FAIRCOURT

GOLD INCOME CORP.

Fourth 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 December 31, 2014, the yield was 17.45%.

TOP TEN HOLDINGS as at December 31, 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.

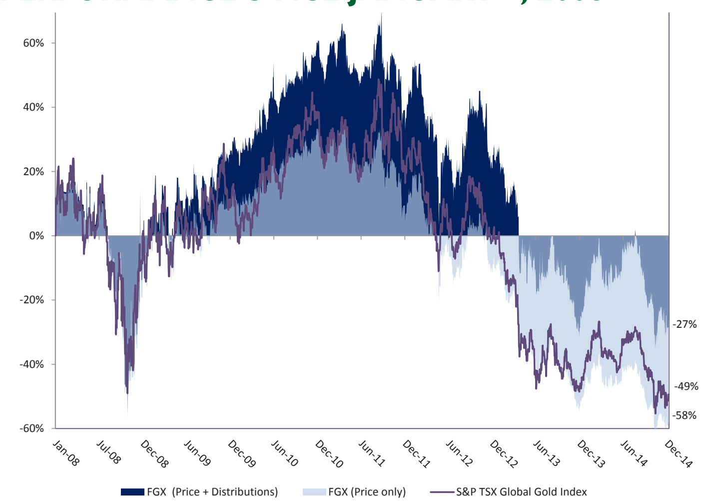
PRECIOUS METALS OUTLOOK

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 Year Ended December 31, 2014

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-1.23%	-17.46%	-9.50%	-6.60%
FGX – Basic NAV [1,3]	0.31%	-18.95%	-11.32%	-6.17%
S&P/TSX Global Gold Index	-5.76%	-24.91%	-14.29%	-9.05%

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

Distribution History	2014	2013	2012	2011	2010	2009	2008
Total Distributions Per Share	$0.58	$0.58	$0.58	$0.57	$0.51	$0.50	$0.50

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GOLD INCOME CORP.

Faircourt Gold Income Corp – December 2014 Update

The fourth quarter of 2014 saw many changes in the precious metals markets, as the sector reacted to macro- economic decisions from different governments and organizations. The first macro change that occurred during Q4 was the US Federal Reserve's announced ending of quantitative easing. October marked the month where, after seeing a series of positive economic data, the Fed confirmed it would no longer buy bonds to support US Treasury markets. The decision was the first major step the Fed has taken to normalizing policies to higher interest rates, since the Fed's policies to fight the 2008 financial crisis, and breathe more life into a tepid recovery. This marked a negative period for gold as the intention to move rates higher would result in a stronger US currency.

The second major change that occurred during Q4 was the significant drop in the price of oil from a high of $107 to end the year below $60/barrel. The price drop was caused by many factors including reduced global demand, steadily increasing supply from the United States (shale oil) as well as unwillingness on the part of OPEC to reduce supply in order to stabilize prices.

As Ms. Christine Lagarde, Head of the IMF stated, "cheaper oil should leave consumers in most wealthy nations with more money to spend on other goods, thereby supporting their economies." But she does also see downsides as well. Falling gas prices are pushing the European nations that share the euro currency closer to deflation, a destabilizing fall in prices and wages. The threat of deflation in Europe supports the case for the European Central Bank to add stimulus at a time when other central banks are considering tightening. Subsequent to quarter end, the ECB launched a new E60 billion/month bond-buying program that will run into 2016, intended to reduce borrowing costs thereby supporting the growth of the economy in Europe. The slump in oil cut the appeal of gold and related precious metals as an inflation hedge, however longer term implications of the drop suggest greater central bank actions to fight deflation through additional stimulus, which will be positive long term for gold.

The final change that affected precious metals markets was the November referendum in Switzerland that attempted to limit the Swiss governments ability to continue to support the Euro as it has since 2011. The focus of the referendum was to ensure the Swiss National Bank built up its gold reserves as a way to prevent the spreading weakness from European markets that could impact the Swiss currency and economy. Gold prices climbed during the run up to the vote in November, but the referendum was ultimately unsuccessful.

There were far reaching implications for Central Bankers in the referendum that will be felt in 2015 and well beyond. Since the 2008 financial crisis, there was significant coordinated central bank intervention and heavy government borrowing to try to reduce the high unemployment and stagnation around the world. These issues still pose challenges to the global economy. The Swiss referendum was symptomatic of the challenge that coordinated central bank action can have as economies fail to improve. Shortly after the quarter, the Swiss National Bank announced to the world that it would no longer maintain its peg against the Euro, causing major upheaval to currency markets, and a spike to gold prices. The far reaching implication is that after years of concerted central bank intervention, national governments may decide that domestic issues will take precedence over global concerns, causing further volatility and weakness in currency markets, driving gold prices higher. In addition, with the Swiss Central Bank abruptly changing a policy it strongly endorsed only days before, it and perhaps all central banks, may have lost some credibility going forward.

We note that as the US Fed has ended its bond buying program, it has begun to discuss timing related to higher interest rates. The Bank of England has also announced similar concerns with respect to the UK's economic strength and the need to raise rates sooner rather than later. While the ECB is acting to ease rates, the U.S. Federal Reserve and Bank of England may raise rates this year. These non-coordinated announcements could cause widespread volatility in currency values and capital markets.The Manager believes that as coordinated action amongst Central Banks is reduced, select currencies will weaken, increasing volatility in capital markets, refocusing investors to precious metals.

Over the past 2 years, the market has witnessed weakness in precious metals markets. First there large scale selling from the gold ETF's or paper investments in gold. We believe that ETF selling is just one aspect of gold demand and that underlying strong physical demand from India and China has not been well represented in the market. ETF holdings of gold appear to have stabilized, having returned to the levels not seen since 2009, making physical demand more apparent to investors and able to offset any additional ETF selling going forward.

Gold company fundamentals have also been challenged with cost inflation and increased operational risks causing downward pressure on equity values. There have been countless projects shelved, marginal assets sold, management teams replaced, as miners dealt with the new reality of a considerably lower than expected gold price. Following this period of rationalization, however, the gold sector is better prepared to deal with lower gold prices now than it was two years ago. As we enter 2015, we have a number of issues positively influencing the gold price. Global currencies are weaker and sovereign investors are using gold as a hedge against a weaker currency. As QE takes hold in Europe, gold may once again be used as an inflation hedge

Gold equities declined during the quarter, with the S&P/TSX Global Gold Index down 12.21%, as the sector responded to a weaker gold price with concerns about when the Fed would raise rates. During the quarter, the Fund posted a total return of -6.57% as the funds options program and underweight position in Barrick (down 23%) helped cushion the falling equity prices. During the year ended December 31, 2014, the Company declared twelve regular monthly distributions totaling $0.576 per Class A Share. The NAV of the Class A Shares, combined with paid distributions during the year ended December 31, 2014, provided a total return for holders of Class A Shares of +0.31% which outperformed the S&P/TSX Global Gold Total Return Index, in Canadian Dollar terms, of −5.76% over the same year. We continue to see upside in select gold equities that are well capitalized intermediate producers that can demonstrate profitable growth and will continue to perform well. At the same time, we continue to be cautious on select larger gold companies such as Barrick Gold and Newmont Mining which have higher debt levels, and which appear to us to require more restructuring. Our favoured names include Goldcorp, which we see as both operationally and financially sound, and Detour Gold, which is emerging from the growing pains experienced as it brought its large mine up to full capacity. Detour should also benefit substantially from a weaker Canadian dollar.

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 $3.21 million or $0.58 per weighted average number of shares outstanding during the period ending December 31, 2014. The Fund declared regular monthly distributions totaling $3.20 per Class A Share in the same 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 $18.08 million and pay out approximately $17.03 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.