METALS PLUS INCOME CORP.

Fourth Quarter 2011

Inception Date: February 18, 2011
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbol: MPI

METALS PLUS INCOME CORP.

The company invests in publicly listed metals and materials companies, including those primarily engaged in the discovery, development or processing of raw materials. This includes the mining and refining of precious metals, base metals, fertilizers and related agri-chemicals and uranium.

Metals Plus Income Corp. provides a tax efficient yield in the form of monthly distributions primarily comprising capital gains dividends and return of capital, yielding 6% per annum (based on original issue price).

The Company has Class A Shares.

METALS AND MATERALS COMPANIES

The Manager believes that the metals and materials sector has unique features which make it compelling for investment over the mid to long term.

Metals and materials companies provide indirect exposure to emerging markets growth at a time when industrialized nations find their domestic economies challenged by growing national debt and concerns over local currency weaknesses.

INVESTMENT OBJECTIVES

The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution is 9.5% based on market price as at December 31, 2011.

OPTION WRITING

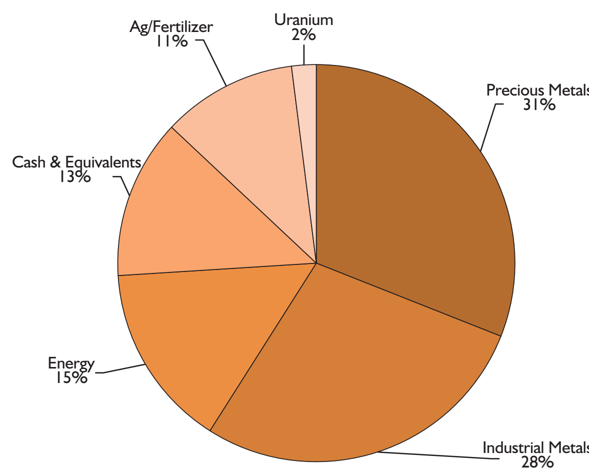
The Manager believes that option writing has potential to add value in certain sectors that have sustained volatility. The Manager believes that the equities of metals and materials companies have historically maintained a high degree of volatility and are well suited to an option writing strategy. In order to generate additional returns and to reduce risk, the Manager writes covered call options on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. Writing a call option tends to decrease the Fund's exposure to the underlying instrument. Writing put options tends to increase the Fund's exposure to the underlying instrument.

Option income earned since inception of the Fund February 18, 2011 amounts to $2,079,312 or $0.546 per share issued and outstanding. Distributions payable to date amounted to $1,902,220 or $0.50 per share

TOP TEN HOLDINGS as at December 31, 2011

- BHP Billiton Ltd.
- CF Industries Holdings Inc.
- Detour Gold Corporation
- Freeport-McMoran Copper & Gold
- Goldcorp Inc.
- IAMGOLD Corporation
- Potash Corp of Saskatchewan
- Rio Tinto PLC
- Teck Resources Ltd.
- VALE SA

PORTFOLIO ALLOCATION as at December 31, 2011



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METALS PLUS INCOME CORP.

FAIRCOURT
Asset Management Inc.

Metals Plus Income Corp: Fourth Quarter Summary

During the latter half of 2011, industrial commodities weakened as a result of policies enacted to reduce inflationary pressure in emerging markets, combined with dysfunction and an inability on the part of developed market economies to deal with high debt levels and the resulting impact on their economies.

The primary driver of reduced commodity demand was a slowdown in manufacturing activity outside of the U.S., particularly in China. Chinese economic growth, which accounts for approximately 40% of global demand for industrial commodities slowed due to global uncertainties in addition to domestic fiscal policies designed to keep Chinese inflation under control. While still producing GDP growth of over 8%, the people's government has maintained a tough stand on interest rates that effectively increased savings and reduced consumption with the desire of creating a soft landing for the economy. The forecast for global growth will be significantly impacted by fiscal policy measures in China in 2012. We believe countries such as China and India will announce policy measures designed to increase domestic consumption and assist in reviving the flagging global economy. We have already seen some evidence of this as China has announced a decrease in banking reserve requirements following a series of reserve requirement hikes during 2010 and 2011. We fully expect that additional easing will take place in 2012.

Another significant factor in reduced commodities prices centered on the failure of G20 leaders and the U.S. Deficit Super-Committee to get deals done with respect to limiting European sovereign contagion, cutting deficits and/or controlling spending. Further straining the economies of Europe was an insistence by German leaders to resist funding an IMF bailout of Europe through the ECB, leaving the underfunded EFSF unable to provide meaningful support to vulnerable countries.

Despite investor concerns related to the issues noted above, earnings and cash flows from many of the global mining companies that form the core of our portfolio have grown impressively. Their financial strength continues to improve through cash flow retention and long term debt reductions. It is our belief that the metals and materials equities valuations have overcorrected to the commodity price declines seen in 2011 and have the potential to outperform in a positive or even flat commodity environment in 2012.

As we enter 2012, we see potential buying opportunities for select large capitalization global commodity producers focused on emerging export markets. We see the outlook favorable as the current economic slowdown in China will likely force significant policy reaction. China is in a unique position among global economic leaders. While virtually all developed nations have had easing monetary policies over the last two years. Having succeeded in managing inflationary risk, it is now in a position to reduce interest rates and announce policy initiatives designed to stimulate domestic consumption, thereby increasing demand for commodities.

The Benchmark for the fund is an equally weighted blend of three indices. The first component in the benchmark is the S&P TSX Capped Materials Index, which covers senior and intermediate global mining and agricultural/chemical companies, primarily listed on the TSX.

Core positions in the fund include companies such as BHP Billiton, VALE, Rio Tinto, Potash Corp., and Goldcorp, all profitable, large capitalization companies. These companies all generated strong results this year, however equity prices did not reflect the improved operations demonstrated by earnings growth and strong balance sheets.

As a result of the market realities discussed, the fund continues to take advantage of increased volatility to generate premium income from its option writing program. Our options strategy is designed to reduce volatility and generate stable monthly distributions. To date, we have generated over $2 million or $0.54 per share in option premium vs. $0.50/share paid as distributions to December 30th.