FAIRCOURT

GOLD INCOME CORP.

Third Quarter 2016

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 be $0.04167 per month and currently $0.024 per month; and (ii) the opportunity for captial apprication. Based on the market price September 30, 2016, the current yield was 6.52%.

TOP TEN HOLDINGS as at September 30, 2016

- Agnico Eagle Mines Ltd.
- Barrick Gold Corp.
- Detour Gold Corp.
- Franco-Nevada Corp.
- Goldcorp Inc.
- Mag Silver Corp.
- Newmarket Gold Inc.
- Newmont 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.

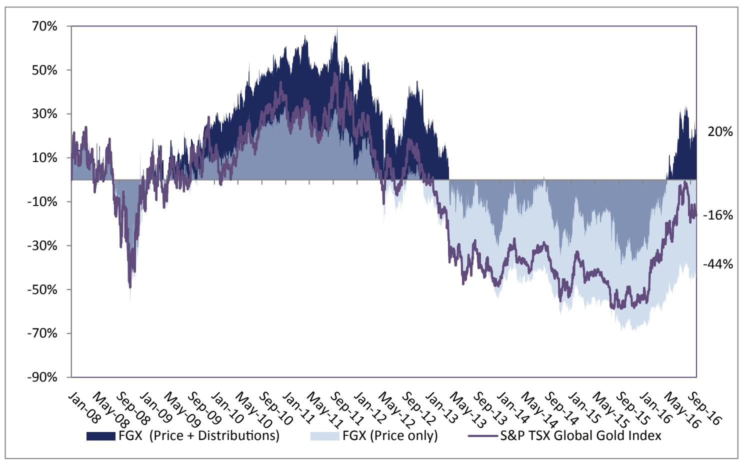
The sustained volatility in the gold equity sector allows the option writer the potential to generate significant premium income. In addition, an option writing strategy is an effective way to help lower the level of volatility for an investor, and potentially improve returns. In addition to its strong current fundamentals, the Manager believes the volatility in gold stocks will remain high relative to the broader market, producing sound returns for investors.

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 globally
- Fear of inflation in the U.S. with the new Trump Presidency

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, 2016

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	88.36%	10.13%	-4.61%	0.09%
FGX – Basic NAV [1,3]	87.78%	14.67%	-4.49%	0.74%
S&P/TSX Global Gold Index	92.54%	11.64%	-7.06%	-1.92%

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 – September 2016 Update

Year to date, physical gold has been shining as investors have continued to re-allocate investment into precious metals and related equities, as a safe haven against negative interest rates, lackluster global growth and continued concern about developed country debt levels.

World GDP growth continues to trend down and is on track to hit 3% in 2016, the slowest pace of growth for the global economy since 2009. The two major markets leading the global economy have not been able to generate their previous growth capabilities to buoy the global economy. China announced that its Q3 GDP saw 6.7% growth that is stable but not as buoyant as in the previous five-year period. Chinese leadership has increasingly focused on growing domestic demand relative to its previous focus on global trade, leaving its export markets waning.

The U.S. economy continues to grow off its historic lows, however sustained employment gains seem elusive while increased business investment is lacking and excess manufacturing capacity continues to be an overhang for the economy. In addition, the uneasiness related to the US presidential elections have created increased volatility in equity markets.

During Q3, US Job creation was strong initially, exceeding analyst expectations as the economy added 255,000 positions in July. The headline unemployment rate held steady at 4.9%, though a more encompassing measure that includes those not actively looking for work and those working part-time, moved up to 9.7%. Subsequent months resulted in less enthusiasm for the jobs market, as the below forecast September jobs report added only 156,000 jobs compared with the median forecast of 172,000 jobs in a Bloomberg survey of economists. The quarter ended with consumer confidence as reported from The University of Michigan index of consumer sentiment declined to 87.9 from 91.2 in September, much weaker than the lowest estimate any Bloomberg survey of economists had suggested. Longer-term inflation expectations declined to a record low. The conundrum that policy makers and Federal Reserve officials have is that after years of stimulus and historically low interest rates, sustained acceleration and work hour gains has remained elusive.

The Federal Reserve continued to suggest that it is prepared to begin the process of normalization of interest rates. FOMC meeting notes indicated the labour market continued to strengthen while economic activity had picked up from the modest pace seen in the first half of the year. A key concern though was that inflation continued to run below the FOMC's 2% longer-term objective.

It has been our belief that US interest rates will be lower for longer. If the Federal Reserve does raise rates this year, it would be after the November elections. And if rates were raised, it would likely be accompanied by dovish language regarding future rate increases, as was the case at the end of 2015. Our view is that with negative interest rates being supported in other major markets such as Japan and Europe, the US continues to be constrained on interest rate policy. Despite the fear of rising rates from the Federal Reserve there is still more than $11 trillion in government and corporate debt around the world that have negative interest rates, suggesting to investors that interest rates are far from normalization.

In the UK, Mark Carney head of the Bank of England continues to discuss his preference to overshoot on inflation targets suggesting supporting economic growth remains the priority after the Brexit vote. Mr. Carney has also not ruled out the potential for more stimulus with a weakened outlook on UK employment.

The European Central Bank anticipates that they will gradually wind down their bond purchase or QE programs before their ultimate conclusion as a way to avoid significant volatility or market disruption, however we believe that whenever it happens, there will be increased volatility. Most economists surveyed believe that QE established by the ECB, although set to run until March 2017, will go on for at least a further six months at €80 billion per month or until the governing council sees a sustained adjustment in the path of inflation consistent with the ECB's inflation target. In a separate statement in mid-September the ECB predicted consumer price growth would accelerate to an average of 1.6% in 2018 remaining below its long-term goal of under 2% of the institution hasn't met since 2013.

With slow growth in the global economy, the ECB continuing along its QE path, we see continued stability for precious metals. A key factor that we believe will assist precious metals is and the US elections. Regardless of who wins the Presidency, we see stronger markets for precious metals. A Clinton White House combined with the possibility of a Democrat controlled Congress can mean increased fiscal stimulus in the US, thereby increasing the price of gold and related equity investments. A Trump White House may create volatility in markets with increased protectionism, also contributing to safe haven buying. As a result, we believe that it is prudent to continue to have an allocation to precious metals, while our options strategy offers the additional benefit of monthly distributions and lower volatility than you would otherwise have in a direct investment in gold equities.

Gold and related equities ended September negatively as renewed worry about a potential Federal Reserve rate hike was possible prior to December. For the quarter, gold related equities fell by approximately 6% while year to date, the gold index is up by 84%. This increased demand for gold comes at a time when gold production and supply has been reduced which establishes the potential for multiyear growth in the sector.

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.

Constrained supply can be traced back over the last 5-10 years. Between 2007 and 2012 gold discoveries fell by close to 75% and since 2000 less than half of mined gold ounces have been replaced. In essence, much of the higher grade and easier to mine gold deposits have already been discovered. Demand in gold related equities has been considerable this year, after almost 3 years where gold mining companies have cut costs, lowered debt levels and boosted productivity to survive the three years of falling gold prices. Now with better balance sheets, producers are more efficient and we anticipate improved returns going forward.

Considering the factors noted, our overall investment strategy has not changed. We continue to position the Fund taking into account the opportunities currently available in the sector. The Portfolio Manager maintains solid weightings in senior producers, with additional 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 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. We have been impressed with the recent operational performance of Newmont, and have increased its weighting in the fund. Newmont is generating strong cash flows, and raised its dividend in the quarter. Agnico-Eagle continues to execute well operationally and remains a core holding in the fund.

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 $0.34 million or $0.072 per weighted average number of shares outstanding during the quarter ending September 30, 2016.

The Fund declared three regular monthly distributions totaling $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 $22.8 million and pay out approximately $21.2 million in distributions to shareholders.

The NAV of the Class A Shares combined with paid distributions during the quarter ended September 30, 2016, provided a total return for holders of Class A Shares of -1.44% outperforming the S&P/TSX Global Gold Index return of -6.1% over the same period.

Year to date, the NAV of the Class A Shares combined with paid distributions during the first nine months of ended September 30, 2016, provided a total return for holders of Class A Shares of 79.3% while the return of the S&P/TSX Global Gold Index over the same period achieved a return of 84.2%.