METALS Plus INCOME CORP.

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FAIRCOURT Asset Management Inc.

Thrid Quarter 2012

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

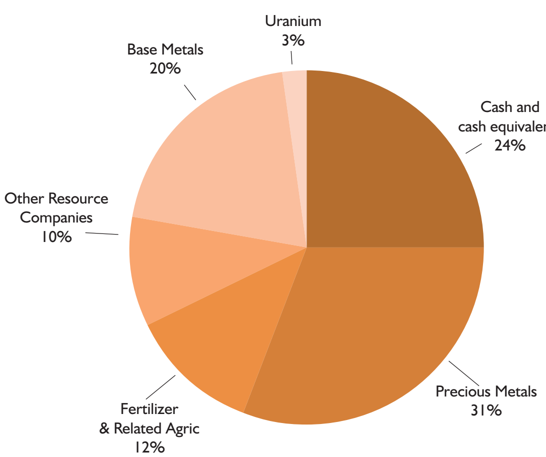
METALS PLUS INCOME CORP.

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 aSeptember 30, 2012

- Agrium Inc.
- BHP Billiton Ltd.
- Cameco Corp.
- Cenovus Energy Inc.
- CF Industries Holdings Inc.
- Mag Silver Corp.
- Potash Corp of Saskatchewan
- Rio Tinto PLC
- Teck Resources Ltd.
- Walter Energy Inc.

PORTFOLIO ALLOCATION as at September 30, 2012



INVESTMENT OBJECTIVES

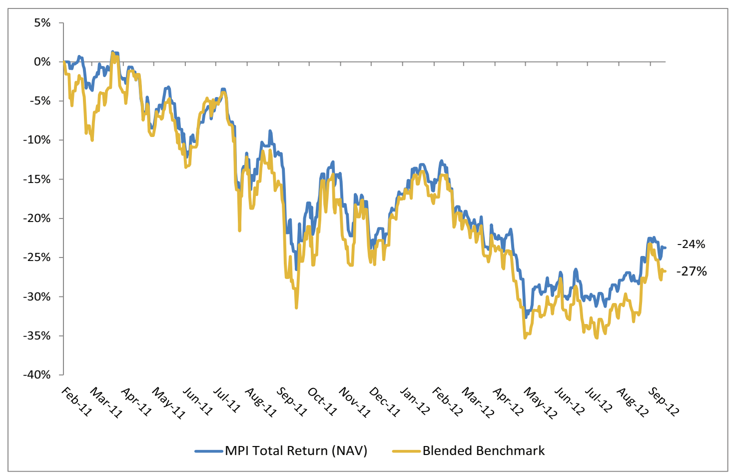
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution rate is 10% based on market price as at September 30, 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 September 30, 2012.



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

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 13.11% and YTD it produced a total return of 1.04%.

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 1.63% and YTD it produced a total return of <16.57%>.

The S&P Materials Index, whose constituents include the largest global commodity producers. During the quarter, it generated a return of 2.45% and YTD it produced a total return of 1.57%.

FAIRCOURT *Asset Management Inc.*
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Asset Management Inc.

METALS PLUS INCOME CORP.

Metals Plus Income Corp: September 2012 Update

Positive equity returns at the end of Q3 suggested renewed optimism for investors, however upon closer analysis, the returns were largely the result of central bank action during September. A more detailed review of the past 3 months illustrate that through much of the third quarter, many investors were not inclined to commit to the markets.

The third quarter of 2012 was largely a summer of wait and see. As the global economy continued to show signs of stress, investors increasingly waited for intervention from governments and central bankers to boost confidence. Through much of the quarter, waiting for coordinated action did not produce positive results for investors

China's factory output growth slowed in July to its weakest level in more than three years, underlining stiff global headwinds that are prompting policymakers to take more action to keep growth on track to meet annual growth targets. During early July, the Chinese central bank announced that it would reduce interest rates for the second time in 2012 to jumpstart a slowing economy, as China's manufacturing sector weakened again in the month of June. Given the higher interest rates currently in place, China's central bank has much more room to work to stimulate its economy than its Western counterparts that already maintain zero interest rates.

European equity market returns were also hamstrung, waiting for yet another step forward in the ongoing negotiations to deal with the European debt crisis. As the summer wore on, markets did not gain traction until September when coordinated ECB and US Fed action provided the tailwind to produce a new 1 year high for the MSCI European Equity Index. After more than a year of inadequate measures, the aggressive European Central Bank policy response to reduce the risk of a breakup of the Euro was the key driver of the late quarter end rally, aided by supportive policy response elsewhere, particularly from the U.S.

The US economy experienced some early traction in the third quarter lead by stabilized housing sales data, which acted as a barometer for improved consumer confidence. Employment data began to show signs of improvement as the unemployment rate went below 8% for the first time in 3 years. The early September announcement by the U.S. Federal Reserve to assist the economy and specifically the housing recovery with increased purchases of mortgage backed securities was a key catalyst that led to the strong third quarter results investors received. The Fed communicated what some believed to be the greatest attempt at intervention yet, for an unlimited time, the Fed will spend an additional $40 billion monthly to support the mortgage business in the U.S. The beneficiaries of the greater risk appetite, as central bank action ignited investor interest, were the more value orientated stocks that had lagged the market in previous months.

Since the fund was launched in early 2011, the focus of the fund is to gain exposure to emerging markets growth through the global metals, mining and materials sectors that provide the infrastructure and raw materials that fuel the growth in China and other emerging economies. Over the last 9 months, macro economic data in China continued to show reduced production growth. However, more recent data from China shows improvement and we believe that the changes in leadership and commitment to the market mark the beginning of a significant policy response by the Chinese government that will produce a re-acceleration in the commodities complex and many of the companies that serve these markets.

To provide investors with exposure to the emerging markets, the core of our portfolio strategy involves investment in select large capitalization global commodity producers. Core positions in the fund include companies like BHP Billiton, Rio Tinto, Teck Resources, CF Industries, 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 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, the Fund has generated cash flow of over $3.78 million or $1.00 per share in option premium vs. $0.95/share paid out in distributions to September 30th.