FAIRCOURT

GOLD INCOME CORP.

First Quarter 2012

Inception Date: November 16, 2007
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbols: FGX; FGX.WT.B

FAIRCOURT GOLD INCOME CORP.

The Company invests in gold equities which include senior and intermediate gold producers that are part of the S&P/TSX Global Gold Index.

INVESTMENT OBJECTIVES

The Company's investment objectives are to provide Shareholders with: (i) monthly distributions targeted to yield 5% per annum or $0.04167 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution on the Class A shares increased to $0.048 per month in November 2011. Based on the market price as at March 31, 2012, the yeild was 6.86%.

TOP TEN HOLDINGS as at March 31, 2012

- Barrick Gold Corp.
- Detour Gold Corportion
- Goldcorp Inc.
- IAMGOLD Corp.
- Kinross Gold Corporation
- New Gold Inc.
- Newmont Mining Corporation
- Silver Wheaton Corp.
- SPDR Gold Trust
- Yamana Gold Inc.

OPTION WRITING

Our Manager believes that option writing has the potential to add value in certain sectors that have sustained volatility. Gold equities, which have historically maintained a high degree of volatility are well suited to an option writing strategy.

The sustained volatility in the gold equity sector allows the option writer the potential to generate significant premium income. In addition, an option writing strategy is an effective way to help lower the level of volatility for an investor, and potentially improve returns. In addition to its strong current fundamentals, the Manager believes the volatility in gold stocks will remain high relative to the broader market, producing sound returns for investors.

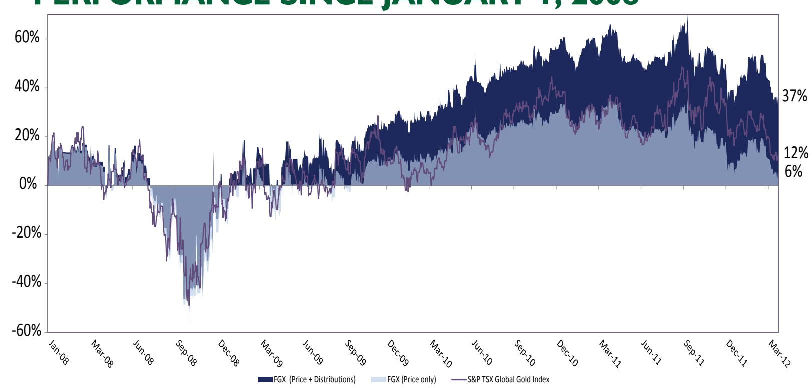
PRECIOUS METALS OUTLOOK

The Portfolio Advisor believes the fundamentals for investments in precious metals companies continue to be strong, especially during this uncertain global economic environment. Driving the Portfolio Advisor's view are the following factors related to the demand for precious metals equity investments.

Current Global Economic Environment Supports Gold:

- High sovereign debt to GDP ratios of OECD countries
- Sluggish economic recovery potentially leading to new rounds of quantitative easing
- Concerns about sovereign debt defaults
- Fiat currency weaknesses lead to investor concerns
- Ongoing imbalance in emerging markets vs developed market growth
- Inflationary concerns on the horizon

PERFORMANCE SINCE JANUARY 1, 2008



Inception date is November 16, 2007, initial portfolio fully invested January 1, 2008.
Data is based on market price Source: Bloomberg

Comparable Annualized Performance[1]

	Year ended Dec. 31, 2011	3 Years ended Dec 31, 2011	Since Company's Inception[4]
FGX – Market Price[2]	-14.93%	12.52%	3.13%
FGX – NAV [3]	-23.93%	8.74%	3.40%
Benchmark [5]	-13.60%	5.61%	2.78%

Notes:
(1) Assumes reinvestment of distributions;
(2) Source: Bloomberg
(3) Based on Basic Nav; Source: Faircourt Asset Management
(4) From the Company's inception in November 16, 2007 to December 31, 2011
(5) Benchmark: S&P TSX Global Gold Index

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Management fees and expenses are associated with an investment in the fund. The performance data provided assumes reinvestment of distribution only and does not take into account redemption charges or income taxes payable by any security holder that would have reduced returns. An investment in the fund is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. There can be no assurance that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated.

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GOLD INCOME CORP.

Faircourt Gold Income Corp – March Update

As we entered 2012, optimism for a North American economic recovery and de-coupling from economic realities of Europe were taking hold, providing significant gains for equities during the first month of the year. As the quarter progressed, we began to see a more cautionary tone from investors and analysts as economic data out of the US illustrated slower housing starts, reduced consumer confidence, renewed potential for further stimulus programs to sustain the US economic recovery.

In Europe, tackling the sovereign debt issue continued to be a challenge for the ECB and other international agencies as leadership in Greece was viewed as an impediment to successful refinancing. The Spanish government announced deepening recessionary fears and the Italian government came to loggerheads with unions fighting overdue austerity measures.

The situation in emerging markets also posed harsh new realities as China announced slower economic results. While China's economy grew at a robust level of 8%, well ahead of the growth achieved in G-20 markets, the reduced GDP growth figure cautioned investors, particularly in the commodities sector.

An area that continues to hold promise for the global recovery involves recent news from China that an easing of monetary policy to boost liquidity has been announced. Unlike most major trading economies, China has been led by a government focussed on raising interest rates cushion the effects of domestic inflationary pressures over the last two years. Having achieved the desired goal of moderating its economic growth, there is flexibility to reduce rates and provide accommodative policy initiatives to revitalize domestic consumption and once again be the engine driving the global economy.

We believe that China's announced plans, combined with the slowdown in Europe in addition to softening data out of the U.S, will result in reduced confidence in currencies and increased support for real assets and commodities.

While gold continues to trade in the mid $1,600/ounce range, providing strong cash flows to producers, gold equity valuations have not reflected the strength of cash flows generated from production at these prices. Physical gold appreciated by 10% during the year 2011, while the TSX Global Gold Index fell nearly 16%. Given the continued divergence in performance during Q1, we believe that gold equities are trading in a range that demands attention. With valuation metrix reaching multi-decade lows while cash flow, earnings and dividends are growing higher, we believe these factors bode well for gold producers during the next year.

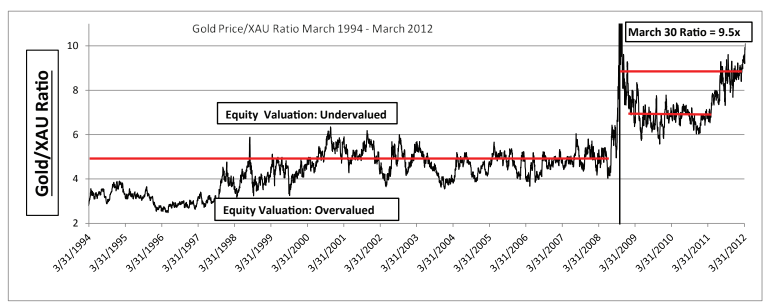
As the first quarter of 2012 ended, we noted that gold equities remained inexpensive relative to the underlying commodity. In addition the equities of many gold producers look inexpensive relative to other equity classes as trading prices among many of the gold producers are near the bottom of their historic price-to-book, price-to-earnings and price-to-cash flow ratio ranges.

When analyzing precious metals mining companies, consideration should be given to the relative strength of gold equities vs. physical gold. During 2011, gold equity valuations mirrored the broader markets rather than following commodity price changes. Fears of higher mine operating costs and the strengthened US dollar combined to reduce investor demand for precious metals equities.

As Q4 2011 ended, investors questioned whether the gold price was sustainable. We believed then, and continue to believe at the end of the first quarter that there are many reasons that the 11 year run in gold and gold equities is not over. In our view, the recent price downturn should be used as a buying opportunity.

The Gold/XAU Ratio: Current Signals

The chart below illustrates the current spot price of gold divided by the level of the Philadelphia Gold & Silver Miners Index (the XAU), the longest running gold mining stock index in North America. When the ratio is high, it implies that gold mining stock prices are cheap relative to gold itself. When the ratio falls, the opposite is true. We continue to see a higher trend line for gold equity prices.



We continue to focus on gold producers, including those generating stronger dividends, while harnessing the increased volatility in the sector by writing covered calls on positions the Fund owns, while writing cash secured puts on the companies we want to own. By writing cash secured puts, we gain an advantageous entry point. Our portfolio team continues to focus on the leading gold companies across all capitalizations, providing investors with lower volatility and a way to gain exposure to the precious metals sector.