G)	***$***	**11,360,250**	**15,761,250**	**105,537,566**	**115,947,165**	**118,564,806**	**129,106,428**	**119,643,623**	**105,794,704**	**105,533,373**	**98,785,646**	**91,704,734**	**94,935,601**	**28,200,970**	**1,140,876,116**
BENEFIT	Open pit profits	*$*	-	-	89,491,044	50,733,559	25,963,391	8,823,950	11,112,061	22,845,000	26,835,313	45,229,479	47,306,449	51,192,819	591,180	380,124,246
	U/G profits	*$*	- 11,360,250	- 15,761,250	- 18,981,038	- 5,053,527	- 3,359,646	4,415,452	29,075,261	32,179,138	34,385,838	24,137,699	22,878,824	18,493,349	24,019,582	135,069,431
	Royalty (3.00 % NSR)	*$*	-	-	5,281,427	4,848,816	4,235,057	4,270,375	4,794,928	4,824,565	5,002,636	5,044,585	4,856,700	4,938,653	1,584,352	49,682,094
	CAPEX and sustaining capital	*$*	116,100,000	116,100,000	2,500,000	1,800,000	1,250,000	550,000	250,000	550,000	250,000	550,000	250,000	550,000	7,850,000	248,550,000
	Benefit	***$***	**- 127,460,250**	**- 131,861,250**	**62,728,579**	**39,031,216**	**17,118,689**	**8,419,027**	**35,142,394**	**49,649,573**	**55,968,515**	**63,772,593**	**65,078,572**	**64,197,514**	**15,176,410**	**216,961,584**
	Cumulative benefit	*$*	- 127,460,250	- 259,321,500	- 196,592,921	- 157,561,705	- 140,443,016	- 132,023,989	- 96,881,595	- 47,232,022	8,736,493	72,509,087	137,587,659	201,785,173	216,961,584	216,961,584

22.3 Net present value, internal rate of return and payback period

The financial analysis results of the Granada Project for the base case scenario where both open pit and underground mining will occur simultaneously are calculated as:

- $74.6 million net present value (NPV) at 5.50% discount rate;
- 10.1% internal rate of return (IRR);
- 6.8 years payback (from start of production) on $259 million initial capital.

All amounts are stated in Canadian dollars (unless otherwise noted).

22.4 Taxes, royalties and interests

Taxes

This preliminary economic assessment of the Granada Project was done without taking into consideration any governments taxes. However, Gold Bullion Development Corp will be subject to current and planned federal and Quebec tax rates and related tax rules. The applicable tax rates are:

Federal corporate tax rate:	15.0 %
Provincial corporate tax rate:	11.9 %, However, Quebec levies mining taxes under the Mining Tax Act at a flat rate of 16.0 % since 2012.

A corporation in Quebec will be subject to mining taxes on the annual profit earned on its property that is reasonably attributable to the mine and that can be reasonable be attributable to the operations of the mine.

For the purpose of the Mining Tax Act, annual profit is determined by subtracting from gross revenue the operating expenses and allowances directly related to the mine, including:

- exploration and development expenses;
- depreciation;
- a processing allowance;
- an additional allowance for a mine located in the North or mid North (not applicable).

Royalties

For the purpose of this PEA, the entire resource is considered having a 3% NSR payable to Mousseau Tremblay Inc. Please refer to Section 4.2, property description and ownership for more information on this royalty.

Interests

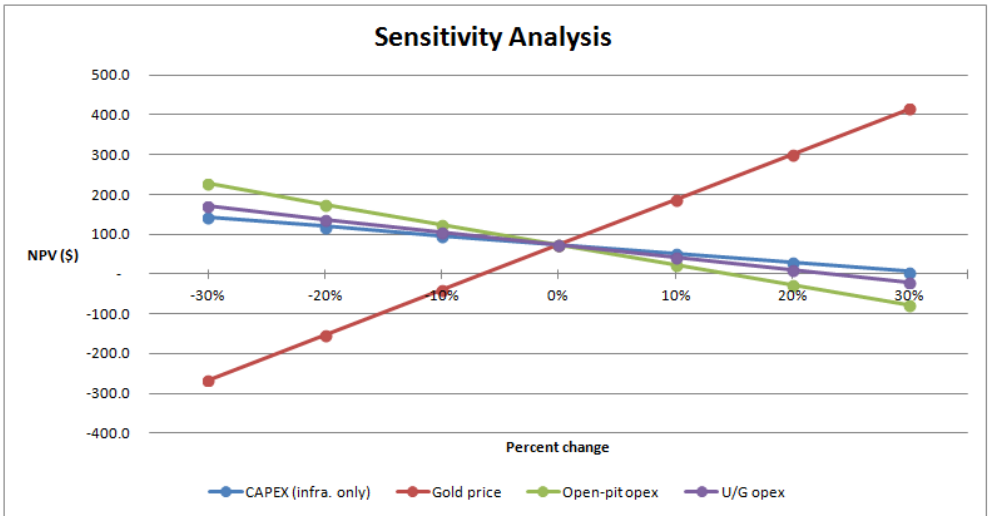
All the economical analysis presented in this study is calculated as pre-financed, so no interest attributable to capital financing was considered.

22.5 Sensitivity analysis

The sensitivity of the pre-tax Net Present Value was evaluated for changes in key driven variables and parameters such as:

- Capital investment (CAPEX);
- Gold price
- Open pit operating cost (OPEX);
- Underground operating cost (OPEX);

The result of the sensitivity is presented below.



Parameters	*Units*	*-30%*	*-20%*	*-10%*	*0%*	*10%*	*20%*	*30%*
CAPEX (infra. only)	$	162.5	185.8	209.0	232.2	255.4	278.6	301.9
NPV	$	142.4	119.8	97.2	74.6	52.0	29.4	6.7
IRR	%	16.6	14.1	12.0	10.1	8.5	7.1	5.9
Gold price	$	1,029	1,176	1,323	1,470	1,617	1,764	1,911
NPV	$	(266.3)	(152.7)	(39.1)	74.6	188.2	301.4	415.5
IRR	%	-	-	-	10.1	16.5	22.3	27.6
Open-pit opex	$	494.8	565.5	636.2	706.9	777.6	848.2	918.9
NPV	$	226.8	176.0	125.3	74.6	23.9	(26.9)	(77.6)
IRR	%	18.6	15.9	13.1	10.1	7.0	-	-
U/G opex	$	303.8	347.2	390.6	434.0	477.4	520.8	564.2
NPV	$	169.9	138.1	106.3	74.6	42.8	11.1	(20.7)
IRR	%	15.9	14.0	12.1	10.1	8.2	6.2	-

Figure 96: Sensitivity analysis

It can be seen that the gold price and the open pit operating cost have the greatest impact on project NPV. The project becomes negative when gold price drop by 6.0% and when open pit operating cost increase by 14%. Overall, the project is sensitive to each of the major variables. This sensitivity analysis clearly demonstrates that gold price needs to remain over 1,400 US$/oz troy (at an exchange rate of 1.00 US$:CDN$); in order to keep the project economically attractive.

23- Adjacent Properties

In Abitibi, most properties on the Cadillac trend are surrounded by others. The Gold Bullion Property does not make an exception. The following map presents the property in red surrounded by others, most of them being public companies. Since the majority of these companies are active and have a public web site the Author recommend the reader to visit their web site for the most recent information and development.

+ The adjacent property close to the known mineralized zone of Granada belongs to Adventure Gold. No declared work from their side on this property named Granada Extension.

+ To the north the Astoria property of Yorbeau has declared resource statement in 2005 in the 700,000 to 1 Million gold ounces range. The resource is in a different geological context associated with the Cadillac fault. The technical report can be downloaded from their web site.

+ To the north east Threegold Resources Inc. has discovered a mineralized trend along the Adanac Shaft, a figure from their web site is presented in the next page.

+ RT Minerals is North East between Threegold and Gold Bullion close to McWatters, no recent work disclosed on the web site.

+ No data could be found on the western side for Mines d'Argent Ecu Inc.

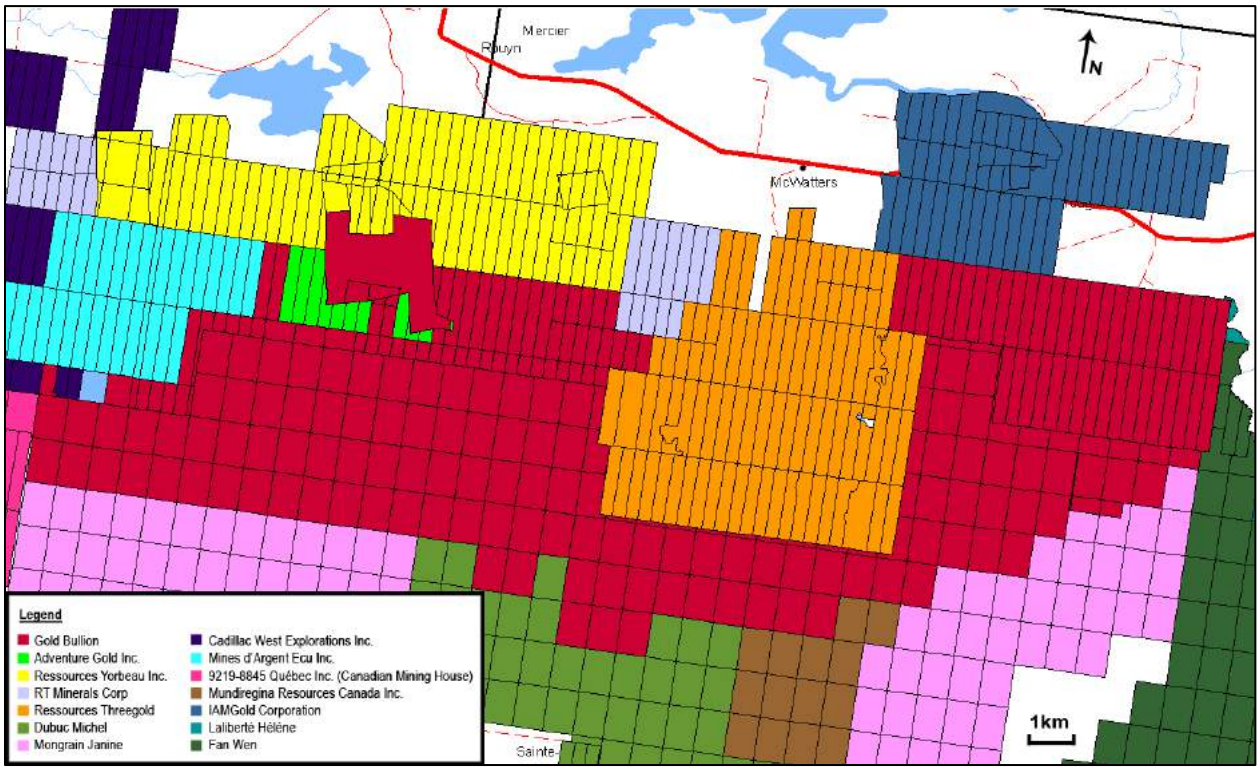


Figure 97: Map with adjacent properties (from MRN Gestim)

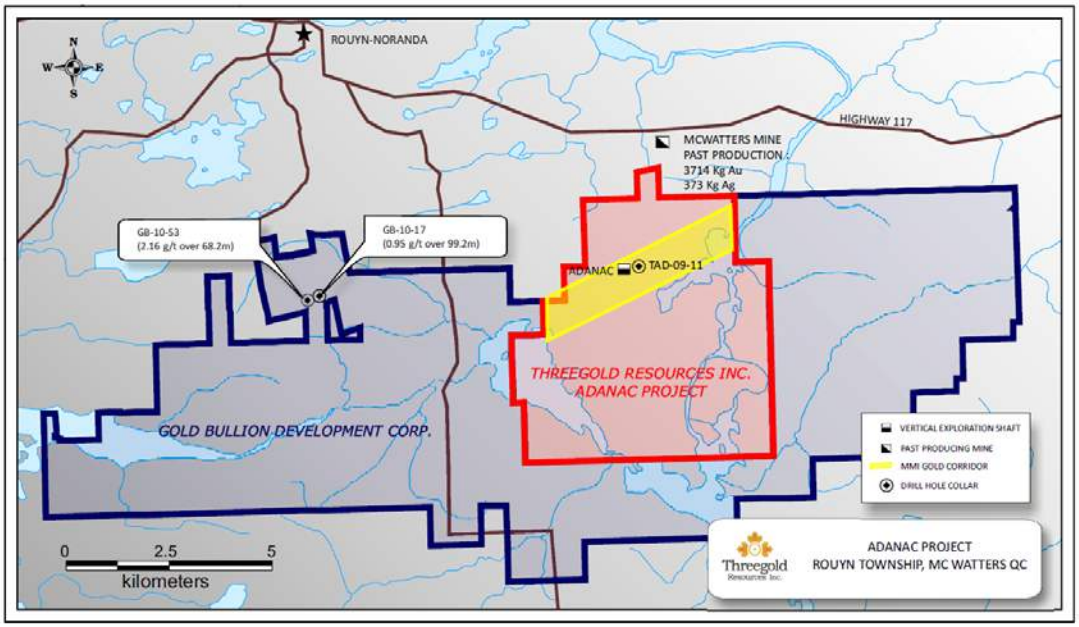


Figure 98: Adjacent property Adanac project (source Threegold Resources Inc. web site)

24- Other Relevant Data and Information

The author is aware that holes were drilled outside Gold Bullion Property by previous Consultant. The core has been sent to the claim owners when the company learned about it.

The author is aware that the owner of the mill at Granada is supposed to dismantle the mill and reclaim the zone in the near future.

On site, there is activity of aggregates with the historic waste pile, to the author knowledge Gold Bullion has all permits in hand.

The previous Consultant has filed a lawsuit against Gold Bullion Development Corporation.

Photonic Knowledge has conducted core mapping and information is not for public disclosure. The author has not relied on the core scan information from Photonic Knowledge to prepare the resource estimate.

24.1 Potential

The author has evaluated a potential mineralization at depth based on nearby diamond drill holes to justify additional drilling in these areas.

POTENTIAL QUANTITY AND GRADE RANGES (1)

Zone	Metric Tonnes (Million)	Gold grade (g/t)
UG extension West	7.4 to 11.1	3.40 to 4.70
UG extension East	2.2 to 3.3	3.20 to 4.30
Total	9.6 to 14.4	3.35 to 4.61

(1) The potential quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

The potential stated above is based on projections within the mineralized plan of two and three mineralized zones of 3 meters true width on the west and east side of the deep hole program under highly drilled surface mineralization.

25- Interpretation and Conclusions

General

With the Granada project, Gold Bullion have begun to outline a resource base which has the potential for the discovery of additional resources and may, with further study, be potentially economic. SGS has conducted extensive validation and database construction to prepare a reliable resource estimate for the Granada Gold project. SGS considers the resource estimate to have been reasonably prepared and to conform to the current CIM standards and definitions for estimating resources, as required under NI 43-101 "Standards of Disclosure for Mineral Projects." Therefore, SGS accepts the public disclosure of the resource estimate as the basis for ongoing exploration at the Granada. However, the reader should be cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The parameters used to determine the cut-off grades are based on the economical criteria presented below which were then used to determine which mineralized blocks could be included in the resource estimate.

The risks and uncertainties out of normal mineral projects consideration; capping, gold price and qualified persons as previously mentioned in the report are associated to the accuracy of underground historical exploitation numbers, the presence of arsenic in the rocks at Granada and the presence of old tailings.

There are no mineral reserves presently identified on the Granada property. The stated resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, unless stated in this report, to the best knowledge of the authors. There are no known mining, metallurgical, infrastructure, or other factors that materially affect this mineral resource estimate, at this time.

SGS believes that the land controlled at the Granada project by Gold Bullion is highly prospective both along strike and down dip of the existing mineralization and that further resources could be discovered with additional exploration and development. In addition to the previously stated mineral resource estimate, the Granada property has further mineral potential since the true extent of the mineralization on the property within the conglomerate packages and alteration zones has not been fully identified on the whole property.

The author can only say that works on the adjacent property of Threegold Resources Inc. have demonstrated a favorable mineralized corridor in direction of Gold Bullion property.

Gold Bullion Development Corporation has been conducting exploration drilling on the Granada property which has had some historical mining conducted on the various mineralized veins. In the case of the center Granada project; although a number of mineralized areas have seen limited exploitation in the past, the veins and mineralized system on the property remain open in both their lateral and down dip projections. The company and previous consultant have been applying modern exploration concepts and techniques as well as conducting extensive diamond drilling programs on the Granada.

As a result of Gold Bullion investments and efforts the company has been able to build and update the NI 43-101 compliant mineral resource estimate and is beginning to determine the extent of the mineralization on the mineral claims and mining leases.

The resources reported herein by Gold Bullion for the Granada project were calculated by SGS Geostat as constituting the basis for further exploration and project development.

It is SGS's opinion that the resources for the Granada project conform to the current CIM standards and definitions for estimating resources as required under NI 43-101 regulations.

At this time the exploration potential is open since only a small area has been explored with drilling by Gold Bullion. However, assuming that the geological controls observed at the Granada property are similar in size and grade to the other mineralized veins and the know mineralization, there is every reason to believe that the area of potential mineralization at the Granada property is large.
In summary, SGS considers that the proposed program for further exploration on the Granada project by Gold Bullion is both warranted and justified as the potential for the discovery of additional resources is good.

Underground

Underground mine planning is done at a low tonnage of 1,000 tpd, coming from a total of 6 stopes, over a period of 11 years. The production is scheduled to be done during the same period of time as the one from the open pit. The existing underground shaft access will be useful, both for ventilation processes and emergency exit. The mine development production is planned to be done based on subcontracting, which has the advantage to:

- Reduce the minimum required Capex, and
- Take advantage that the project is located in a large and experienced mining area.

The mine plan is calling for two mining methods that are both related to the Cut-and-Fill method, and are:

- Avoca method, and
- Cut-and-Fill method

These two methods do not need waste development, other than level and raise access. The Avoca method is intended for zones having a true dip greater than 45° in order to allow free fall material from longhole drilling and blasting. When dip is below 45°, the Drift-and-Fill method will be used, according to estimation this method should be needed for 20% of the estimated underground resources.

Both methods will use rockfill transported from surface by trucks. The low true dip of most of the mineralized zones is an issue that will have to be analyzed in details to give good results. While it is generally accepted that the minimum free fall angle for open stopes is around 50°, we still selected this method that has previously been applied with success in the area and that is familiar to many local miners and technicians.

Selectivity of the mineralization will also need to be properly address as the zones are narrow, quite often in the range of ~5m, and sometimes are displaced by crosscutting faults: the cost estimation is including an important amount for mineralization definition and selectivity.

The general rock mechanical conditions are very good, allowing safe developments, and quite often the walls carry some mineralization that will help to reduce the expected dilution that was

established at 20% in volume and at a grade of 1.0 g/t. This low mineralization is also present in the continuation of the proposed stoping areas, offering the possibility to send to the concentrator a portion of the development that will be done along these structures and where the cut off grade is much lower than the one of the regular stopes.

As shown in the resource estimation Item, in figure-9, there were some underground mining done in the past, as no detailed plans or sections are available, the mine operators should invest to recover these missing information in order to make sure that all proposed underground workings are totally safe.

26- Recommendations

Economical

The Granada Project merits more detailed work to increase the economic robustness.

Additional drilling is required under old historical tailings, since it is not allowed by the Minister of Natural Resources. The few intersections in that sector reveal good potential near surface that can greatly impact the project economics.

With the latest development of public opinion and the community, plus the Provincial Government's decision about mining industry, the author is of the opinion that a Rolling Start Mine is highly recommended prior to proceeding with a larger scale mining scenario.

A 2-3 year small Rolling Start Mine is proposed in the range of 450 to 475 tonnes per day. This would meet the following objectives:

1) Demonstrate to stakeholders that Gold Bullion Development Corp. is a good corporate citizen;
2) Demonstrate the Company compliance with all regulations and beyond;
3) Demonstrate the quality of the resource estimate and validate the gold recovery while pouring gold doré bars, for the mutual benefits of the stakeholders, the local community and of course the stockholders.

Geological

Gold Bullion initiated a fourth phase of the diamond drilling on March 6th 2012 from which the updated resource was made. This program was the first recommendation of work by the author.

The author recommend to carry a Preliminary Feasibility Study for a roller start operation in the 450 to 475 tonnes/day and if proved positive then carry additional to proceed with a Feasibility Study.

The program of exploration expenditure in 2012-2013 is estimated as follow:

Exploration Budget on the Granada Project (CAN$)	
Diamond drilling 5,000m for	$1,000,000$
Assaying	$200,000
Consulting fees	$500,000
Environmental testing and hydrogeology	$1,500,000
Manpower	$75,000
Project other expenses	$150,000
Estimated total cost	**$3,425,000**

Of course, the proposal for further exploration phase 5 on the Granada property as proposed is subject to either funding or other matters which may cause the proposed exploration program to be altered in the normal course business activities or alterations which may affect the program as a result of exploration activities themselves.

Through its exploration of the Granada project, Gold Bullion is continuing to identify the extent of the mineralization and as a result have expanded the mineral resource base for the property.

SGS has prepared the current resource estimate update for the project and makes the following additional recommendations;

+Conduct further specific gravity testing to define the specific gravity for the various mineralized sectors and/or family of veins to a greater degree. This test work should be conducted in order to further define the specific gravity of the different mineralized zones for inclusion in the next resource estimate.

+Sending representative samples of the mineralized material from the various veins and zones for metallurgical and mineralogical test work and that the results of this work be included in the next resource estimate.

+ From the metallurgical testing conduct further environmental testing on rejects of process and also on the waste rock to estimate their arsenic content.

+ Carry Total gold tests on additional mineralized zones

+ Prepare for an additional Trench style bulk sample that would make a complete cross section of the mineralized unit.

+ Extensive hydrogeological investigation for dewatering UG works to have an estimation of pumping costs.

+Look for drilling western extension and put some infill holes in future drilling phases, and implement general property exploration on identified targets by Earth Tronix.

Underground

Geotechnical

From the available core and existing underground and surface workings, have studies in accordance to the following program:

+ Define the rock types and geotechnical description

+ Review and discuss the total core recovery

+ Verify the Rock Quality Designation (RQD)

+ Identify the major structures and discontinuities

Geomechanical

Proceed to a geomechanical design study for the typical proposed stoping areas, in order to estimate:

+ Stope dimensions for the mine planning, the maximum length and height in order to reduce and avoid wall caving

+ Stope dilution which at Granada is of a serious concern due to the low dipping of most of the mineralized zones

+ Overbreak of the hanging walls and recommended procedures of drilling and blasting to reduce it

+ Rock stability of the hanging walls and recommendations to stabilize them, either with rock bolts, cable bolts or temporary pillars

+ Backfill options between waste rockfill, cemented rockfill or other backfill methods depending of the sizes and nature of the mineralization and the walls

+ Procedures to reduce dilution at every sublevel interfaces between backfill and blasted material

+ Proposed the best suitable mining method(s)

Processing

Metallurgical testing will have to be done to define:

+ The Work Index of the mineralised material

+ The acid potential of the mineralized material and the waste

+ The sulphides flotation parameters

+ The need of having magnetic separation to discard the pyrrhotite part of the sulphides

+ The settling parameters to dimension the thickeners

+ The cyanide destruction parameters

27- References

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Duplessis, C., 2012 Technical Report, Granada gold project resource estimate, Rouyn-Noranda, Québec, April 2nd 2012

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The Ministry of Natural Resources and Wildlife of Quebec (MNR):

http://www.mrnf.gouv.qc.ca/english/home.jsp

Gestim:

https://gestim.mines.gouv.qc.ca/MRN_GestimP_Presentation/ODM02101_login.aspx

Sedar website:

www.sedar.com

Appendix-1: Certificates of Qualification

Claude Duplessis, Eng., and qualified person

Gilbert Rousseau, Eng., and qualified person

Jonathan Gagné, Eng., and qualified person

Gaston Gagnon, Eng., and qualified person

CERTIFICATE OF QUALIFICATION

CLAUDE DUPLESSIS

I, Claude Duplessis, Eng., do herby certify that:

a) I am a senior engineer and consultant with SGS Canada Inc. – Geostat with an office at 10, Blvd de la Seigneurie East, Suite 203, Blainville, Quebec, Canada, J7C 3V5;

b) This certificate applies to the technical report entitled NI 43-101 Preliminary Economic Assessment (PEA) on the Granada Gold Project, Rouyn-Noranda, Qc, for Gold Bullion Development Corporation, with the effective date of December 21, 2012 (the "Technical Report")

c) I am a graduate from the University of Quebec in Chicoutimi, Quebec in 1988 with a B.Sc.A in geological engineering and I have practiced my profession continuously since that time, I am a registered member of the Ordre des Iingénieurs du Québec (Registration Number 45523). I am also a registered engineer in the province of Alberta (Registration Number M77963). I have worked as an engineer for a total of 24 years since my graduation. My relevant experience for the purpose of the Technical Report is: Over 20 years of consulting in the field of Mineral Resource estimation, orebody modeling, mineral resource auditing and geotechnical engineering. I have specific experience in modelling and estimation of gold resources for Metanor Barry deposit, New Gold Mali Bagama, Duparquet project for Osisko, AKKA Gold for Managem in Moroco, Joanna project of Aurizon Mines and SEMAFO project in Guinea and Ghana.

d) I did the personal inspection of the Granada property in November 2nd and 3rd, and on November 27th to December 2nd 2011. I also visited the site in March, mid April and July 4th 2012 for drilling follow-up.

e) I am responsible for the whole report to the exception of sections 13,16,17,18, 19, 21 and 22 of the Technical Report.

f) I am independent of Gold Bullion Development Corporation as defined by Section 1.5 of the Instrument.

g) I have no prior involvement with the property that is the subject of the Technical Report

h) I have read the Instrument, and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument

i) As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report, or parts that I am responsible for, contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed at Blainville, Quebec, February 04, 2013.

Signed and Sealed

_____

Claude Duplessis Eng.

CERTIFICATE OF QUALIFICATION

GILBERT ROUSSEAU

I, Gilbert Rousseau, Eng., of Ville de Saguenay, Province of Quebec, do hereby certify that:

a) I am a senior mining-metallurgical engineer with SGS Canada Inc., with a business address at 10 Boul. de la Seigneurie, Blainvile, Quebec, J7C 3V5.

b) This certificate applies to the technical report entitled NI 43-101 Preliminary Economic Assessment (PEA) on the Granada Gold Project, Rouyn-Noranda, Qc, for Gold Bullion Development Corporation, with the effective date of December 21, 2012 (the "Technical Report")

c) I graduated from The Ecole Polytechnique of the University of Montreal (B.Sc.A, Mining Engineer in 1969). I am a member in good standing of the "l'Ordre des Ingénieurs du Québec" (#20288). My relevant experience includes more than 40 years of experience in the mining and milling of minerals including iron, copper, lead, zinc, silver, gold, asbestos, graphite, nickel, silica, etc. I am a "Qualified Person" for the purposes of National Instrument 43-101 (the "instrument").

d) I visited the property on November 2nd and 3rd, 2011.

e) I am responsible for sections 13 and 17 of this Report.

f) I am independent of Gold Bullion Development Corporation.

g) I was previously involved with that property, having written a "Certificate of Authorization" for a former mining company (RSW-BEROMA).

h) I have read the "Instrument", and the sections of the report that I am responsible for have been prepared in compliance with the "Instrument".

i) As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report, or parts that I am responsible for, contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 04th day of February 2013, at Blainville, Quebec.

Gilbert Rousseau Eng.

CERTIFICATE OF QUALIFICATION

JONATHAN GAGNÉ

I, Jonathan Gagné, Eng., do hereby certify that:

a) I am an Engineer with SGS Canada Inc. - Geostat with an office at 10 Boul. de la Seigneurie Est, Suite 203, Blainville, Qc, Can, J7C 3V5.

b) This certificate applies to the technical report entitled NI 43-101 Preliminary Economic Assessment (PEA) on the Granada Gold Project, Rouyn-Noranda, Qc, for Gold Bullion Development Corporation, with the effective date of December 21, 2012 (the "Technical Report")

c) I am a graduate of the École Polytechnique de Montréal (B.Sc. Mining Engineer, in 2007). I am a member of good standing, No. 146075, of the l'Ordre des Ingénieurs du Québec (Order of Engineers of Quebec). My relevant experience includes working as a mine planning engineer for a gold mining company and working as a consulting engineer to evaluate the potential of various mining projects. I am a "Qualified Person" for purposes of National Instrument 43-101.

d) I have visited the Granada Property on December 21st 2012.

e) I am responsible for the preparation of sections 16, 18, 19, 21 and 22 of this Technical Report.

f) I am independent of Gold Bullion Development Corporation as defined by Section 1.5 of the Instrument.

g) I have no prior involvement with the property that is the subject of the Technical Report.

h) I have read the Instrument, and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument.

i) As of the date of this certificate, to the best of my knowledge, information and belief, the section of the report for which I am responsible contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 04th day of February 2013, at Blainville, Quebec.

Jonathan Gagne, Eng.
SGS Canada Inc. - Geostat

CERTIFICATE OF QUALIFICATION

GASTON GAGNON

gaston.gagnon@sgs.com

I, Gaston Gagnon, Eng., of Saint-Eustache, Quebec, do hereby certify:

a) I am Senior Mining Engineer with SGS Canada Inc. - Geostat with an office at 10 Boul. de la Seigneurie Est, Suite 203, Blainville, Quebec, Canada, J7C 3V5.

b) This certificate applies to the technical report entitled NI 43-101 Preliminary Economic Assessment (PEA) on the Granada Gold Project, Rouyn-Noranda, Qc, for Gold Bullion Development Corporation, with the effective date of December 21, 2012 (the "Technical Report")

c) I am a graduate of the University of Laval in Quebec City (B.Sc. Mining Engineering, 1964). I am a member of good standing (#15918) of the l'Ordre des Ingénieurs du Québec (Order of Engineers of Quebec). My relevant experience includes over 40 years of experience in mining minerals in underground and surface producers, processing mainly gold, silver, copper, zinc, aggregates and niobium. Experience also includes 5 years of consulting for several mining projects under development. EPCM experience covers scoping (now PEA) studies and prefeasibility studies, detailed economic estimation and construction management in Canada, Africa, Mexico, South America and Saudi Arabia. I am a "Qualified Person" for purposes of National Instrument 43-101 (the "Instrument").

d) I didn't visit the property.

e) I collaborate for Sections 1, 2, 16, 18, 21and 22 of the Technical Report.

f) I am independent of Gold Bullion Development Corporation as defined by Section 1.5 of the Instrument.

g) I have no prior involvement with the property that is the subject of the Technical Report.

h) I have read the Instrument, and the sections of the Technical Report that I am responsible for have been prepared in compliance with the Instrument.

i) As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report, or parts that I am responsible for, contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

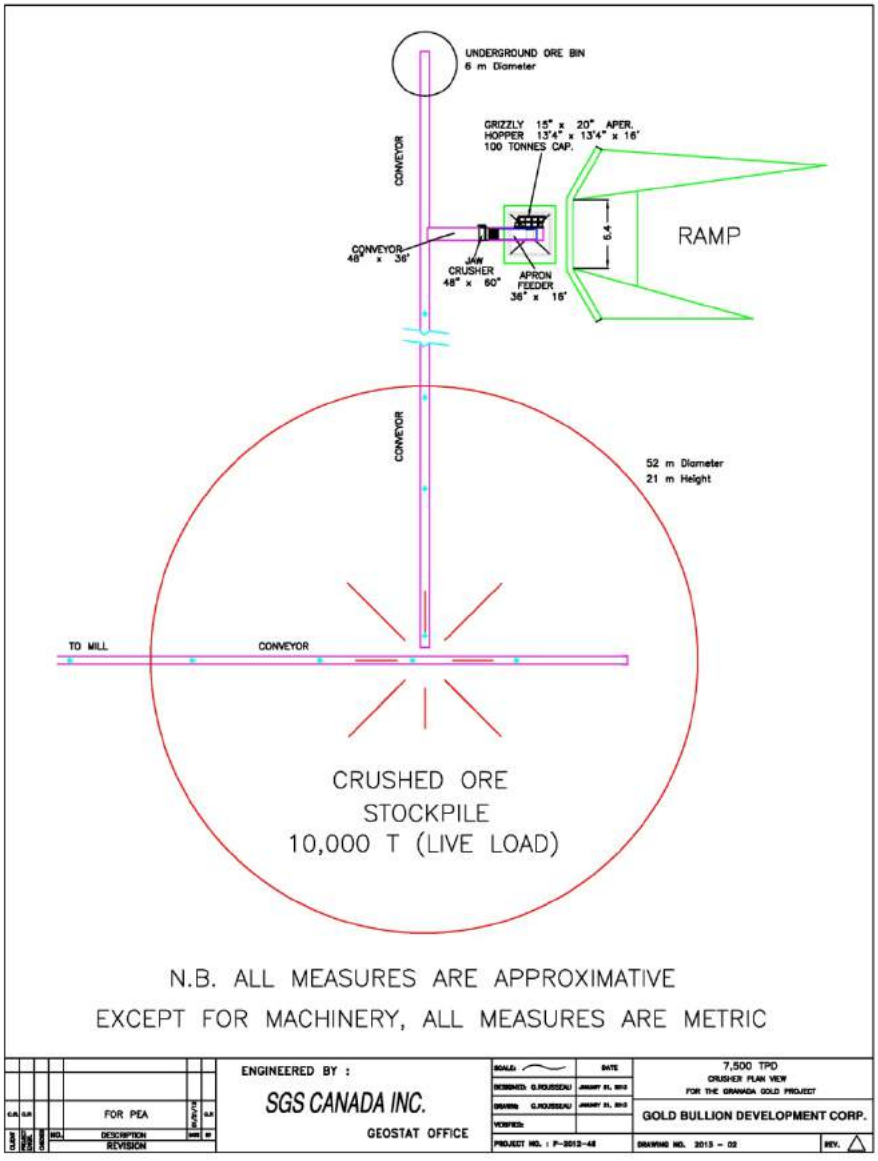
Signed and dated this 04th day of February 2013, at Blainville, Quebec.

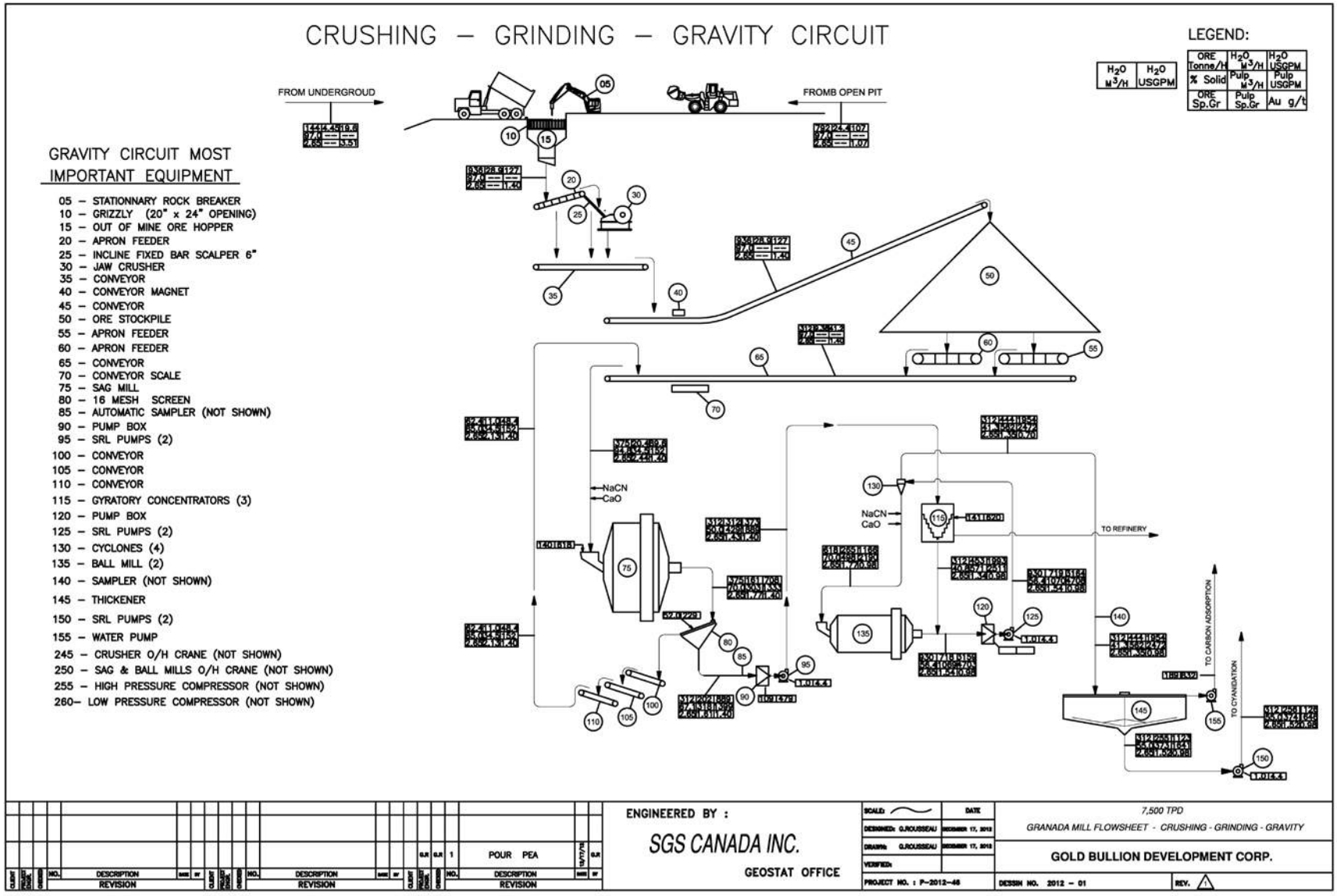
"Original document signed and sealed by Gaston Gagnon, Eng"
Gaston Gagnon. Eng
Senior Mining Engineer
SGS Canada Inc. - Geostat

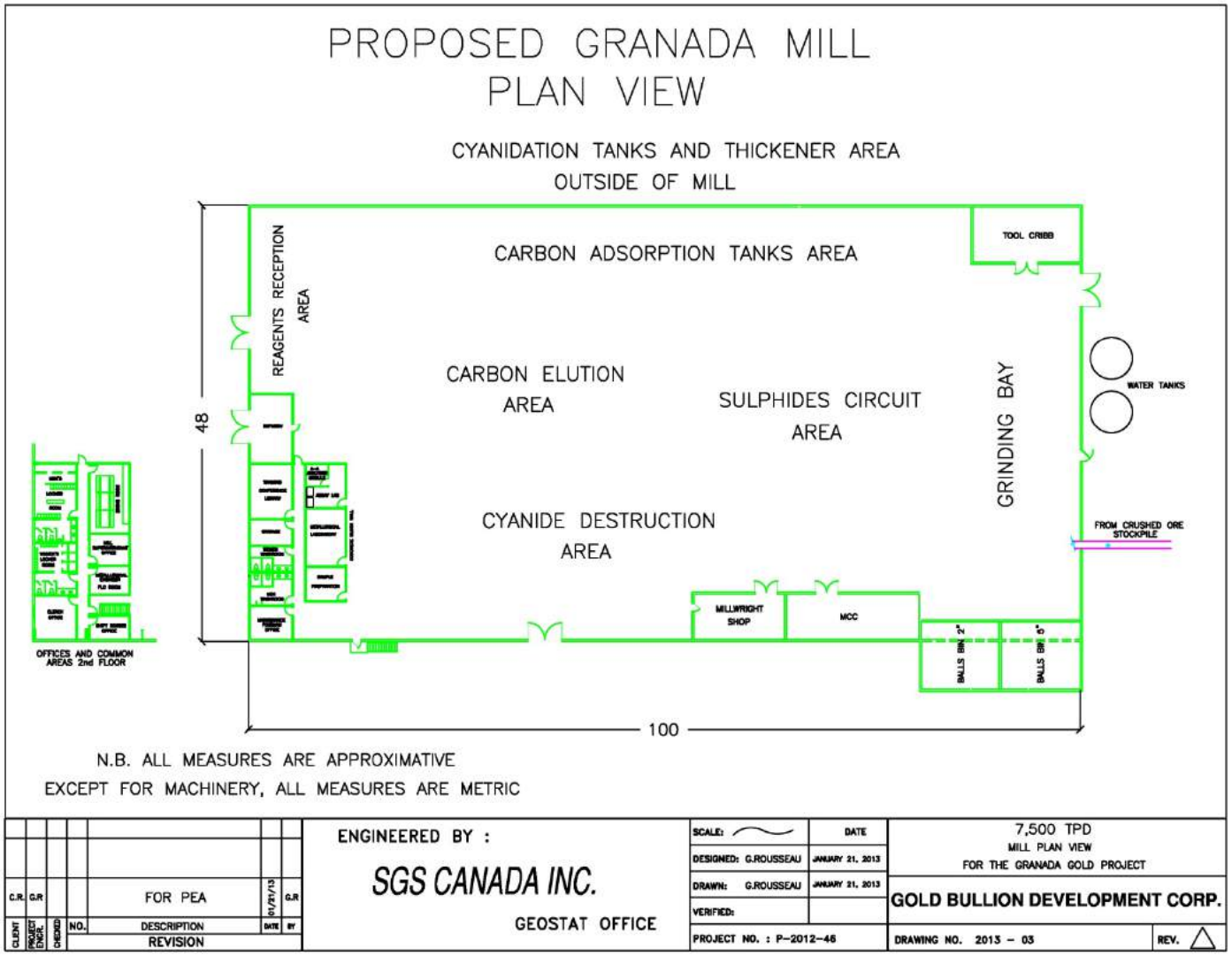
Appendix-2: Processing (complement to Section 17)

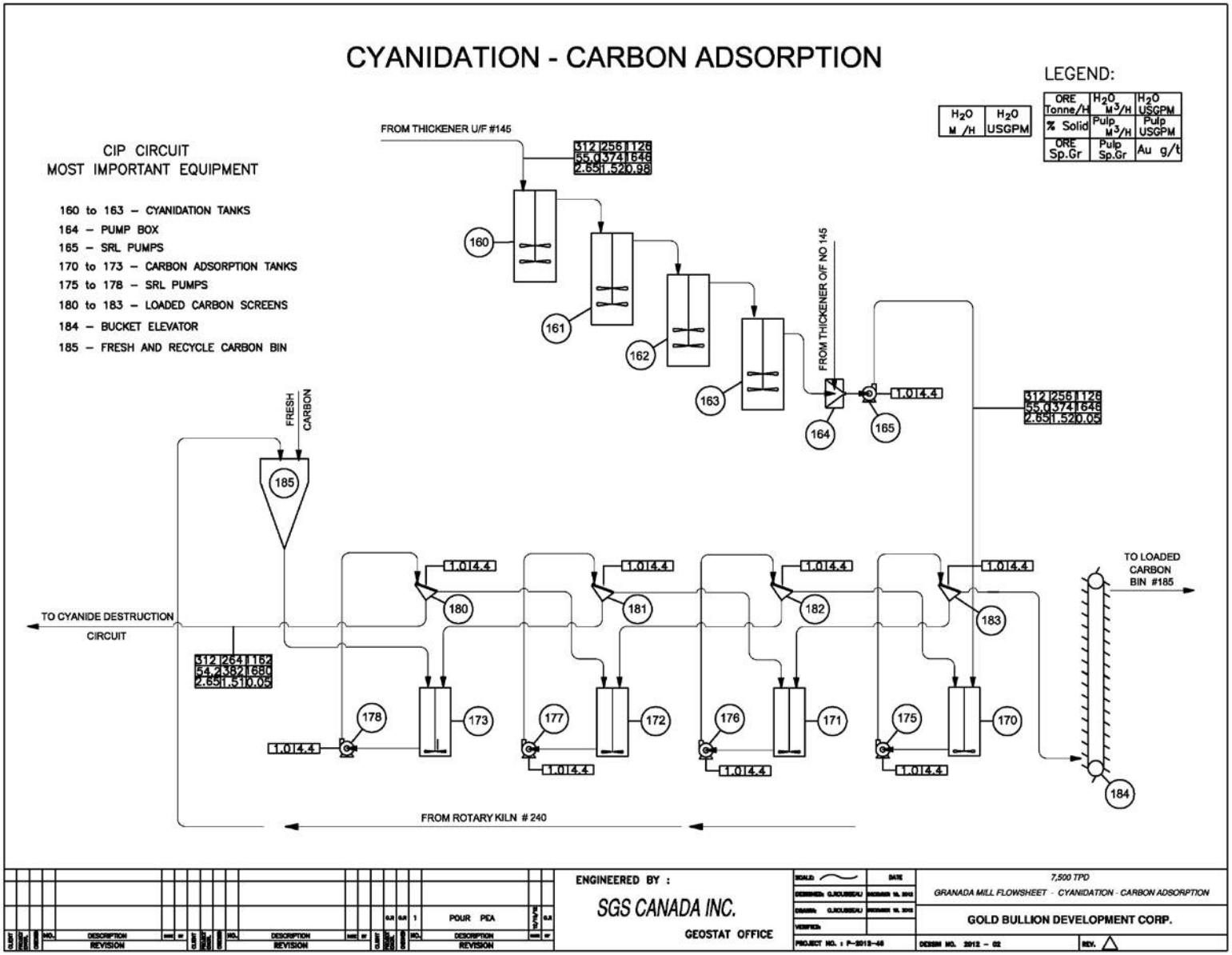
Processing

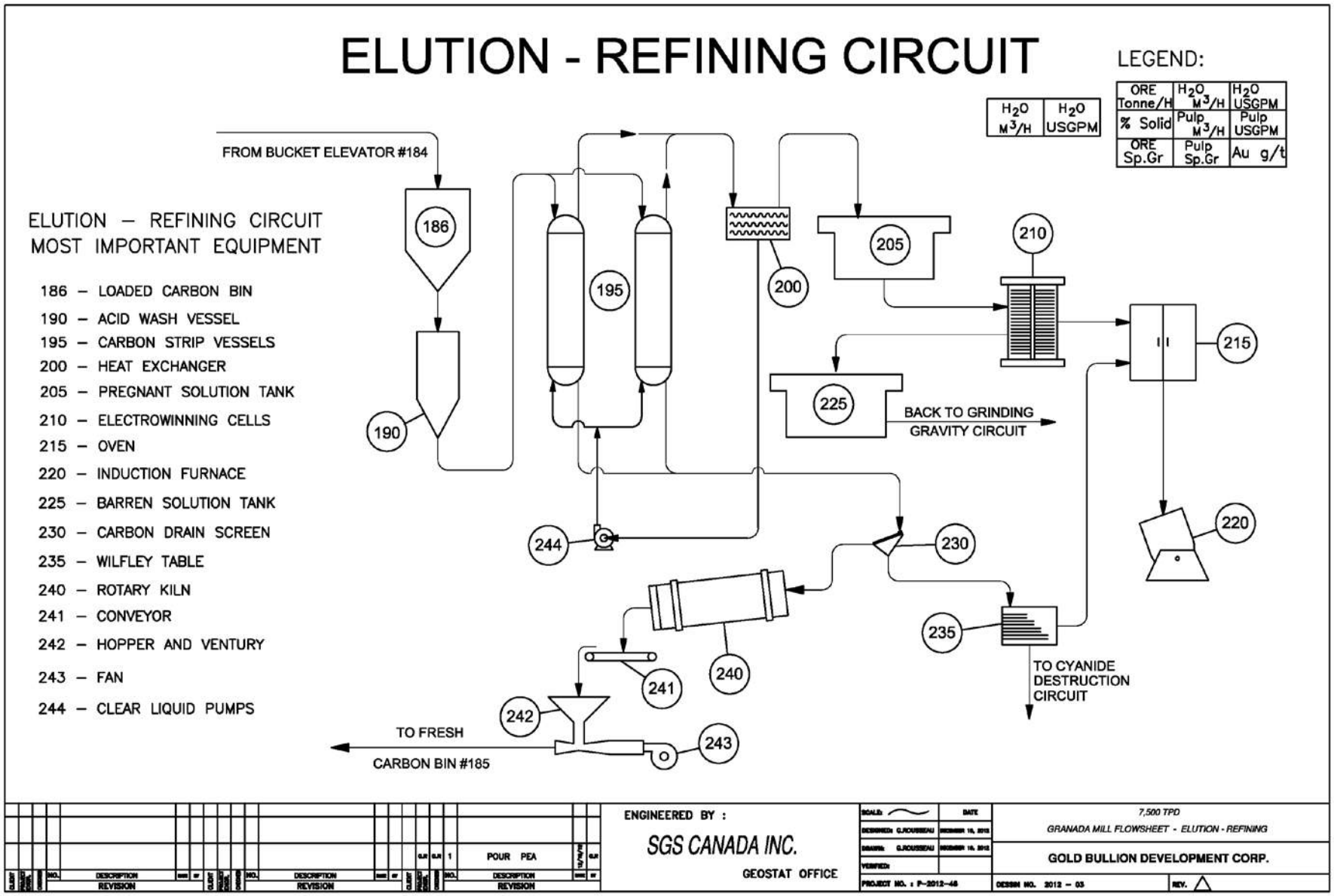
I- Crusher & stockpile
II- Crushing and grinding flowsheet
III- Mill plan view
IV- Cyanidation flowsheet & carbon adsorption
V- Elution & refining
VI- Cyanide destruction
VII- Sulphides flotation
VIII- Final Grades, report from SGS Lakefield
IX- Bibliography

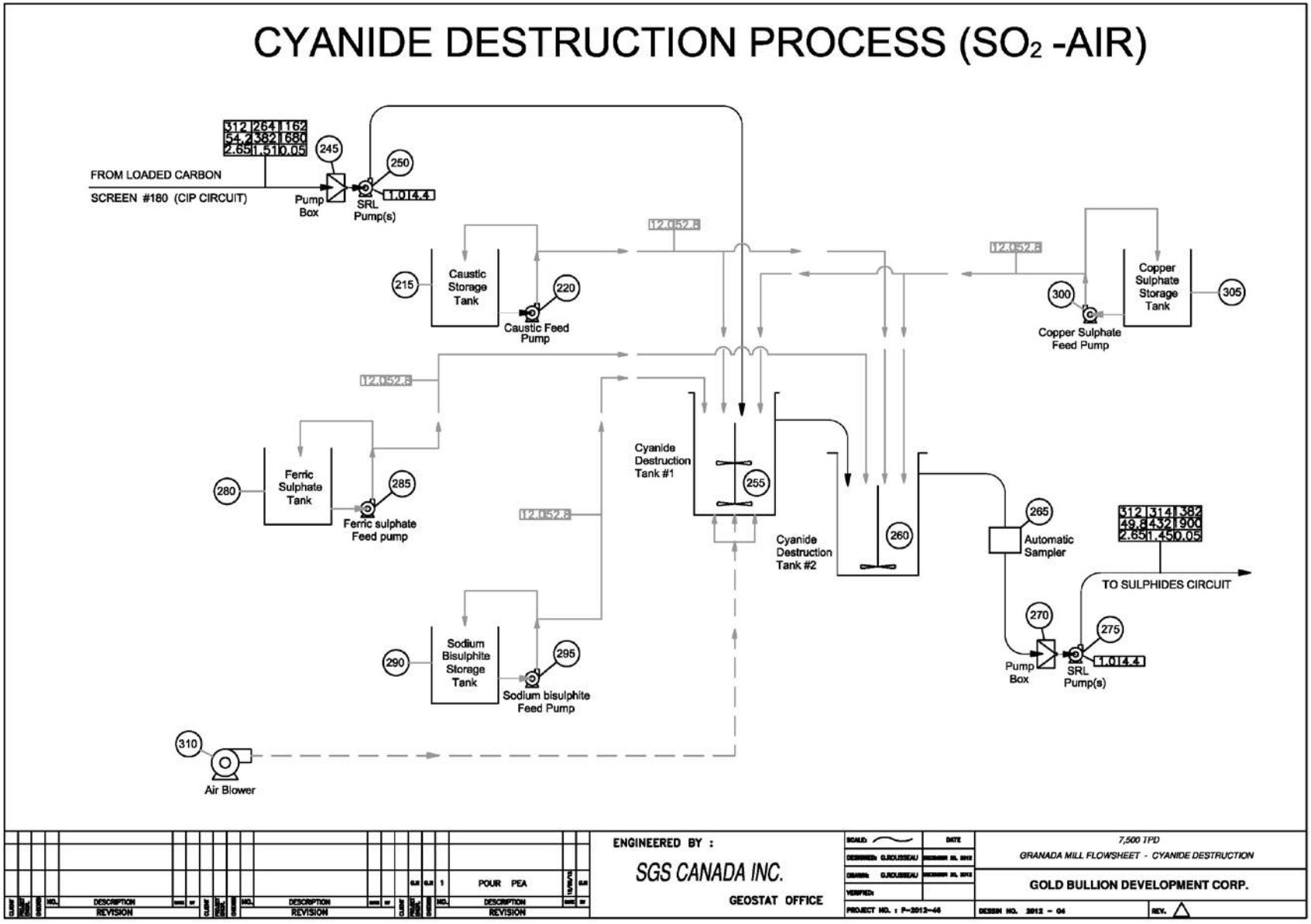

UNDERGROUND ORE BIN
6 m Diameter
GRIZZLY 15" x 20" APER.
HOPPER 13'4" x 13'4" x 16'
100 TONNES CAP.
CONVEYOR
CONVEYOR
48" x 36"
JAW
CRUSHER
48" x 60"
APRON
FEEDER
36" x 16'
6.4
RAMP
CONVEYOR
52 m Diameter
21 m Height
TO MILL
CONVEYOR
CRUSHED ORE
STOCKPILE
10,000 T (LIVE LOAD)
N.B. ALL MEASURES ARE APPROXIMATIVE
EXCEPT FOR MACHINERY, ALL MEASURES ARE METRIC
FOR PEA
REVISION
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
7,500 TPD
CRUSHER PLAN VIEW
FOR THE GRANADA GOLD PROJECT
GOLD BULLION DEVELOPMENT CORP.


CRUSHING – GRINDING – GRAVITY CIRCUIT
LEGEND:
GRAVITY CIRCUIT MOST IMPORTANT EQUIPMENT
05 – STATIONNARY ROCK BREAKER
10 – GRIZZLY (20" x 24" OPENING)
15 – OUT OF MINE ORE HOPPER
20 – APRON FEEDER
25 – INCLINE FIXED BAR SCALPER 6"
30 – JAW CRUSHER
35 – CONVEYOR
40 – CONVEYOR MAGNET
45 – CONVEYOR
50 – ORE STOCKPILE
55 – APRON FEEDER
60 – APRON FEEDER
65 – CONVEYOR
70 – CONVEYOR SCALE
75 – SAG MILL
80 – 16 MESH SCREEN
85 – AUTOMATIC SAMPLER (NOT SHOWN)
90 – PUMP BOX
95 – SRL PUMPS (2)
100 – CONVEYOR
105 – CONVEYOR
110 – CONVEYOR
115 – GYRATORY CONCENTRATORS (3)
120 – PUMP BOX
125 – SRL PUMPS (2)
130 – CYCLONES (4)
135 – BALL MILL (2)
140 – SAMPLER (NOT SHOWN)
145 – THICKENER
150 – SRL PUMPS (2)
155 – WATER PUMP
245 – CRUSHER O/H CRANE (NOT SHOWN)
250 – SAG & BALL MILLS O/H CRANE (NOT SHOWN)
255 – HIGH PRESSURE COMPRESSOR (NOT SHOWN)
260– LOW PRESSURE COMPRESSOR (NOT SHOWN)
FROM UNDERGROUD
FROMB OPEN PIT
NaCN
CaO
TO REFINERY
TO CARBON ADSORPTION
TO CYANIDATION
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
7,500 TPD
GRANADA MILL FLOWSHEET - CRUSHING - GRINDING - GRAVITY
GOLD BULLION DEVELOPMENT CORP.
PROJECT NO. : P-2012-46
DESSIN NO. 2012 – 01
REV.
POUR PEA


PROPOSED GRANADA MILL
PLAN VIEW
CYANIDATION TANKS AND THICKENER AREA
OUTSIDE OF MILL
CARBON ADSORPTION TANKS AREA
REAGENTS RECEPTION AREA
CARBON ELUTION AREA
SULPHIDES CIRCUIT AREA
CYANIDE DESTRUCTION AREA
GRINDING BAY
TOOL CRIBB
WATER TANKS
FROM CRUSHED ORE STOCKPILE
MILLWRIGHT SHOP
MCC
BALLS BIN 2"
BALLS BIN 6"
OFFICES AND COMMON AREAS 2nd FLOOR
48
100
N.B. ALL MEASURES ARE APPROXIMATIVE
EXCEPT FOR MACHINERY, ALL MEASURES ARE METRIC
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
FOR PEA
DESCRIPTION
REVISION
SCALE:
DATE
DESIGNED: G.ROUSSEAU JANUARY 21, 2013
DRAWN: G.ROUSSEAU JANUARY 21, 2013
VERIFIED:
PROJECT NO. : P-2012-46
7,500 TPD
MILL PLAN VIEW
FOR THE GRANADA GOLD PROJECT
GOLD BULLION DEVELOPMENT CORP.
DRAWING NO. 2013 - 03
REV.


CYANIDATION - CARBON ADSORPTION
LEGEND:
CIP CIRCUIT
MOST IMPORTANT EQUIPMENT
160 to 163 – CYANIDATION TANKS
164 – PUMP BOX
165 – SRL PUMPS
170 to 173 – CARBON ADSORPTION TANKS
175 to 178 – SRL PUMPS
180 to 183 – LOADED CARBON SCREENS
184 – BUCKET ELEVATOR
185 – FRESH AND RECYCLE CARBON BIN
FROM THICKENER U/F #145
FROM THICKENER O/F NO 145
FRESH CARBON
TO CYANIDE DESTRUCTION CIRCUIT
TO LOADED CARBON BIN #185
FROM ROTARY KILN # 240
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
7,500 TPD
GRANADA MILL FLOWSHEET - CYANIDATION - CARBON ADSORPTION
GOLD BULLION DEVELOPMENT CORP.


ELUTION - REFINING CIRCUIT
LEGEND:
ORE Tonne/H
H2O M3/H
H2O USGPM
% Solid
Pulp M3/H
Pulp USGPM
ORE Sp.Gr
Pulp Sp.Gr
Au g/t
H2O M3/H
H2O USGPM
FROM BUCKET ELEVATOR #184
ELUTION – REFINING CIRCUIT
MOST IMPORTANT EQUIPMENT
186 – LOADED CARBON BIN
190 – ACID WASH VESSEL
195 – CARBON STRIP VESSELS
200 – HEAT EXCHANGER
205 – PREGNANT SOLUTION TANK
210 – ELECTROWINNING CELLS
215 – OVEN
220 – INDUCTION FURNACE
225 – BARREN SOLUTION TANK
230 – CARBON DRAIN SCREEN
235 – WILFLEY TABLE
240 – ROTARY KILN
241 – CONVEYOR
242 – HOPPER AND VENTURY
243 – FAN
244 – CLEAR LIQUID PUMPS
186
195
200
205
210
215
190
225
BACK TO GRINDING GRAVITY CIRCUIT
244
230
220
235
240
241
242
243
TO CYANIDE DESTRUCTION CIRCUIT
TO FRESH CARBON BIN #185
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
7,500 TPD
GRANADA MILL FLOWSHEET - ELUTION - REFINING
GOLD BULLION DEVELOPMENT CORP.
REVISION
POUR PEA


CYANIDE DESTRUCTION PROCESS (SO_2 -AIR)
312 264 162
54.2 382 680
2.65 1.51 0.05
245
250
FROM LOADED CARBON
SCREEN #180 (CIP CIRCUIT)
Pump Box
SRL Pump(s)
1.014.4
12.0-52.8
215
Caustic Storage Tank
220
Caustic Feed Pump
300
Copper Sulphate Feed Pump
Copper Sulphate Storage Tank
305
280
Ferric Sulphate Tank
285
Ferric sulphate Feed pump
Cyanide Destruction Tank #1
255
Cyanide Destruction Tank #2
260
265
Automatic Sampler
312 314 382
49.8 432 900
2.65 1.45 0.05
TO SULPHIDES CIRCUIT
270
275
Pump Box
SRL Pump(s)
1.014.4
290
Sodium Bisulphite Storage Tank
295
Sodium bisulphite Feed Pump
310
Air Blower
POUR PEA
REVISION
ENGINEERED BY :
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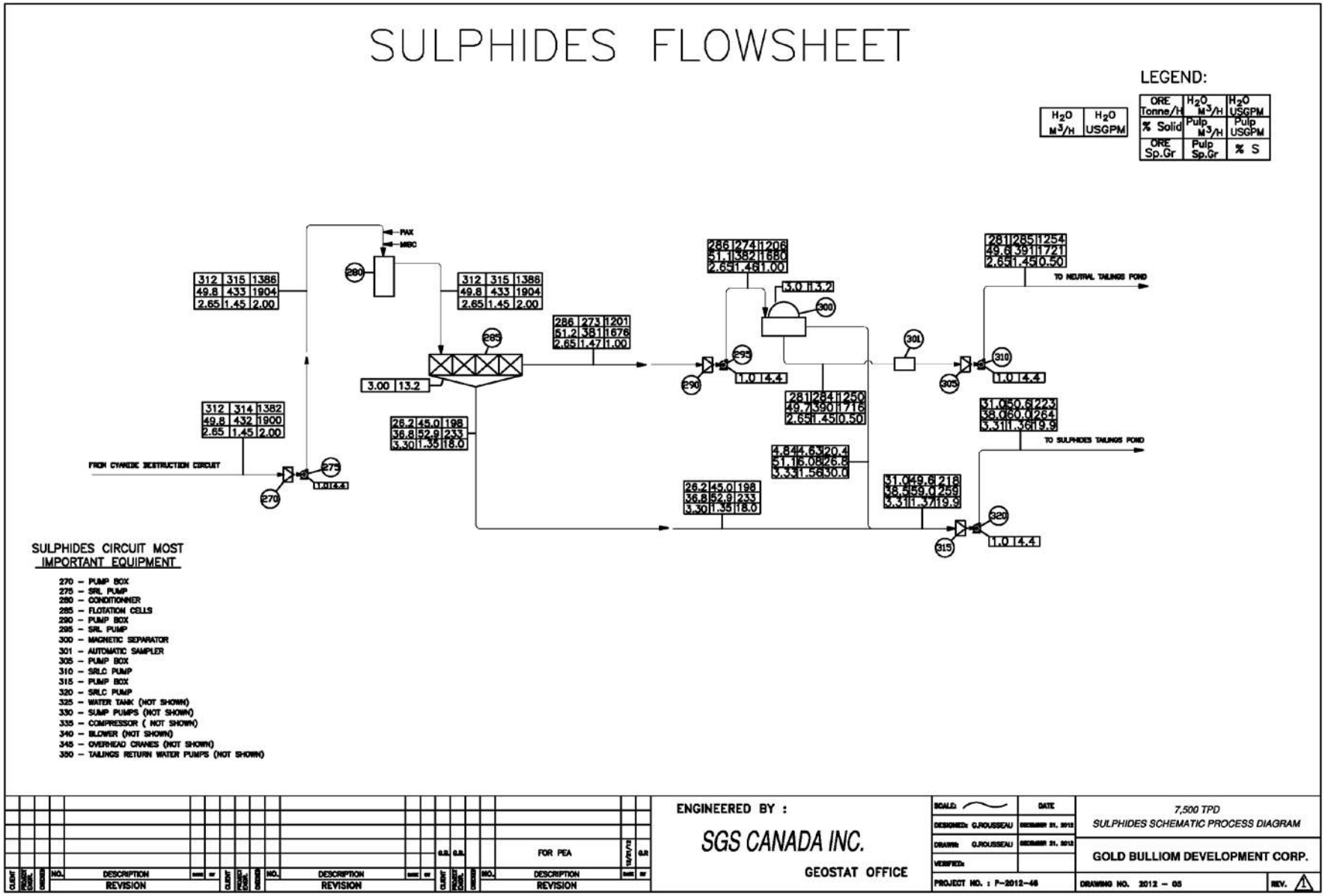
GEOSTAT OFFICE
7,500 TPD
GRANADA MILL FLOWSHEET - CYANIDE DESTRUCTION
GOLD BULLION DEVELOPMENT CORP.


SULPHIDES FLOWSHEET
LEGEND:
H2O M3/H
H2O USGPM
ORE Tonne/H
H2O M3/H
H2O USGPM
% Solid
Pulp M3/H
Pulp USGPM
ORE Sp.Gr
Pulp Sp.Gr
% S
PAX
MIBC
280
312 315 1386
49.8 433 1904
2.65 1.45 2.00
285
3.00 13.2
286 273 1201
51.2 381 1676
2.65 1.47 1.00
286 274 1206
51.1 382 1680
2.65 1.46 1.00
300
3.0 13.2
281 285 1254
49.6 391 1721
2.65 1.45 0.50
TO NEUTRAL TAILINGS POND
290
295
1.0 14.4
301
305
310
1.0 14.4
281 284 1250
49.7 390 1716
2.65 1.45 0.50
312 314 1382
49.8 432 1900
2.65 1.45 2.00
26.2 45.0 198
36.8 52.9 233
3.30 1.35 18.0
FROM CYANIDE DESTRUCTION CIRCUIT
270
275
1.0 14.4
4.84 4.63 20.4
51.1 6.08 26.8
3.33 1.56 30.0
31.0 50.6 223
38.0 60.0 264
3.31 1.36 19.9
TO SULPHIDES TAILINGS POND
26.2 45.0 198
36.8 52.9 233
3.30 1.35 18.0
31.0 49.6 218
38.5 59.0 259
3.31 1.37 19.9
315
320
1.0 14.4
SULPHIDES CIRCUIT MOST IMPORTANT EQUIPMENT
270 – PUMP BOX
275 – SRL PUMP
280 – CONDITIONNER
285 – FLOTATION CELLS
290 – PUMP BOX
295 – SRL PUMP
300 – MAGNETIC SEPARATOR
301 – AUTOMATIC SAMPLER
305 – PUMP BOX
310 – SRLC PUMP
315 – PUMP BOX
320 – SRLC PUMP
325 – WATER TANK (NOT SHOWN)
330 – SUMP PUMPS (NOT SHOWN)
335 – COMPRESSOR (NOT SHOWN)
340 – BLOWER (NOT SHOWN)
345 – OVERHEAD CRANES (NOT SHOWN)
350 – TAILINGS RETURN WATER PUMPS (NOT SHOWN)
FOR PEA
REVISION
ENGINEERED BY :
SGS CANADA INC.
GEOSTAT OFFICE
SCALE:
DATE
DESIGNED: G.ROUSSEAU
DRAWN: G.ROUSSEAU
VERIFIED:
PROJECT NO. : P-2012-46
7,500 TPD
SULPHIDES SCHEMATIC PROCESS DIAGRAM
GOLD BULLION DEVELOPMENT CORP.
DRAWING NO. 2012 – 05
REV.