METALS Plus INCOME CORP.

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First Quarter 2014

FAIRCOURT Asset Management Inc.

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

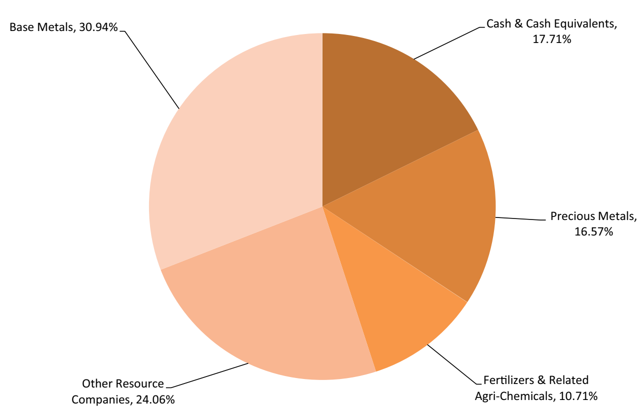
METALS PLUS INCOME CORP.

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, 2014

- Agrium Inc.
- Badger Daylighting Ltd.
- BHP Billiton Ltd.
- Black Diamond Group Ltd.
- Deere & Co
- First Quantum Minerals Ltd.
- Freeport-McMoran Copper & Gold Inc.
- Labrador Iron Ore Royalty Corp.
- Primero Mining Corp.
- Rio Tinto PLC

PORTFOLIO ALLOCATION as at March 31, 2014



*Based on % of Portfolio, Net of Options

INVESTMENT OBJECTIVES

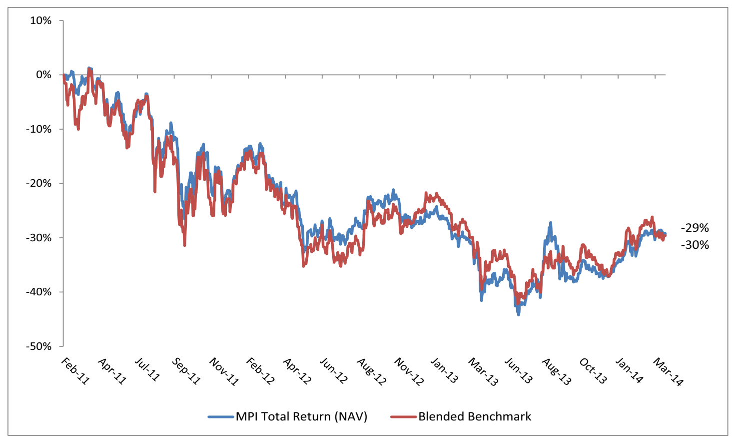
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. Subsequent to year end, the distribution was adjusted to $0.03 per month. The distribution rate is 7.6% based on market price as at March 31, 2014.

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, 2014.



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 9.74%.

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 0.82%.

The S&P Global Materials Index, whose constituents include the largest global commodity producers. During the quarter, it generated a return of 3.97%.

FAIRCOURT *Asset Management Inc.*
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METALS PLUS INCOME CORP.

FAIRCOURT
Asset Management Inc.

Metals Plus Income Corp: March 2014 Update

Metals, materials and mining equity markets generated positive returns during the first quarter of 2014, overcoming several headwinds that caused volatility to rise and caused investors to re-think certain equity positions. Challenges for markets emanated from the extreme weather or polar vortex that covered most of North America; concerns about economic growth in Europe and Asia, as well as the transition in leadership at the U.S. Federal Reserve. These factors combined to provide increased uneasiness in both Canadian and US markets, causing choppy trading that ended in mildly positive returns.

2014 began with upbeat forecasts on base metals mining companies as global economic growth continued albeit at a very gradual pace. Due to the weakness in commodity prices that hampered stock prices starting in late 2012 and continued through 2013, global mining companies began the year trading at the low range of their 5 to 10 year trading history. In reaction to the weakness in metals prices and equity valuations many mining companies have set out to change the way they do business and the fundamentals at the beginning of 2014 look promising. In the metals sector, companies such as BHP Billiton and Rio Tinto have gone through a phase where they have updated mine plans to improve profitability, shuttered unprofitable sites, cut costs, improved balance sheets and most importantly adjusted and aligned the interests of shareholders with management. The net effect being an increase in mine operating efficiencies and over time, a reduction in output across the entire base metals complex.

As these reductions in supply have taken hold, we note that global growth is finally taking hold, though modestly. The US had positive data from many aspects of the economy as durable goods orders rose, and jobless claims continued to fall. The number of hours Americans worked also went higher during the quarter, suggesting manufacturing is likely to continue to strengthen which is positive for metals and mining companies. China GDP growth continues yet at a more moderate rate, however given the large economic base in China, their growth rate is still to be envied despite the drop from China growth rates of previous years. As weak economic data surfaced from China, Premier Li Keqiang announced that he will take measures to invest in further infrastructure development and support the overall economy, a sign of continued demand for base metals. Due to continued softness in China, copper prices ended the quarter down 9%, while zinc was down 3.5%. Nickel on the other hand hit a nine-month high in March as the U.S. announced economic sanctions against Russia in retaliation for its aggressive stand in Ukraine. Russia is the world's second largest producer of nickel. Nickel has also benefitted from an Indonesian ban on the export of raw ore, as Indonesia seeks to have the ore refined within the country.

Strength was also seen in the energy sector. Oil prices responded positively as shipments to the growing US economy picked up. Baytex Energy had a strong quarter, as its share price responded positively by 11% as oil prices climbed with continued uncertainty in Ukraine. In addition to energy producers, the fund also holds key positions in companies that provide services to the sector. Badger Daylighting, a leader in the excavation and trenching business and Black Diamond, a leader in off site offices, temporary lodging for remote workforces among other services. Both companies businesses continue to grow in support of energy and mine exploration and development.

The Fund's holdings in the agriculture sector performed well during the quarter with CF Industries posting a 16.7% return and Agrium returning 11.7% (in CAD$). We continue to prefer the non-potash names relative to potash weighted companies given the potential for oversupply in the market. The Fund's precious metals also saw solid returns after a challenging 2013 with Osisko and Goldcorp posting strong performance over the quarter. Diversified and base metals miners posted a mixed quarter, as weakness in copper prices were partially offset by strength in nickel.

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 leading developed markets as well as emerging markets, such as China, Brazil, India, South Korea and Russia amongst others.

An important distinguishing feature of the fund is that it pays a monthly distribution generated through a combination of option writing and distributions received on its equity holdings, options premiums being the larger component. Our options strategy supplements the dividend stream and allows the Fund to pay 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 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 quarter ended March 31, 2014, the Company declared three regular monthly distributions totaling $0.09 per Class A Share.

The NAV of the Class A Shares, combined with paid distributions during the period ended March 31, 2014, provided a total return for holders of Class A Shares of 7.61% compared to the blended benchmark of 4.84% over this same period.

Early in the quarter, The Manager of the Fund announced a reduction in the monthly distribution rate. Managing the distribution level represents an opportunity, to assist in growing the NAV of the Fund. Specifically, in a rising price environment a lower distribution will reduce the potential for capping our returns from writing options on securities we currently hold in the portfolio.

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 2014, approximately 86% 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 401,000 or $0.12 per weighted average number of class A Shares outstanding during the period ended March 31, 2014. During the quarter, the Company declared regular monthly distributions totaling $0.09 per class A Share.

Cash received from option writing (puts and calls) since inception of the Fund (February 18, 2011) amounts to approximately $6.61million or $1.88 per average share issued and outstanding. Distributions paid to date amounted to $6.21 million or $1.76 per average share issued and outstanding.