FAIRCOURT

GOLD INCOME CORP.

Second Quarter 2015

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 June 30, 2015, the yield was 16.00%.

TOP TEN HOLDINGS as at June 30, 2015

- Agnico Eagle Mines Ltd.
- Barrick Gold Corp.
- Detour Gold Corp.
- Franco-Nevada Corp.
- Goldcorp Inc.
- MAG Silver Corp.
- Primero Mining Corp.
- Randgold Resources Ltd.
- Royal Gold Inc.
- 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.

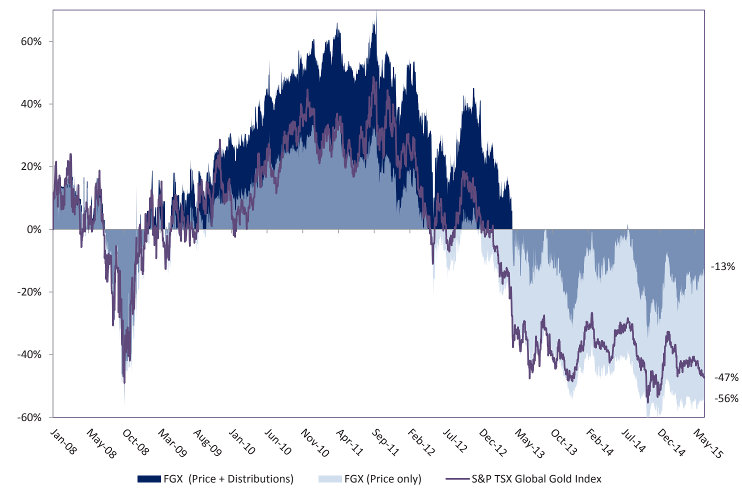
PRECIOUS METALS OUTLOOK

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 June 30, 2015

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-11.04%	-9.83%	-8.64%	-4.12%
FGX – Basic NAV [1,3]	-22.00%	-13.89%	-13.36%	-5.57%
S&P/TSX Global Gold Index	-22.36%	-19.12%	-15.97%	-8.00%

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 – June 2015 Update

For the second quarter of 2015, the physical gold market was subdued as gold ended the quarter at $1,173, down 0.9% from its close at the end of the first quarter. The headwinds for gold created by an improving US economy and related concerns over rising US interest rates continued to overshadow other global issues that would be otherwise considered positive for gold as a safe haven. Global GDP, in particular, has been lacklustre, with emerging markets growth stalling due to weaker domestic demand inside many countries, including China. In Europe, the ECB continues to negotiate with Greece on a bailout package that is acceptable to all sides. The ECB has also been focused at reviving the European economy with historically low interest rates and accommodation to get Europe out of its deflationary period. At the same time, most central banks, other than the US and UK continue to provide stimulus, lowering interest rates and providing accommodative lending terms that are designed to incent consumption.

The Organization for Economic Co-operation and Development (OECD) lowered its global GDP forecast to 3.1% for 2015, from a previous forecast of 3.6%, and also lowered its growth target for 2016 to 3.8% from a previous target of 3.9%.
More concern for metals prices was also noted as that the OECD revised its GDP forecast for China down to 6.8% from a previous target of 7.1%, also revising down its 2016 forecast to 6.7% from 6.9%.

Movements in the Chinese stock market during the first half of the year affected the gold price. From January 1 to the beginning of June, the Shanghai stock market had appreciated 40%, and then abruptly changed direction falling in June. The Chinese government closed trading in an attempt to calm fears, however that has only caused more concern and led to massive selling into July. As China has become a more urban centered economy, speculative investment in real estate and equity markets have replaced the more conservative traditional saving in China. Increased volatility in the Chinese stock market appears to be leading to pressure on the gold price. With Chinese investors having been strong buyers of gold over the last number of years, recent stock market gyrations may have led these investors to step back from the gold market, though longer-term we believe this will become a positive for gold.

The situation in Europe could be seen to be supportive of gold as the ECB continues to take measures to keep Greece in the Euro. June deadlines for repayment of ECB loans led to closure of Greek Banks and a vote in Greece in response as to whether to accept the significant sanctions imposed by the ECB. Greek voters decided against harsh treatment imposed. Deadlines were re-negotiated, debt repayments were adjusted, and talks continue. The issue here is not whether Greece leaves the Euro. The issue is how long the Euro can continue when there are several countries with debt issues and the ECB is willing to bend to accommodate their wishes.

The US economy has achieved a level of economic growth and appears well ahead of many of its G7 counterparts as the US Fed is focused on managing inflationary pressures historically low interest rates. This leadership has resulted in strength for the US dollar as foreign investors flock to the "greenback". With the US economy growing moderately, US Federal Reserve representatives emphasize that the economy is strong enough to support an increase in interest rates. Chairperson of the US Federal Reserve Janet Yellen has stated that the economy is on track to grow as much as 2% this year. Analysts forecast one or more interest rate increases in the US in the latter half of 2015. The elevated value of the US dollar relative to other currencies combined with softer economic activity in China and ongoing concerns surrounding the fate of Greece and the ECB have provided an offset or general weakness to commodity prices.

The second quarter was a relatively subdued period for gold as this time of year has generally weaker seasonal demand at the end of the Indian wedding season. Combined with the seasonal weakness we also witnessed the market focused on other perceived safe havens that have reduced demand for gold; the US dollar and the US Treasury market. Global markets are clearly focused on an impending US Federal reserve policy change with respect to interest-rates and as a result investment in US dollar denominated assets continues.

The current lack of demand for gold and related equities does have a self-correcting mechanism though, in that mine supply is now lower than previous years and exploration budgets have been cut. As a result second-quarter mine supply was down 4% relative to the fourth quarter of 2014. Longer term, low mine supply can be seen as constructive for the gold price, first stabilizing current prices and then causing increased activity to meet future demand.

Gold company fundamentals have been challenged with cost inflation and increased operational risks causing downward pressure on equity values. There have been projects shelved, marginal assets sold, management teams replaced, as miners deal 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 the adjusted gold price environment. Our favoured names include Goldcorp, which is a lower cost producer and provides diversified production, and a sound management team. Subsequent to quarter end, the company announced a 60% reduction in its dividend yield, long over due and positively received by investors. We believe that GG will continue to be an industry leader and reward the fund with the ramp up at its Cerro Negro and Eleonore mines, where cash flow and production output should continue to grow.

Agnico Eagle is also well represented in the fund. Agnico is a low cost producer with very low geopolitical risk operating in Canada, Mexico and Finland. The company is well managed and continues to generate solid organic growth with solid operational execution. The Fund also maintains a position in Randgold Resources as one our top ten holdings. Although Randgold operates in more politically challenging countries, its excellent management, high quality assets, low cost operations, and debt free balance sheet make it one of the best positioned companies in the current environment. In addition to our selective holdings among the larger producers, we continue to see upside in well-capitalized intermediate producers that can demonstrate profitable growth and should continue to perform well. Detour Gold continues to optimize its Detour Lake project . Detour should also benefit substantially from lower oil prices and operational costs that are in a weakened Canadian dollar.

We see value in several smaller developers including Roxgold, which has a very high grade deposit in West Africa and trades at substantial discount to its peers. We were pleased to see that Guyana Goldfields, a developer we have held for several years, announced its first gold pour subsequent to the end of the quarter. Subsequent to quarter-end, several of the Fund's holdings received take-over bids including Romarco, and Silvercrest. We see this theme continuing, as discounted explorer and developer valuations have made it cheaper for some companies to "buy vs build" which should also support developer valuations.

We remain cautiously optimistic on select larger gold companies such as Barrick Gold that has announced approximately $2 billion in mine divestment as it reduces its debt outstanding. We believe that Barrick is moving in the right direction, but its performance may be restrained by its high debt levels. We increased the Fund's weighting in Newmont Mining during the quarter, as it has demonstrated improved operation execution and has lower geopolitical risk than many of its peers.

The NAV of the Class A Shares, combined with paid distributions during the quarter ended June 30, 2015, providing a total return for holders of Class A Shares of 0.27% outperforming the return posted by the S&P/TSX Global Gold Index return of -3.24% over the same period.

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 $0.81 million or $0.134 per weighted average number of shares outstanding during the quarter ending June 30, 2015. The Fund declared three regular monthly distributions totalling $0.144 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 $19.69 million and pay out approximately $18.70 million in distributions to shareholders.