FAIRCOURT

GOLD INCOME CORP.

First Quarter 2013

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

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, 2013, the yield was 9%.

TOP TEN HOLDINGS as at March 31, 2013

- Barrick Gold Corporation
- Detour Gold Corporation
- Franco-Nevada Corp.
- Freeport-McMoran Copper & Gold Corp.
- Goldcorp Inc.
- Metals Plus Income Corp.
- New Gold Inc.
- Randgold Resources Ltd.
- Silver Wheaton Corp.
- SPDR Gold Trust

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.

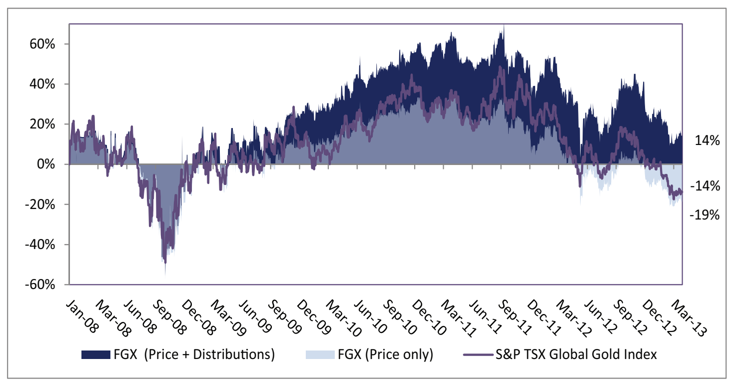
PRECIOUS METALS OUTLOOK

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

Returns for Period Ended March 31, 2013

	YTD	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-10.30%	-16.75%	-4.28%	+0.69%	-0.83%
FGX – Basic NAV [1,3]	-11.56%	-17.29%	-4.54%	-2.08%	-0.80%
S&P/TSX Global Gold Index [4]	-15.51%	-23.07%	-6.97%	-3.81%	-2.62%

Notes:
(1) Assumes reinvestment of distributions;
(2) Source: Bloomberg
(3) Based on Basic NAV; Source: Faircourt Asset Management
(4) Benchmark: S&P TSX Global Gold Index

Distribution History	2012	2011	2010	2009	2008
Total Distributions Per Share	$0.58	$0.57	$0.51	$0.50	$0.50

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GOLD INCOME CORP.

Faircourt Gold Income Corp – March 2013 Update

The first quarter of 2013 was very challenging for the gold and precious metals sectors. After 12 years of gains, governmental restraint and economic improvements in the US caused investors to question gold's need going forward. The American consumer was showing signs of confidence reflected in home ownership values with the "wealth effect" assisting in increased spending and business investment. As a result of the perceived reduced risk in the global economy, spot gold fell 5 per cent in February, its fifth month in the red, the metal's longest stretch of monthly declines in 16 years, as an improving economic picture dulled gold's safe-haven appeal.

The challenge though is that the US economy and the global economy are still quite fragile and continued gains are needed to sustain confidence to levels where the Federal Reserves' stimulus measures of $85 billion per month and similar measures by other central banks can be reduced. FOMC meeting notes bring optimism as comments from members suggest a desire to reduce stimulus, however the U.S. and global economies are not out of the woods yet, with many challenges and debt negotiations still to be enacted.

The United States is a key economic engine in the global economy however governments in the U.K., France, Japan, Germany are all facing similar slow growth prospects and have had to enact similar stimulative policies. The implication of these moves is that despite any one country's desire to exit the era of low interest rates and quantitative easing, we have many countries wanting to stimulate domestic growth, assisting in currency devaluation and making exports more competitive. Recent moves by the Bank of Japan have caused concern among its global trade partners and have raised the ire of law makers in Washington, with accusations of currency manipulation abounding. In many parts of Europe, unemployment rates are still at generational highs, and governments are still attempting to deal with austerity while improving economic activity. We believe that having so many interconnected economies pursuing monetary easing simultaneously will make it difficult for any one country to exit "easy money" policies in isolation.

The above noted economic growth and reduced perceived need for a safe haven also needs to be analyzed in the wake of sovereign debt challenges that are faced by many countries. During the quarter, a new challenge to fiat currencies arose in the form of taxing deposits in Cyprus to assist with EU debt forgiveness. The haven appeal that erupted after the Cyprus banking event was a strong reminder of the fragility of the Euro situation, and for the Manager, it's a good reason that investors should continue to have a weighting in gold related securities.

Despite trillions of dollars of easing and increased money supply growth by central banks, inflation has not been an issue. The primary reason for this is that most of the money from monetary easing has remained within the banking system and has not flowed into the economy. After several years of low inflation in the face of massive increases in the monetary base, it appears that investors have ceased to worry about inflation. While we recognize that the inflation outlook is currently subdued, we believe that a mistimed exit by central banks could lead to much higher inflation, and it is prudent to hold some gold to guard against this risk.

Finally, the situation in Cyprus needs mention at this time as a further factor that for us implies the world economy is not yet functioning at its desired levels. Almost €6 billion in Cypriot bank debt losses was imposed on depositors of Cyprus's outsized banks. A one-off 9.9% levy was imposed on all deposits over the insurance threshold of €100,000 before banks reopened after several days of bank holidays late in the quarter. The problem now facing currency markets are the comments from senior officials in the EU that essentially implies that the "bail in" that took place in Cyprus is a model that the EU leadership may use in other situations to assist with bank indebtedness rather than going to tax payer type bailouts.

Few precious metals companies performed well during the quarter. A declining gold price and persistent cost concerns weighed on most companies performance. Faircourt Gold did outperform the index, with a total return of -11.56% vs the index at -15.51%. The outperformance relative to the index was driven by a combination of factors including the funds option program, which helped to cushion the decline. The fund's performance was also helped during the quarter by its holdings in GLD (gold bullion) which declined -2.51% in Canadian dollars, less than gold equities during the quarter. Certain of the Fund's holdings also held in better than the index including Yamana, Goldcorp, Freeport-McMoran, and Primero Mining, Companies with higher grade quality assets and sound balance sheets generally performed better during the quarter.

The Fund will continue to invest in leading global gold companies primarily involved in gold exploration, mining or production on the S&P/TSX Global Gold Index while using its option writing program to lower the fund's volatility and generate a monthly income stream. In order to generate additional returns and reduce risk, the Fund may write covered calls on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. Moderately high volatility, as measured by the VIX index, or the Chicago Board Options Exchange Volatility Index, which measures the implied volatility of the S&P 500 index options, provided attractive opportunities for the Fund to both reduce the volatility of the portfolio and allowed the Fund to generate cash flow from option writing of approximately $881,000, or $0.156 per weighted average number of shares outstanding during the year ended March 31, 2013. Although volatility has returned to more normalized market levels, the Manager continues to believe that option writing can add incremental value going forward.