

METALS PLUS INCOME CORP.

First Quarter 2012

Inception Date: February 18, 2011

Fund Manager: Faircourt Asset Management Inc.

Portfolio Advisor: Faircourt Asset Management Inc.

TSX Symbol: MPI

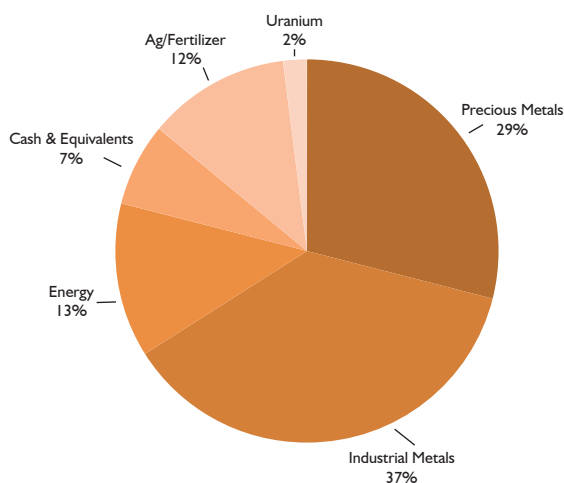
METALS PLUS INCOME CORP.

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.

TOP TEN HOLDINGS as at March 31, 2012

- Alpha Natural Resources Inc.
- BHP Billiton Ltd.
- CF Industries Holdings Inc.
- Freeport-McMoran Copper & Gold
- Goldcorp Inc.
- IAMGOLD Corporation
- Potash Corp of Saskatchewan
- Rio Tinto PLC
- Teck Resources Ltd.
- Walter Energy Inc.

PORTFOLIO ALLOCATION as at March 31, 2012



INVESTMENT OBJECTIVES

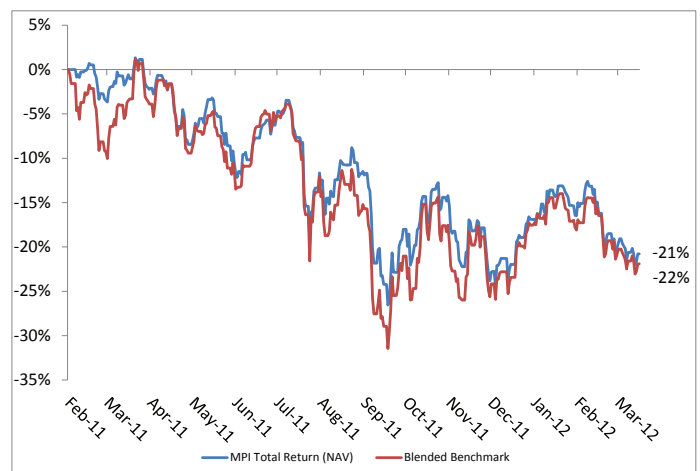
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or \$0.05 per month based on the issue price of \$10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution rate is 9.29% based on market price as at March 31, 2012.

OPTION WRITING

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

PAST PERFORMANCE

The following chart provides the returns since inception of the fund relative to its benchmark ending March 31, 2012.



Source: Bloomberg. Data is based on NAV (net asset value) and includes distributions.

FAIRCOURT Asset Management Inc.

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METALS PLUS INCOME CORP.

Metals Plus Income Corp: March 2012 Update

As we entered 2012, optimism for a North American economic recovery and de-coupling from economic realities of Europe was taking hold, providing significant gains for equities in the first month of the year. As the quarter progressed, a more cautionary tone from investors and analysts emerged as economic data out of the US revealed slower housing starts, reduced consumer confidence and 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 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 focused on raising interest rates to 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 as China's massive infrastructure build continues over the next decade.

To provide investors with exposure to the emerging markets infrastructure build out, the core of our portfolio strategy involves investment in select large capitalization global commodity producers. We believe that the outlook is favourable as the temporary economic slowdown in China is causing significant policy changes with respect to lending and

interest rate accommodation. China is in a unique position among global economic leaders, progressively raising interest rates, and reducing inflationary pressure 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.

Core positions in the fund include companies like BHP Billiton, VALE, Teck Resources, Rio Tinto and Goldcorp, all profitable, large capitalization companies, with strong balance sheets. Earnings and cash flows from many of the global mining companies that form the core of our portfolio have grown impressively, and their financial strength continues to improve through cash flow retention and long term debt reductions.

The Benchmark for the fund is an equally weighted blend of three indices:

- The S&P TSX Materials Index, which covers senior and intermediate global mining and agricultural/chemical companies, primarily listed on the TSX. During the quarter, it generated a return of .10% and since inception of the fund produced a total return of -21.17%.
- The S&P TSX Diversified Mining and Metals Index, which focuses on junior and intermediate mining companies listed on the TSX. During the quarter, it generated a return of -3.3% and since inception produced a total return of -31.56%.
- The S&P Materials Index whose constituents include the largest global commodity producers. During the quarter, it generated a return of 8.5% and since inception produced a total return of -13.01%.

The fund will continue to take advantage of the increased volatility to generate additional premium income from its option writing program, in response to the market realities discussed. Our pro active options strategy is designed to reduce volatility and generate stable monthly distributions. Since inception February 2011, our option strategy has generated over \$2,743,858 or \$0.72 per share in option premium vs. \$2,472,886 or \$0.65/share paid out in monthly distributions to March 31st.