FAIRCOURT

GOLD INCOME CORP.

Second 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 June 28, 2013, the yield was 12.7%.

TOP TEN HOLDINGS as at June 30, 2013

- SPDR Gold Trust
- Goldcorp Inc.
- Randgold Resources Ltd.
- Yamana Gold Inc.
- Silver Wheaton Corp.
- Metals Plus Income Corp.
- Osisko Mining Corp.
- Franco-Nevada Corp.
- New Gold Inc.
- Freeport-McMoran Copper & Gold Corp.

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.

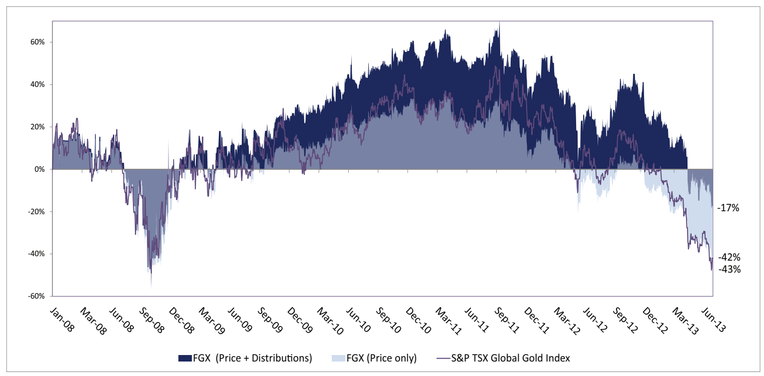
PRECIOUS METALS OUTLOOK

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 June 30, 2013

	YTD	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-35.09%	-33.15%	-16.59%	-5.99%	-6.34%
FGX – Basic NAV [1,3]	-39.05%	-34.81%	-20.69%	-9.60%	-7.12%
S&P/TSX Global Gold Index	-43.77%	-41.75%	-22.73%	-12.76%	-9.14%

Notes:
(1) Assumes reinvestment of distributions;
(2) Source: Bloomberg
(3) Based on Basic NAV; Source: Faircourt Asset Management

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 – June 2013 Update

We have witnessed considerable market turbulence since US Fed Chairman Ben Bernanke stated the strong economic indicators the Fed was seeing and suggested the Fed's preference to "taper" stimulus in the coming months. His suggestion caused major sell offs in all major markets as the implication is that the purchase of $85 billion per month in mortgage and Treasury securities could be reduced beginning in the coming months, leading to reduced funding from the Fed and ultimately higher interest rates for all borrowers.

Since the sell-off in gold in mid-April, we have seen gold prices stabilize and even bounce somewhat. What seems to be occurring is a large sell-off of paper gold holdings (ETF's and other gold linked investments) while physical gold demand has been very strong, particularly in India, China, and other emerging markets. Essentially, gold is growing in demand where wealth is being created.

The gold equities which suffered as gold prices fell also seem to have found some footing here. We are focused on the larger names that have significant production and can manage their balance sheets through this difficult period. We like Goldcorp and Yamana – both companies have solid growth profiles with lower than average mine operational costs. We also believe that the royalty names, like Franco-Nevada stand to do well as companies find that capital has become more difficult to obtain and they are more willing to enter into royalty/streaming agreements.

We still see factors and fundamentals leading to our continued support for Gold. The conditions that supported the increase in the gold price, are still in place. The US Fed's maintenance of low interest rates and monthly buying of $85 billion in government and mortgage securities has not changed, and although FOMC meeting notes suggest a desire to change its stance, economic conditions are not strengthening as quickly as officials would like.

While fiscal cliff issues have disappeared from the front page of the newspapers, debt reductions have taken place only from sequestration and have caused economic slowdowns. At the same time we have other countries being called currency manipulators for enacting policies and programs similar to what the US Fed has been engaged in since 2008. We also see continued weakness in the UK and Euro area. The challenges to those economies lead to further stimulus and policies to assist domestic employment. Each of the major trading economic areas are still feeling pressure to assist domestic consumption which means more stimulus. As of June 14, the IMF announced reduced global growth prospects into 2014 as the effects of US budget cuts are felt, reducing US GDP growth by an estimated 1% p.a. All these issues point to the need for continuing stimulus, not removal. As a result, we see a rebound and further long term strength in the gold market.

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 YTD to June 30, 2013 of – 27.63% vs the index at -32.71%. The outperformance relative to the index was driven by a combination of factors including the funds option program and its holdings in GLD (gold bullion) which declined less than gold equities. 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 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 $1,658,000, or $0.30 per weighted average number of shares outstanding during the YTD period ending June 30, 2013