METALS Plus INCOME CORP.

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FAIRCOURT Asset Management Inc.

First Quarter 2013

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

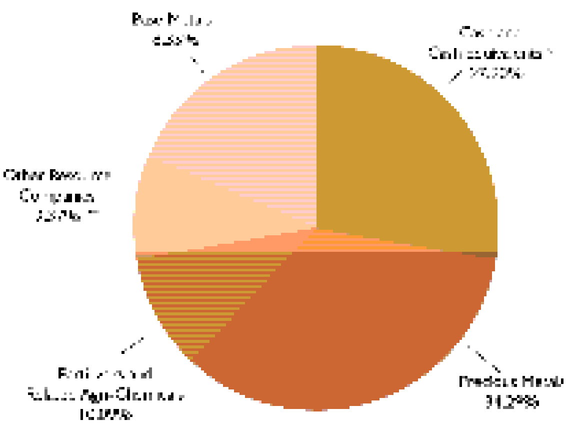
METALS PLUS INCOME CORP.

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, 2013

- Agrium Inc.
- BHP Billiton Ltd.
- Cenovus Energy Inc.
- CF Industries Holdings Inc.
- Franco-Nevada Corp.
- Freeport-McMoran Copper & Gold
- Goldcorp Inc.
- IAMGOLD Corporation
- New Gold Inc.
- Osisko Mining Corp.

PORTFOLIO ALLOCATION as at March 31, 2013



INVESTMENT OBJECTIVES

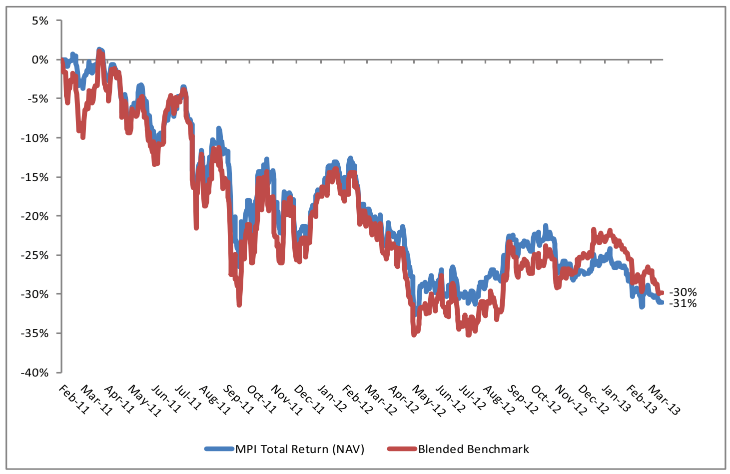
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution rate is 11.6% based on market price as at March 31, 2013.

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, 2013.



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 (10.26%).

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 (13.41%).

The S&P Global Materials Index, whose constituents include the largest global commodity producers. During the quarter, it generated a return of (2.77%).

FAIRCOURT *Asset Management Inc.*
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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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Metals Plus Income Corp: March 2013 Update

A resurgence in housing construction and new home sales drove economic growth in the US during the latter half of 2012 and into 2013. As a result of the housing recovery, and its ripple effects on the economy as a whole, we witnessed stronger employment results during the first months of Q1. The unemployment rate improved to 7.6%, while key sectors such as automotive and construction are now contributing positively to GDP growth. The challenge is that the US economy is still quite fragile and continued gains are needed to bring confidence, employment and consumption levels to the point where stimulus measures can be reduced andwe remain concerned that spending cuts from sequestration in the US could be a significant drag on US economic growth in 2013.

China, the world's second-largest economy grew 7.7 per cent in the first quarter, slower than 7.9 per cent growth attained in the fourth quarter of 2012. The results have caused a reversal in commodity prices (gold, silver, iron ore, copper,) and a growing investor perception that metals companies, despite supplying the building blocks for underlying economic growth, are not currently able to deliver profitable growth for global investors. Some investors have reduced their metals-intensive view of China and instead increased their focus in the recovery taking place in the less metals intensive United States economy.

The first three months of 2013 witnessed slowing factory output and investment spending forcing analysts to reconsider full-year forecasts despite official insistence that the outlook for China was favourable. With GDP, industrial output and retail sales numbers all exhibiting solid growth but struggling to re-accelerate, the result is continued weakness in commodity prices as demand growth has been lacklustre. China's recent attempt to bolster its economy by approving 60 infrastructure projects worth more than $150 billion will help bolster the steel sector. Commodity prices could potentially stabilize on the back of a rebound in construction activity in the developing countries, in particular China, India and South Korea. Furthermore, the sector will reap the benefits of the Federal Reserve's continued support of the U.S economy. However, pricing gains will likely be more subdued going forward as China's growth, while still a healthy 7-7.5%, will likely not match that of the previous several years.

In this environment, mining and metals companies are reviewing their portfolios to identify underperforming assets and divest high cost and non-core assets. Industry consolidation, automation technology, owner-operated mines and investment in energy assets are some of the steps that companies are taking to mitigate the impact of rising costs.

Agricultural equities have traded relatively well, not suffering the level of weakness as other base and industrial metal equity prices. Much of the support in the agric/chemical sub sector stems from the extreme weather events in 2012 such as the droughts in America to washout conditions in the UK and Europe. These events led to sharp price rises in food commodities such as corn, wheat and soybeans and these prices look set to remain elevated for the next six months. This has enhanced the investment appeal of those companies providing goods and services such as seeds, herbicides and fertilizers to farmers, which will enable them to maximize their crop output in this high price environment.

Growth in the emerging markets, particularly China and India, was a major driver of metals demand over the last few years. However, as of late, demand resulting from China's extraordinary growth has slowed down. In the developed world, persistent recessionary conditions in Europe will have residual effects elsewhere. This synchronized global economic slowdown is the biggest headwind for the metals space overall at present. That being said the long-term picture remains promising as the emerging market economies are expected to get back in shape with the help of expected fiscal and monetary stimuli.

The Fund will continue to invest a diversified basket of materials companies while using its option writing program to lower the fund's volatility and generate a monthly income stream. During the period ended March 31, 2013, the Company declared three regular monthly distributions totaling $0.15 per Class A Share. The NAV of the Class A Shares, combined with paid distributions during the period ended March 31, 2013, provided a total return for holders of Class A Shares of −7.33% which outperformed the blended benchmark of −8.81% over this same period. In order to generate additional returns and reduce risk, the Company may write covered calls on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. Writing a call options tends to decrease the Fund's exposure to the underlying instrument. Writing put options tends to increase the Fund's exposure to the underlying instrument. As at March 31, 2013, approximately 65% in cash and short term investments has been pledged for cash secured puts. Subsequent to the period end, the Portfolio Manager continues to patiently add to positions, at reasonable values, during intervals when market prices pull back.

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 very attractive opportunities for the Fund to both reduce the volatility of the portfolio and allowed the Fund to generate cash flow from option premium of approximately $519,000 or $0.155 per weighted average number of class A Shares outstanding during the period ended March 31, 2013. During the period ended March 31, 2013 the Company has declared regular monthly distributions totaling $0.15 per class A Share.