FAIRCOURT

GOLD INCOME CORP.

Third 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 September 30, 2012, the yield was 7.0%.

TOP TEN HOLDINGS as at September 30, 2012

- Barrick Gold Corporation
- Detour Gold Corporation
- Franco-Nevada Corp.
- Goldcorp Inc.
- Mag Silver Corp.
- 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.

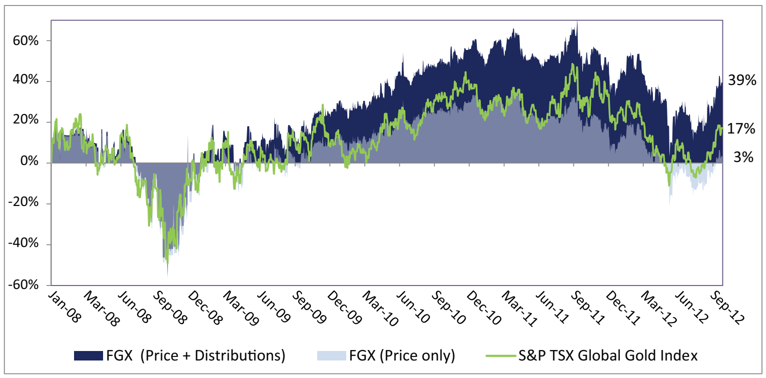
PRECIOUS METALS OUTLOOK

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

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%	3.48%
FGX – NAV [3]	-23.93%	8.74%	3.96%
Benchmark [5]	-13.60%	5.61%	3.31%

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 – September 2012 Update

Through most of the third quarter, gold equities formed a base and grew off continued weakness and uncertainty in currency markets, renewed pessimism surrounding the European debt crisis, and increased expectation of further intervention by the U.S. Federal Reserve.

An important result that was achieved during Q3 was the relative outperformance of the equities relative to physical gold. Equity values have been hamstrung over the last several years by rising costs in mine operations, and ill advised acquisitions that have added ounces in the ground but haven't delivered on increased profitability . A number of equities in the sector disappointed on those metrics in the past. Since the early summer, however, producers have seen rising share value as investors begin to recognize margin expansion and capital discipline, elements that have not always been present in the sector. Those companies that can operate efficiently generating increased cash flow from production are gaining momentum.

Our Lead Portfolio Manager Doug Waterson attended the Annual Denver Gold Show in September and we provide a brief of his views and implications for precious metals equities.

The central message that was communicated by presenters at this year's Denver Gold Show was cautious optimistism combined with a focus on capital discipline. Although recent weeks have seen impressive gains for many of the companies, on the whole the year has not been kind to gold equities. During the first half of the year shares were weighed down by concerns over cost overruns, production delays, political issues, and less than well received M&A activity.. With this backdrop it is not surprising that the focus of many large company presentations was on capital allocation. The new mantra is "discipline". Management at Barrick, Newmont, and Kinross in particular took pains to discuss their commitment to profitability rather than growth in ounces only for growth's stake. Presentations by Goldcorp and Yamana touched on this as well, and given their strong relative performance in growth, they were able to provide a compelling case for their growth strategies.

The tone of the conference suggests that the development pipelines of a significant percentage of the seniors and intermediates will be delayed. Kinross and Barrick as prime examples, look particularly vulnerable, though development delays seem to be priced in to their respective stock prices at the moment. An interesting read through though is the impact on the growth profile of the industry and how it could increase the premiums associated with companies that can actually post solid, profitable growth.

On the smaller cap side, equity markets have already imposed capital discipline through reduced access to funding. .. Only very solid projects are being financed, and even then, at share prices that companies are not finding particularly palatable. The result is that a number of companies are going back to the engineering phase to see if projects can be developed with lower capital expenditure ("Capex"), and a quicker payback with higher internal rate of return ("IRR"). Not all juniors will be successful, but given the high cost of capital for many juniors, reduced capital expenditure planning combined with a commensurate drop in production may make sense with revised IRR's. A related theme is a focus on lower risk and a renewed interest in the 75,000-150,000 oz per year projects. These projects used to be considered too small in the days of building ounces rather than profitability. However, a few years of 20% plus cost overruns and delays in largers scale projects has refocused interest on the group. Where you have a simple project with low capex (<$250 million) and a short timeline to production, these assets can be extremely profitable at current gold prices.

There is no question gold equities have suffered relative to bullion. But from our perspective that trend is in the process of reversing. Continued high gold prices with easing cost pressures driven in part by reduced base metals mining development should help propel margins. More disciplined investment decisions are being made. And valuations are at historical lows. With this, the equities are set for a period of outperformance.