METALS PLUS INCOME CORP.

Second Quarter 2013

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

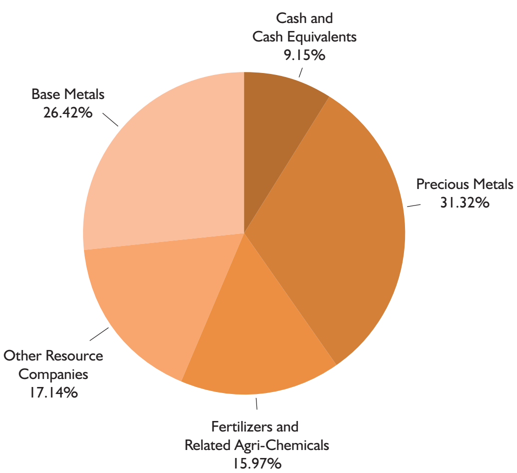
METALS PLUS INCOME CORP.

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 June 30, 2013

- Freeport-McMoran Copper & Gold Inc.
- Rio Tinto PLC
- BHP Billiton Ltd.
- Yamana Gold Inc.
- CF Industries Holdings Inc.
- First Quantum Minerals Ltd.
- Agrium Inc.
- Suncor Energy Inc.
- Teck Resources Ltd.
- Silver Wheaton Corp.

PORTFOLIO ALLOCATION as at June 30, 2013



INVESTMENT OBJECTIVES

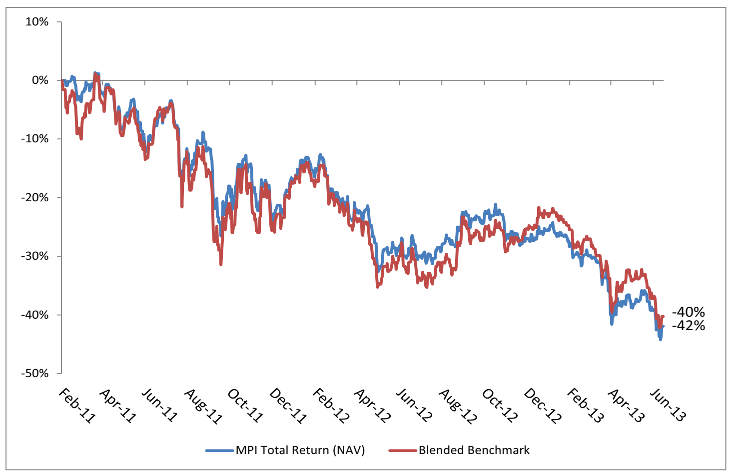
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution rate is 13.9% based on market price as at June 30, 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 June 30, 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 -18.69% and YTD -29.59%.

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 -22.91% and YTD -30.82%.

The S&P Global Materials Index, whose constituents include the largest global commodity producers. During the quarter, it generated a return of -5.86% and YTD -8.46%.

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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FAIRCOURT
Asset Management Inc.

Metals Plus Income Corp: June 2013 Update

Growth in the emerging markets, particularly China and India, was a major driver of metals demand over the last few years. Recently however demand resulting from China's extraordinary growth has slowed down. In the developed world, persistent recessionary conditions (especially in Europe) have broad ranging effects elsewhere. This part of the global economic slowdown is the biggest headwind for the metals space overall. However the long-term picture remains promising as emerging market economies are expected to improve with the help of expected fiscal and monetary stimuli. In addition, it is important to remember as headlines regarding China's slowing yet healthy 7-8% growth rates are flashed in the news, the rates of growth although slower than previous years (10%) are based on a population size that is many times the size of Europe and or the United States, and will have significant positive impact on the global economy.

As commodity prices have declined over the last year, many commodities including nickel and zinc are trading at or close to their marginal cost of production. This suggests that prices have bottomed or are very close to bottoming. When combined with pressure from shareholders on global mining companies to improve profitability and focus capital spending to only those projects that are most promising, we believe that tighter markets, and therefore higher prices, will result. Overall, we see the global mining and materials stocks as having bottomed. Emerging market economies, having had to adjust their economies to continued slow economic growth in the developed world are now positioned for sustainable growth.

The Fund also has a meaningful allocation to agricultural equities that have traded relatively well, not suffering the level of weakness as other base and industrial metal equity prices. Much of the support in the agri/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.

The fund is currently allocated approximately 30% precious metals, 25% base metals, 15% agricultural chemicals, 10% energy, and 20% cash. We believe that fundamental factors continue to support an investment in gold. High levels of debt in the developed world, central bank stimulus, and anemic growth continue to plague the economies of the developed world. Although the gold price has fallen recently due in part to a resurgent US economy and US dollar, we continue to see risks in the US economy and remain concerned about overall debt levels.

An important distinguishing feature of the fund is that it pays a monthly distribution which is generated through a combination of option writing and distributions received on its equity holdings, the options premiums being the larger component. Our options strategy supplements the dividend stream and allows the Fund to pay consistent monthly distributions while options can also make money for the fund during flat periods in the materials market. In order to generate additional returns and to reduce risk, the Corp. writes covered call options 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.

The Fund will continue to invest in 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 YTD period ended June 30, 2013, the Company declared 6 regular monthly distributions totaling $0.30 per Class A Share. The NAV of the Class A Shares, combined with paid distributions during the period ended June 30, 2013, provided a total return for holders of Class A Shares of -18.62% which outperformed the blended benchmark of – 22.94% The Fund also generated cash flow from option premiums of approximately $1,005,000 or $0.30 per weighted average number of class A Shares outstanding.

Cash received from option writing (puts and calls) since inception of the Fund (February 18, 2011) amounts to approximately $5.32million or $1.46 per average share issued and outstanding. Distributions paid to date amounted to $5.08million or $1.39per average share issued and outstanding.