FAIRCOURT

GOLD INCOME CORP.

Third Quarter 2014

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

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 September 30, 2014, the yield was 15.32%.

TOP TEN HOLDINGS as at September 30, 2014

- Agnico Eagle Mines Ltd.
- Alamos Gold Inc.
- Detour Gold Corp.
- Eldorado Gold Corp.
- Franco-Nevada Corp.
- Goldcorp Inc.
- New Gold Inc.
- Primero Mining Corp.
- Randgold Resources Ltd.
- Silver Wheaton 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.

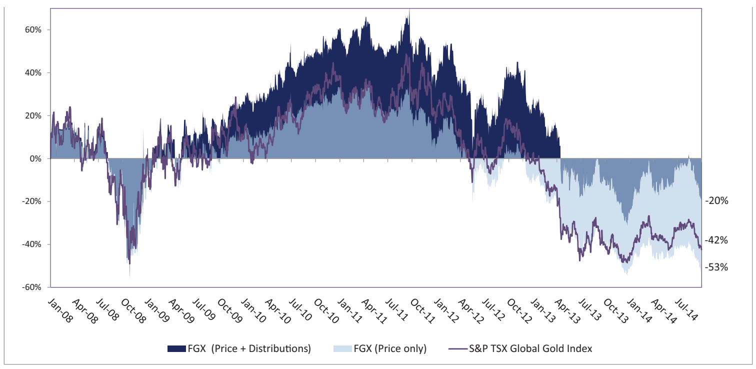
PRECIOUS METALS OUTLOOK

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 September 30, 2014

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-11.00%	-19.25%	-6.49%	-5.63%
FGX – Basic NAV [1,3]	-3.70%	-20.14%	-8.73%	-5.31%
S&P/TSX Global Gold Index	-4.21%	-23.90%	-12.03%	-7.63%

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.*
141 Adelaide St. West, Suite 1402, Toronto, Ontario, M5H 3L5 416.364.8989 Toll Free: 1.800.831.0304 Fax: 416.360.3466 www.faircourtassetmgt.com

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 – September 2014 Update

After a solid first half of the year, where gold rose 10.5%, gold had a more challenging third quarter, falling 9%, with gold related equities down 15%. US dollar strength, driven primarily by encouraging US economic data compared to persistent weakness in Europe, weighed on gold prices. Gold investors also faced the prospect of the end of the US Federal Reserve's bond buying program in October and the prospect of higher rates.

A key concern for the precious metals market as the quarter ended was the pending exit from QE3 that had been previously suggested by the US Federal Reserve Chair. Janet Yellen has been confident in the resilient job market and continued strength in housing starts that would support that the end of QE and the resulting rise in interest rates. Many market participants have suggested that despite the modestly positive US results, there are still many concerns facing the global economy that could slow the recovery, specifically lacklustre economic growth in Europe and China. With export markets still challenged, it is our belief that US growth will be constrained by the weakness in it's major trading partner's economies such as Europe and Asia.

After holding relatively steady throughout the year, the US dollar was up sharply against most, if not all, major currencies in the third quarter. The US$ index (DXY), a measure of the value of the US$ against a basket of trading currencies, gained 7.7% during the quarter. Global economic weakness, and the belief that further easing from the European and Japanese central banks were required, contributed to the US$ rise. With US economic data released during the quarter being substantially better than Europe, investors were even more inclined to purchase US dollars, exacerbating the rise.

However, as markets digested the implications of the high US dollar on the domestic US economy, concerns began to emerge regarding the sustainability of higher US growth in the face of a higher valued dollar and global economic weakness. As we exited the quarter, these concerns grew until the US Federal Reserve clarified that it too was concerned about US growth in the current environment, and that tightening of monetary policy could be delayed.

Geopolitical concerns, including conflicts in the Middle East and Ukraine, did not help the risk appetite in the capital markets overall, but were insufficient to counter the strong US dollar and stem the decline in gold prices.
Given the weak economic data coming out of Europe and Japan, it seems likely that the US dollar will continue to be a headwind for higher gold prices. However, recent Fed pronouncements regarding the willingness to delay raising interest rates if the US economy weakens due to the global economic slowdown, are supportive of stable or higher gold prices.
Despite the near-term headwind of a rising US dollar, a number of factors continue to favour higher medium and longer term gold prices. Ongoing trade imbalances continue to be a concern – in the 12 months ending August 2014, the US trade deficit with China rose to its largest ever deficit of $327 billion. And despite it being 6 years since the beginning of the financial crisis, global debt levels have not declined but in fact have increased significantly. Total US debt (public and private) now exceeds $60 trillion and total public debt at greater than $17 trillion now exceeds 100% of US GDP. European debt levels are also high at $11.5 trillion euros, with less economic growth to service it's debt.

It was a challenging quarter for gold equities, giving back some of the gains made earlier in the year. On the quarter, the fund was down 17.9% compared to the index down 15%, due in part to the Fund's underweight position in Newmont Mining, which declined less than the index. On a year to date basis, the fund continues to modestly outperform the index, up 7.7% versus the index up 7.4%.

We continue to see upside in select gold equities that can demonstrate profitable growth and performance improvements. At the same time, we continue to be cautious on some of the larger gold companies such as Barrick Gold and Newmont Mining which have higher debt levels, and which appear to us to continue to require more restructuring. Our favoured intermediate names include Primero Mining with its potential to improve operations at its Black Fox mine, and Eldorado, a low cost producer that we expect will react positively to upcoming permit approvals.

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 $2.84 million or $0.45 per weighted average number of shares outstanding year to date for the period ending September 30, 2014. The Fund declared regular monthly distributions totaling $0.43 per Class A Share in the period. 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 $17.35 million and pay out approximately $16.24 million in distributions to shareholders. The Fund will also continue to employ its option writing program to provide income to the Fund while reducing the volatility of the portfolio.