FAIRCOURT

GOLD INCOME CORP.

First Quarter 2016

Inception Date: November 16, 2007
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
TSX Symbol: 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 initially targeted to be $0.04167 per month and currently $0.024 per month; and (ii) the opportunity for capital appreciation. Based on the market price as at March 31, 2016, the current yield was 8.78%.

TOP TEN HOLDINGS as at March 31, 2016

- Agnico Eagle Mines Ltd.
- Barrick Gold Corp.
- Detour Gold Corp.
- Franco-Nevada Corp.
- Goldcorp Inc.
- Newmont Mining Corp.
- Osisko Gold Royalities Ltd.
- Randgold Resources Ltd.
- Silver Wheaton Corp.
- Tahoe Resources Inc.

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.

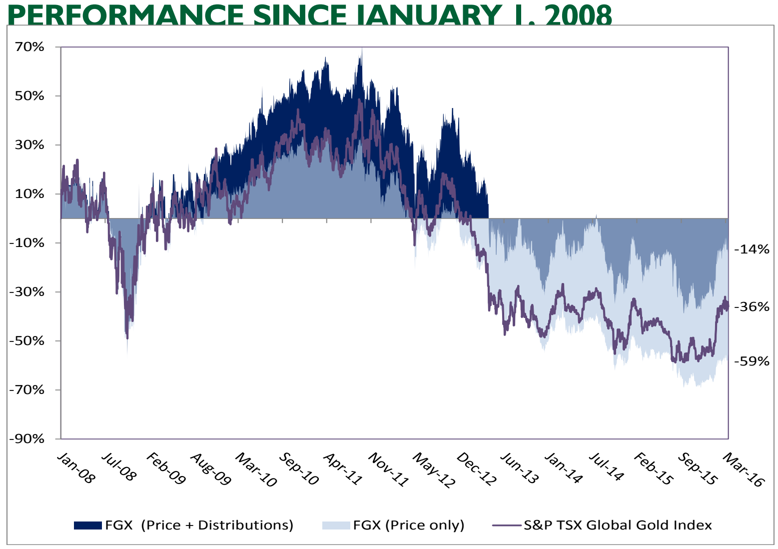
PRECIOUS METALS OUTLOOK

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 leading to new rounds of quantitative easing
- Concerns about sovereign debt defaults
- Prolonged period of negative interest rates utilized globaly.

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 March 31, 2016

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	9.82%	-7.46%	-10.95%	-3.80%
FGX – Basic NAV [1,3]	11.44%	-7.83%	-12.97%	-3.38%
S&P/TSX Global Gold Index	17.86%	-9.36%	-13.31%	-5.10%

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

Distribution History	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions Per Share	$0.50	$0.58	$0.58	$0.58	$0.57	$0.51	$0.50	$0.50

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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 – March 2016 Update

The initial weeks of Q1 2016 witnessed a significant change in direction and a spike in volatility in both Canadian and US capital markets. Investors were pre-occupied with the fear of further rising interest rate announcements from the US Federal Reserve after its December decision to raise rates for the first time in over nine years. The idea that the Fed would add 25 basis points each quarter of 2016 led investors to hit the sell button in January of 2016. Compounding these concerns were weaker than anticipated consumer sentiment readings; a persistent lack of wage growth despite growth in monthly non-farm payrolls; the continued fall in energy prices; continued weakness in the global economy, and questions surrounding interest rate policy by central banks around the world.

The Fed's rate hike decision in December occurred while other Central Banks continued to embrace low and even negative interest rate policies to stimulate their economies. Despite the strength in the US economy, and enough domestic data points to announce further rate hikes, Fed minutes point to concerns about global growth as a key reason behind the change in its tone to a more dovish message.

During the quarter, the ECB revised down it's projections for inflation this year and pushed more stimulus programs by lowering interest rates deeper into negative territory while increasing the size of its QE program. In Japan there are similar concerns, with a combination of unfavourable demographics and resulting downward pressure on inflation. Lower oil prices continue to keep inflation low in most of the world allowing central banks flexibility in keeping monetary policy highly stimulative.

This scenario is supportive of stronger precious metals prices. The longer the worlds central banks continue to use negative interest rates the better the outlook for gold and other precious metals companies. Negative interest rates are a symptom of economic distress, which is bullish for gold. Currently, there is over $7 trillion of government bonds worldwide offering yields below zero. It means investors are buying bonds and if held to maturity, those bonds wont repay their full capital back. The uncertainty about the long-term impact on the global economy of negative interest rates is supportive of gold.

The strong performance of physical gold in the first quarter was the best first quarter start to the year for gold in over 30 years. Some of the key reasons for gains this year include; cost cutting and reduction in mine production over the last two years; increased physical demand from China and India, in addition to the backdrop of negative interest rates which make gold an appealing store of value. The price of gold has moved significantly in Q1, up 9% CAD terms and up 16% in USD terms.

The Fund continues to invest in leading global gold companies primarily involved in gold exploration, mining or production 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 call options tends to decrease the Fund's exposure to the underlying investment. Writing put options tends to increase the Fund's exposure to the underlying investment.

The environment for gold producers has changed dramatically during the first quarter. With gold prices above $1200 US, most gold producers are able to generate positive cash flow, whereas below $1100, many producers struggled to generate any cash flow. After four years of working to rein in costs, many producers are operating much more efficiently. The slow-down in base metals has also greatly assisted the precious metals producers, as it has reduced the cost of mining inputs.

As commodity prices such as steel, concrete, and copper are lower, all are helping to keep capital and operating expenses under control. In addition, the quality and pricing of available labour and related mine services have improved dramatically. It is now possible, for example, for a smaller gold developer to get a fixed price contact for a mine/mill build something that would have been extremely difficult five years ago. As a result, investors believe that with the gold price in the mid to high $1200 US range, and with costs under control, gold company margins and profitability are set to rise substantially, and have pushed share prices up accordingly.

We continue to be positive on the outlook for gold given the global economic outlook through 2016, however in the near term we are cautious from two perspectives. First the late Spring and early Summer are traditionally weaker periods for gold, thus we may see moderate price weakness and investors patience may be tested in coming months.

We also note that to date, the number of underwritings in the sector have been controlled, and have not reduced investor enthusiasm for re-entering the space. There are still capital projects that need to be funded, and as the underlying commodity price rises, more issuers will get the opportunity to come to market. An orderly offering cycle will bode well for investors and issuers alike.

Considering these factors, our overall investment strategy has not changed. We continue to position the Fund taking into account the challenges of the sector. The Portfolio Manager maintains solid weightings in senior producers, with selective exposure in smaller capitalization names that have top quality assets and a path to production and free cash flow. Recognizing the improved sentiment in the sector, we have also selectively added some earlier stage high quality assets to the portfolio. Overall, we continue to prefer higher quality names that have less debt, reasonable cost structures, and show solid operational effectiveness.

Agnico-Eagle screens well on these metrics and continues to be a core holding in the Fund. Agnico maintains one of the highest reserve grades among senior gold companies. We also had good performance from our position in Newmarket Gold. Newmarket operates several Australian mines including Fosterville and Cosmo, while it executes on a strategy to consolidate additional gold assets. Newmarket has a very experienced and capable management team that have built successful gold companies in the past. During the quarter, we also added to a position in Integra Gold. Integra is exploring it's Lamaque south project, a very promising, high grade project in Val D'Or Quebéc. The position has almost doubled in value since our original purchase, and we believe that continued positive drill results will drive the price further. Eldorado Gold holds a 15% interest in the company.

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 $0.70 million or $0.11 per weighted average number of shares outstanding during the quarter ending March 31, 2016. The Fund declared three regular monthly distributions totalling $0.072 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 $22.0 million and pay out approximately $20.4.million in distributions to shareholders. The NAV of the Class A Shares combined with paid distributions during the quarter ended March 31, 2016, provided a total return for holders of Class A Shares of 25.8% while the return posted by the S&P/TSX Global Gold Index of 41.1% over the same period.