FAIRCOURT

GOLD INCOME CORP.

First Quarter 2014

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

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, 2014, the yield was 11.52%.

TOP TEN HOLDINGS as at March 31, 2014

- Franco-Nevada Corp.
- Goldcorp Inc.
- Metals Plus Income Corp.
- New Gold Inc.
- Primero Mining Corp.
- Randgold Resources Ltd.
- Silver Wheaton Corp.
- Silvercrest Mines Inc.
- SPDR Gold Trust
- Yamana Gold Inc.

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.

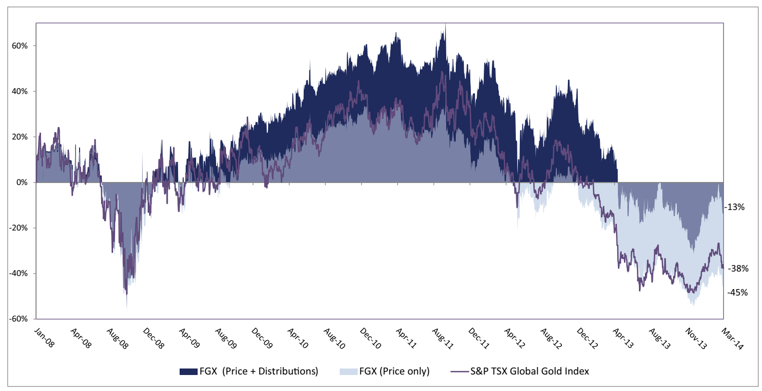
PRECIOUS METALS OUTLOOK

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, 2014

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-24.08%	-18.73%	-4.85%	-4.89%
FGX – Basic NAV [1,3]	-24.28%	-21.53%	-7.08%	-4.92%
S&P/TSX Global Gold Index	-27.82%	-21.99%	-10.82%	-7.09%

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

Distribution History	2013	2012	2011	2010	2009	2008
Total Distributions Per Share	$0.58	$0.58	$0.57	$0.51	$0.50	$0.50

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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GOLD INCOME CORP.

Faircourt Gold Income Corp – March 2014 Update

The first quarter of 2014 witnessed a strong turnaround in precious metals, as the price of gold increased by $200/ounce in response to global liquidity issues and increased geopolitical risks. Global liquidity was a key factor supporting the price move in January, as the U.S. FOMC met for the first time with its new Chair, Janet Yellen. Comments from the new head of the Federal Reserve about the lackluster state of job growth in the United States and the need for further stimulative support caused positive movements in the gold price. Previous forward guidance on interest rate policy from the Fed, tied to a 6.5% unemployment rate, was dismissed as not reflecting the true picture of the domestic jobs market or the lack of strength in the economy in part due to a declining labour force participation rate. The Fed did not change its stance with respect to continuing to taper its purchases of securities under its quantitative easing program however the desire and will to keep interest rates at or near zero for a sustained period until such time as economic data supported normalized market rates was pushed out to 2016.

As a result of the adjustment to interest rate policy, gold found renewed support in the market as investors began to refocus on the potential for negative real rates of return. During 2013, the fear of rising interest rates and a strong dollar accelerated investors' exit from the gold market. It now appears that the low interest rate environment is here for a longer period of time. Real interest rates are calculated by taking the rate of interest and subtracting inflation. With the Fed's renewed commitment to support the economy through maintenance of low rates, gold once again becomes an investment that provides a cushion against negative rates of return and weakened currencies, preserving long-term wealth.

Another factor supporting higher gold prices is increased geopolitical tensions in eastern Europe. Russia formally annexed Crimea from Ukraine, a move that surprised many observers. Tensions continue to run high as Russia builds military forces on the Ukranian border and uses militia to cause upheaval and unrest inside Ukraine. Western allies are as of yet unwilling to commit troops to support a free Ukraine, a lack of will that has emboldened the Russian leadership.

As the underlying gold price increased in the quarter, new M&A activity began to surface, another ignition point for the sector. As producers look for efficient production growth at a time of challenging mine metrics, Goldcorp made a hostile takeover bid for Osisko valued at $3 billion. Ultimately a friendly takeover led by Yamana and Agnico Eagle was successful in a financial transaction that saw shareholders get approximately $3.3 billion for Osisko's Malarctic site, while also spinning out other Osisko mining projects and a 5% royalty on Canadian Malartic to a newly formed company run by Osisko senior management. Goldcorp's bid for the mid tier gold producer has ignited the sector as senior producers analyze undervalued equity prices of junior and intermediate gold companies relative to building new mines of their own. We expect that other intermediates that operate in mining friendly jurisdictions will receive similar attention. The financial results are overwhelmingly in favour of buy vs build at this stage.

The physical demand side of the precious metals market also looks strong as we view information from emerging market leaders China and India. As western based investors shed gold for equities in 2013, China's expanding wealth has made the country the world's largest buyer of precious metals, surpassing India, as imports reached an all-time high in early 2014. Reports from Deutsche Bank and UBS support the view that the flow of gold into China continues unabated. The Chinese government is also viewed to be adding gold to its reserve base as its exposure to US Treasuries exceeds $4 trillion. It is widely speculated that China has been accumulating physical gold as a hedge to its currency exposure, although there have been no official updates since 2009.

With the challenges of gold prices in the $1,200 to $1,300/oz range, we prefer exposure to lower cost producers that can better withstand the current market while being ready for near-term production growth that can help offset the impact of lower production revenues.
We continue to be focused on the intermediate and larger names that have significant production and can manage their balance sheets through this difficult period. In the large capitalization companies, we continue to like Goldcorp with its solid growth profiles and lower than average mine operational costs. Randgold also stands out in a lower gold price environment, with its solid operational performance and low cost structure. Similarly, we continue to believe that the royalty names, like Franco-Nevada stand to do well as mining companies find that capital remains difficult to obtain and they are more willing to enter into royalty/streaming agreements.

In our view, the multiple offers being received for Osisko demonstrates that even in the current lower gold price environment, quality assets in safe jurisdictions remain valuable and in demand. In addition, discounted valuations favour "buy over build" as acquirers can get near production assets cheaper and more quickly than building their existing projects.

Gold and precious metals equities produced solid returns during the first quarter with the metal rising 4.9% while precious metals equities were up 16% through March 31st. During the quarter, the Fund posted a total return of 14.57% based on NAV. The fund slightly underperformed the index during the quarter as its holdings in the SPDR gold trust did not rise as quickly as the equities.

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. 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. 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 $892,000 or $0.16 per weighted average number of shares outstanding during the quarter ending March 31, 2014. Since inception of the Fund, the option writing program has been effective in managing the risks of the underlying investments and funding the monthly distribution by allowing the Fund to generate cash flow from option writing of approximately $15,760,000 and pay out approximately $14,650,000 in distributions to shareholders.