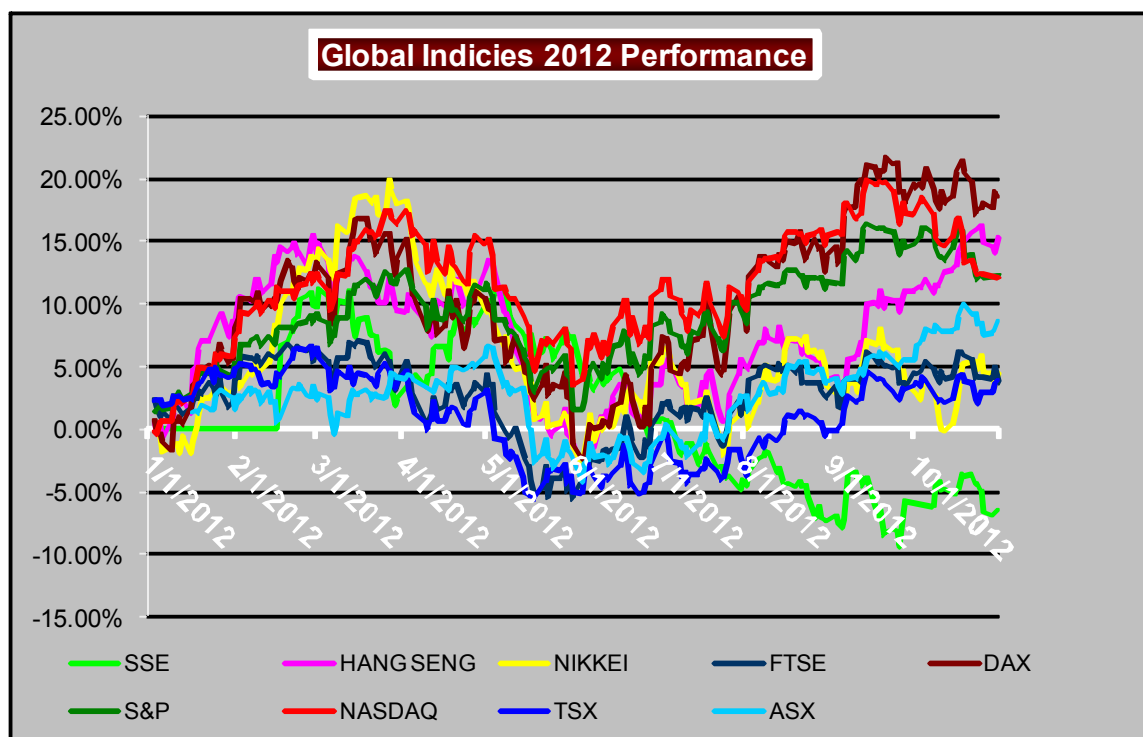


GDB November 2012 Newsletter

Monthly Market Summary:

2012 October Market Activity		
SSE COMPOSITE	2,114.03	+27.86 (+1.34%)
HANG SENG	21,641.82	+753.54 (+3.61%)
NIKKEI 225	8,928.29	+58.13 (+0.66%)
FTSE 100	5,782.70	+40.60 (+0.71%)
DAX	7,260.63	+44.48 (+0.62%)
DOW	13,096.46	-340.67 (-2.54%)
S&P 500	1,412.16	-28.51 (-1.98%)
NASDAQ COMPOSITE	2,977.23	-139.00 (-4.46%)
ASX 200	4,517.00	+130.00 (+2.96%)
TSX COMPOSITE	12,422.91	+105.45 (+0.86%)
TSX VENTURE	1,314.48	-20.03 (-1.50%)



Investment Themes:

All major US markets were closed for two consecutive days as Storm Sandy pounded the US east coast on October 29th and 30th. The storm wreaked havoc not just on Wall Street, but also caused wide spread power outages, shut down transportation, and destroyed infrastructures. The last time the New York Stock Exchange was closed for two consecutive days due to weather was a century ago in 1888 when a great blizzard brought the city to its knees.

The initial assessment of the damages caused by Sandy is in the \$20 billion range and could go up as high as \$50 billion. Sandy will have a notable impact on US fourth quarter GDP. The storm battered region is the most populated area in the US and accounts for about a quarter of the nation's GDP. In the short term, the power outages and the transportation interruptions will cause closure for shops, offices and factories. It will also inevitably affect retail activities and tourism in the region. It is unfortunate the timing of this natural disaster brings further economic headwind at a time when the US is already struggling with slowing economic growth. The additional financial burden to be borne by the local, state and federal governments during the relief and rebuilding process will also accelerate the assumption of national debt and push US closer to its debt limit sooner than originally expected.

Taking a longer term view, there is a silver lining to Sandy's economic destructions. As the rebuilding efforts begin, there will be a new injection of capital to spur investments, especially in housing and construction. In fact, prior to Sandy, there have already been strings of encouraging housing data coming out from the US. The S&P/Case-Shiller index of property value in 20 US cities rose 2% in August from a year earlier, the biggest gain since July 2010. Housing starts was 872,000 in September, a surge of 15% from August and highest level since July 2008. Homebuilders such as Toll Brothers are delivering better than expected results and solid year-over-year profit growth and order backlogs. The rebuilding process will inject tens of billions of dollars into the housing and construction sectors that would otherwise not have been spent. Employment in this sector will increase as more workers are hired to meet the additional demand. This in turn, will create further boost for the economy.

The homebuilders have seen their stock surging steadily over the last year and the industry S&P Homebuilders Index (NYSE: XHB) is up +50% YTD in 2012. As a result, further upside movement may be limited.



Other most likely beneficiaries of Storm Sandy are home improvement retailers such as Home Depot (NYSE: HD) and Lowe's (NYSE: LOW). Compared to many listed residential construction companies in the US, these two companies offer more value and also pay significantly higher dividends at 1.87% and 1.93% respectively.

Investment Opportunities:

1. Sino-GDB Fund

Fund managed by GDB Capital. Investments using hedging strategies and combinations of long/short positions in derivatives of public traded equities. Also private equity investments with a focus on mid-markets growth companies, distressed assets, M&A, and buyout opportunities. Industry focus targeted at metals and mining, oil and gas, clean energy, fertilizer and agricultural chemicals, real estate, and technology. Fund targets gross pre-tax IRR of 20% per annum, minimum investment US\$500,000. GDB will insure against investment losses up to 5% of investor's original investment.

2. Clear Hill – Iron Ore

The Clear Hills properties consist of ten Metallic and Industrial Mineral permits and four Mineral Leases comprising 76,652 hectares. The Clear Hills property encompasses three main project areas, Rambling Creek, Whitemud Creek and Worsley.

Estimate on Rambling Creek portion of the Clear Hills iron deposit contained 139,777,000 tons grading 33.04% Fe classified as Indicated Mineral Resources and 62,824,000 tons grading 33.70% Fe classified as Inferred Mineral resources.

It is noted that the Rambling Creek Iron deposit is associated with appreciable concentration of vanadium pentoxide (0.21%). Early work indicates that the vanadium may be recoverable during the DRI process.

3. Tampoon Resources Inc – Oil

\$50,000,000 private placement. Proceeds used for oil and gas exploration in Western Canadian Basin Oil Property Acquisition and Farm-in opportunity. Currently producing ~300bbls/d with significant reserve/deliverability (Est. 600bbls/d flush; 200bbls/d aver prod); 600,000 barrels 38-42 API/well.)

4. Open Range – Oil

\$10,000,000 private placement of preferred and common shares. \$5,000,000 preferred shares Series B – 8% Cumulative Dividend, Voting, Redeemable December 31, 2012 priced at \$1.00 per share. \$5,000,000 Common Share priced at \$1.50 per share. Proceeds

used to increase land ownership from 11,000 acres to 70,000 net acres. Projected production is estimated at 2,000 BOPD for 2011. Properties located in North Dakota where large US oil companies such as Hess, and Occidental Petroleum have both recently acquired a number of smaller firms.