METALS Plus INCOME CORP.

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Second Quarter 2015

FAIRCOURT Asset Management Inc.

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

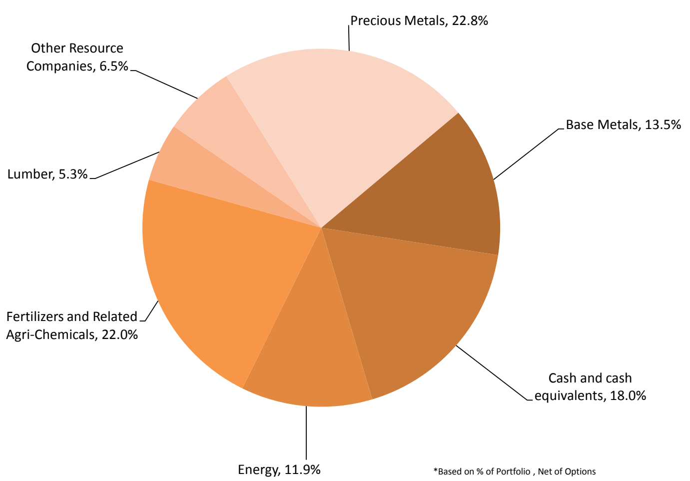
METALS PLUS INCOME CORP.

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 June 30, 2015

- Agnico Eagle Mines Ltd.
- Agrium Inc.
- BHP Billiton Ltd.
- CF Industries Holdings Inc.
- Franco-Nevada Corp.
- Inter Pipeline Ltd.
- Interfor Corp.
- Methanex Corp.
- Rio Tinto PLC
- Silver Wheaton Corp.

PORTFOLIO ALLOCATION as at June 30, 2015



Based on % of Portfolio, Net of Options

INVESTMENT OBJECTIVES

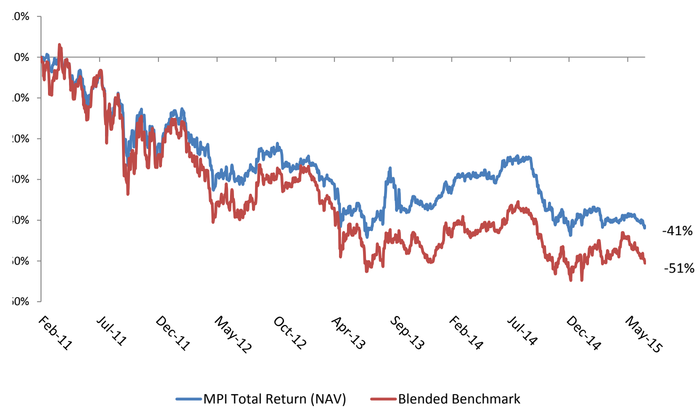
The Company's investment objectives are to provide shareholders with: (i) monthly distributions targeted to yield 6% per annum or $0.05 per month based on the issue price of $10.00 per Share; and (ii) the opportunity for capital appreciation. In January 2014, the distribution was adjusted to $0.03 per month. The distribution rate is 10.11% based on the market price as at June 30, 2015.

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 June 30, 2015.



Source: Bloomberg. Data is based on NAV (net asset value) and includes distributions.

Returns for the period ended June 30, 2015

		1 Year	3 Year	5 Year	Since Inception
MPI	Market Price (1)	-20.05%	-6.16%	N/A	-13.04%
MPI	Net Asset Value (1,3)	-20.51%	-6.23%	N/A	-11.57%
MPI	Benchmark/Index (2)	-17.75%	-8.35%	N/A	-14.52%

Distribution History	2014	2013	2012	2011
Total Distributions Per Share	$0.36	$0.60	$0.60	$0.45

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

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METALS PLUS INCOME CORP.

FAIRCOURT
Asset Management Inc.

Metals Plus Income Corp: June 2015 Update

Commodity prices were relatively stable during the second quarter, rebounding from a weak first quarter that was negatively impacted by strength in the US dollar. In the latter part of the quarter the International Monetary Fund (IMF) reduced its forecast for US economic growth, and suggested the US Federal Reserve hold off on its first rate increase until 2016. The IMF said negative shocks including a strong dollar and bad weather in the first quarter had reduced momentum for job creation and economic expansion, prompting a downgrade to its growth expectations.

Commodities have struggled against two unfavourable macro trends over the past year; a strengthening US dollar and a weakening Chinese economy. The US dollar has surged against other major currencies over the past year as the US economy strengthened while most other central banks increased easy money policies. Given the significant uncertainty around inflation prospects and the degree of slack in the neutral policy rate, there is a strong case for waiting to raise rates until there are more tangible signs of wage or price inflation. In China, it appears that despite government efforts, the economy continues to grow more gradually than Chinese political leaders would like to see. Results suggest that their efforts have not realized the desired effects, with a devaluation of the renminbi a very likely scenario.

The marked divergence in the monetary stance of central banks in the US and the UK on the one hand and China, Japan and the Eurozone on the other has, as expected, increased volatility in the currency, fixed income and equity markets, and will probably continue to do so through 2015. While the US Federal Reserve is currently on track to raise interest rates later this year, the decline in UK inflation to 0% implies that the Bank of England will raise interest rates later than the US Federal Reserve. In the meantime, the European Central Bank (ECB) and the Bank of Japan will continue with sovereign bond purchases and near-zero policy rates.

Crude oil prices rebounded from the first quarter lows of $43US per barrel to $60 sliding back at the end of the quarter to the mid to low $50 range. While the world is still very well supplied with oil, we believe that oil production should slow in the second half of the year and into 2016, combined with an expected pick up in demand given moderate global growth that should help bring the market into a more balanced position.

Precious Metals
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 am improving US economy and related concerns over rising rates in the US continued to overshadow other global issues that could be considered positive for gold as a safe haven. Global GDP, in particular, is seen to be 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.

Base Metals
Softer than anticipated demand for base metals in China and Europe have weighed on base metals prices. We anticipate pick up in some base metals categories as global growth improves led by US manufacturing and industrial production.

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%. Most worrying for metals was 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%. Likewise, the International Monetary Fund (IMF) cut its US growth forecast at the beginning of June for 2015 to 2.5% from 3.1% and urged caution that the US Federal Reserve should delay raising rates until the first half of 2016.

Both the World Bank and the IMF urged the Federal Reserve to hold off on the rate rise until early 2016 to avoid increased volatility. Federal Reserve chairwoman Janet Yellen said an increase in interest rates was certainly possible this year, but also added that there was too much focus on when will be the right time, "whether it is September or December or March."

The weaker outlook for China saw more calls for stimulus measures as a decline in producer prices also pointed to weaker domestic demand. These calls were answered at the end of June when the Chinese central bank lowered interest rates by 25 basis points for the fourth time in the last seven months and additionally reduced the reserve requirement ratio for certain banks by 50 basis points.

Lumber and Fertilizer
Lumber prices in the second quarter bottomed in May and have been trending further up in the last number of weeks due to robust home building activity in the United States. We anticipate that trend to continue as housing numbers continue to improve, along with wage and employment gains that will reflect positively on lumber prices.

Our view on agriculture is unchanged from the first quarter. We remain cautiously optimistic on the outlook for agriculture heading into the second half of 2015. We continue to prefer the non-potash names (Agrium and CF Industries, primarily nitrogen) relative to potash weighted companies given the potential for oversupply and flat pricing in the market. Given the current challenging environment for commodities, we have diversified our holdings across commodities, and in many cases, focused on the larger and more liquid names that can withstand the lower price environment.

MPI is a diversified metals and materials fund. The portfolio is composed of companies in precious and base metals, agricultural chemicals, lumber and forestry, energy and other materials. Underlying the funds premise is our belief that over time, demand for materials will expand 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 the 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.

The goal of the option-writing program is to generate additional returns and to 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 June 30, 2015, approximately 45% in cash and short-term investments has been pledged for cash secured puts. The Portfolio Manager continues to patiently add to positions, at reasonable values, during intervals when market prices pull back. Lower overall market 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 select opportunities for the Fund to both reduce the volatility of the portfolio and still generate additional income for investors.

The Fund generated cash flow from option premium of approximately $0.23 million or $0.10 per weighted average number of class A Shares outstanding during the quarter ended June 30, 2015. During the period, 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 amounts to approximately $7.80 million or $2.46 per average share issued and outstanding. Distributions paid to date amounted to $7.29 million or $2.30 per average share issued and outstanding.

For the quarter ended June 30, 2015, the NAV of the Class A Shares, combined with paid distributions provided a total return for holders of Class A Shares of -0.97% outperforming the return posted by the Fund's blended benchmark return -1.91% over the same period.