METALS PLUS INCOME CORP.

Third Quarter 2013

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

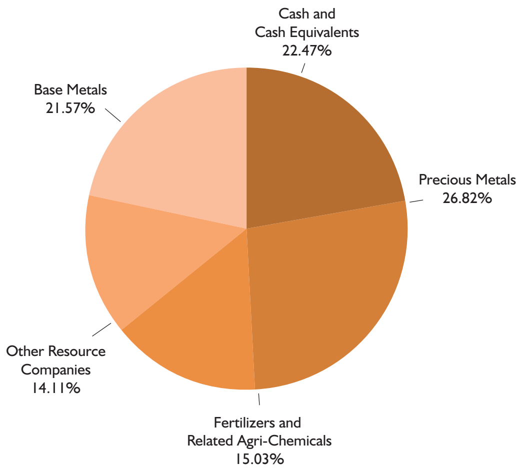
METALS PLUS INCOME CORP.

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 September 30, 2013

- AG Growth International Inc.
- Agrium Inc.
- Badger Daylighting Ltd.
- BHP Billiton Ltd.
- Cenovus Energy Inc.
- CF Industries Holdings Inc.
- Goldcorp Inc.
- Rio Tinto PLC
- Silver Wheaton Corp.
- Teck Resources Ltd.

PORTFOLIO ALLOCATION as at September 30, 2013



INVESTMENT OBJECTIVES

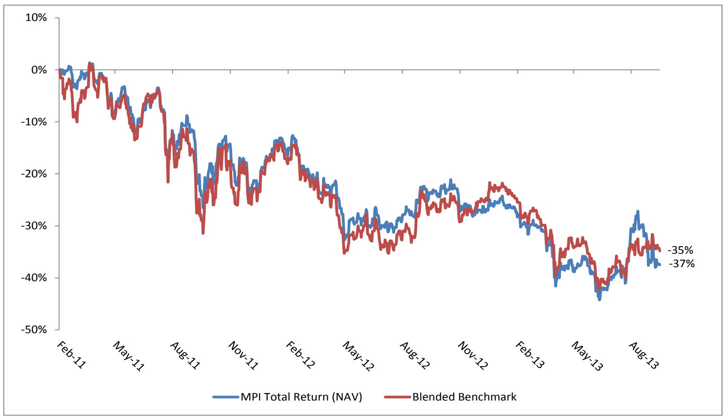
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. The distribution rate is 13.7% based on market price as at September 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 September 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 4.48% and YTD -27.72%.

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 13.03% and YTD -20.42%.

The S&P Global Materials Index, whose constituents include the largest global commodity producers. During the quarter, it generated a return of 10.05% and YTD 0.74%.

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: September 2013 Update

During the early part of Q3, the U.S. economy began to show signs of slower growth and caution hung over equity markets with the prospect of the US Fed beginning to taper by the end of the quarter. As a result, most of Q3 witnessed subdued results from previous quarters. The unemployment rate in the US improved marginally to 7.2% yet the participation rate remains at multi decade lows with young people being squeezed out of the labour market by more experienced and over qualified available workers. Housing starts also showed signs of slower growth as actual starts fell short of analyst expectations, in large part due to the back up in mortgage rates and reduced investment demand. The US Fed had made a point in the spring that their bond-buying decisions were going to be tied to labour market strength, and so in mid September as employment growth slowed, the decision of the FOMC was to maintain stimulus, with all market participants in favour.

While North American markets witnessed slightly weaker economic reports, European markets continued to improve as the Eurozone officially exited the recession with Germany, France and Portugal all announcing positive GDP growth rates. Eurozone GDP expanded 0.3% in Q2, signaling an end to the region's recession. The growth represented a recovery from a contraction of 0.3% in Q1 and topped consensus of +0.2%.

Emerging Markets also showed signs of recovery and growth. China's trade data for July topped expectations and provided evidence that the economy was stabilizing following two years of slowing growth. Imports surged 10.9% year over year vs expectations of +2.1%, while exports rose 5.1% vs +3% last year. Copper prices, which are a barometer for base metals as well as for the global economy, hit their lowest price in over 3 years in June of $6,600/tonne. By August, however, the price had rebounded to $7,000/tonne, showing resilience in the world's largest copper market. China accounts for 40% of global demand and continues to have massive spending requirements on its power grid.

As a result despite slower manufacturing growth, China demand related to energy consumption was still robust. In mid July, Chinese trade, industrial production, and investment came in stronger-than-expected, with the country's copper imports hitting a 14-month high and iron ore imports at a record level. Further supporting stable and growing base metals prices over the next five years, research out of Australia shows that although growth will not be double digits, demand growth of 5-8% will emanate from China through to 2017. With urbanization rates reaching 70% by 2030, from a level of below 50% currently, demand for infrastructure will continue to be a key theme in China's development.

MPI is a diversified metals and materials fund. The portfolio is composed of companies in precious and base metals, agricultural chemicals, energy and other materials. Underlying the funds premise is our belief that over time, demand for materials will expand significantly due to economic growth in emerging markets. China is the most obvious example, but it is important to consider a number of other emerging markets such as India and Brazil. We continue to see opportunities in the materials sector and despite some near term concerns (described below), we believe that investors will be well rewarded in the medium term.

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.

The fund is currently allocated approximately 27% precious metals, 22% base metals, 15% agricultural chemicals, 14% other resources, and 22% cash. To summarize our views on gold and related equities, 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.

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 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 September 30, 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 September30, 2013, provided a total return for holders of Class A Shares of 8.14% compared to the blended benchmark of 9.19% 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 September 30 2013, approximately 22.47% 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 $1,491,000 or $0.45 per weighted average number of class A Shares outstanding during the period ended September 30, 2013.

Cash received from option writing (puts and calls) since inception of the Fund (February 18, 2011) amounts to approximately $5.8 million or $1.61 per average share issued and outstanding. Distributions paid to date amounted to $5.5 million or $1.54 per average share issued and outstanding.