FAIRCOURT

GOLD INCOME CORP.

First Quarter 2017

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 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, 2017, the yield was 7.27%.

TOP TEN HOLDINGS as at March 31, 2017

- Agnico Eagle Mines Ltd.
- Barrick Gold Corp.
- Franco-Nevada Corp.
- Goldcorp Inc.
- Mag Silver Corp.
- Newmont Mining Corp.
- Osisko Mining Inc.
- Pretium Resources Inc.
- 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

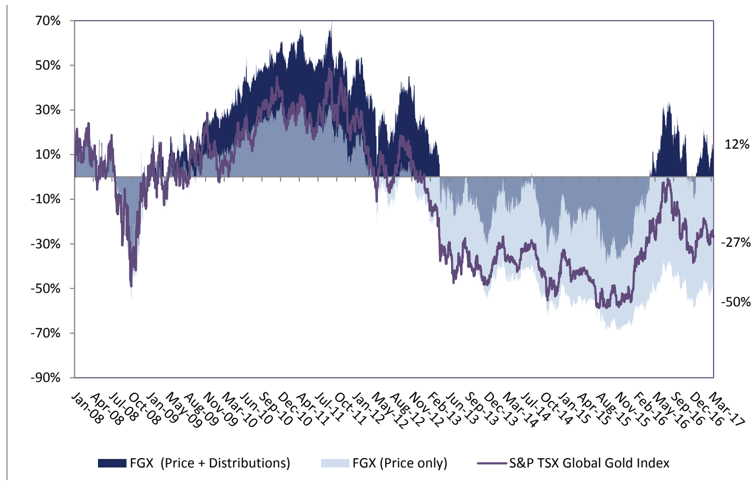
The Portfolio Advisor believes the fundamentals for investments in precious metals companies continue to be strong, especially during this uncertain global economic environment.

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 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 March 31, 2017

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	29.68%	8.90%	-3.99%	-0.69%
FGX – Basic NAV [1,3]	24.14%	13.70%	-4.85%	-0.77%
S&P/TSX Global Gold Index	14.65%	5.70%	-8.09%	-3.17%

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

Distribution History	Since Inception	2016	2015	2014
Total Distributions Per Share	$4.63	$0.29	$0.50	$0.58

FAIRCOURT *Asset Management Inc.*
110 Yonge St., Suite 501, Toronto, Ontario, M5C 1T4 416.364.8989 Toll Free: 1.800.831.0304 Fax: 416.360.3466 www.faircourtassetmgt.com

FAIRCOURT

GOLD INCOME CORP.

Faircourt Gold Income Corp – March 2017 Update

The first quarter saw strong returns along with historic equity market highs in anticipation of positive economic changes to come from the Trump White House. The S&P 500 continued to climb through most of the quarter, clocking in a first quarter return of 5.48% and the DJIA reached 20,000 for the first time in its history. Yet despite the market exuberance, policy challenges began to show disrupting the Trump Administration's economic reforms. Before and after the inauguration, President Trump discussed streamlining regulations in the energy and financial services sector; personal and corporate tax reform as well as the elimination of Obama-Care, all of which was interpreted as a Presidency focused on reduced red tape. However the policy initiative that got the most attention and caused market volatility was immigration, causing the Trump presidency its first major challenge.

The announcement of a travel ban against seven countries had significant reaction from specific industry groups in the US as well as from America's major trading partners. EU members were negative on the announcement, and concerned about how the announcement would impact their fight against their own homegrown nationalist movements. US tech company executives, a group that have been vocal opponents against Trump for over a year, challenged the policy and won federal court injunctions to prevent the ban from being enacted. This continues to be a cause for concern and uncertainty for future policy initiatives and could upend positive economic reforms being planned.

The US unemployment picture improved through much of the first-quarter with the ADP results showing businesses adding 246,000 jobs in the month of January up from 150,000 in December with widespread increases in construction manufacturing healthcare and shipping. Also noteworthy was an increase in the participation rate, a measure of those actively seeking work, to over 63%. Of note was that manufacturing added 15,000, jobs the most in more than two years with factories rebounding from headwinds such as the strong dollar and slower overseas growth that caused steady job losses in the past.

However as the quarter ended, a surprise nonfarm payrolls number in March brought renewed concerns for the US economy as only 98,000 jobs were created in March, well below the consensus expectation of 180,000 jobs. In addition there were downward revisions to the jobs reports from the previous two months. These revisions have become common in recent Q1 economic reports as weather changes can cause adjustments to labour flows and economic growth, and thus have been downplayed as due to timing rather than economic weakness. As expected in mid March, the Federal Reserve Open Market Committee announced an increase in the federal funds target rate of .25% to a range between 0.75% to 1%. The unemployment rate remained little changed and inflation moved closer to the FOMC's 2% longer-term objective. Restraining a forecast of higher interest rates is the reality of financial instability and the heightened political uncertainty both domestically and globally that could hurt current economic progress.

Following on the restrained forecast of interest rates, there has also been considerable attention regarding recent US dollar weakness. President Trump's comments with respect to the Federal Reserve prior to the election spoke of his dissatisfaction with interest rate policy and the work of Fed Chair Janet Yellen. The low interest rate environment, he stated, was artificially low, hurting savers, and forcing equity investment bubbles. By the end of this quarter, the President had changed his opinion, suggesting that current low rates were good for the economy and that Chair Yellen should have her tenure at the Federal Reserve extended. This has served to weaken the USD and strengthen commodities such as base metals and gold.

Volatility was also injected into the capital markets near the end of the quarter, when leaders from the European Union and the United Kingdom officially began negotiations to proceed with the UK's exit from the EU. Article 50 of the Lisbon Treaty provides for a two-year negotiating window however given the state of relations between the EU and UK, we believe it will take much longer to iron out, as there are a number of important issues. One is the question of who is responsible for payment of the legacy costs of the UK's exit from the EU estimated at close to €60 billion. Another issue is the status of UK and the EU citizens. However, one of the most contentious points is how much access the UK will get to the EU market. How these negotiations progress remains unclear as subsequent to quarter end, UK Prime Minister Theresa May announced general elections in the UK in order to get a clear mandate to take to negotiations with the EU. Further complicating matters is that both the Scottish Parliament and Northern Ireland voted to remain as part of the EU in last years referendum.

Moreover, recent gold prices have found support from physical demand from consumers in India and China during the festive season this year. Another factor that will be a tailwind for gold is the supply of precious metals having previously reached peak output levels earlier in the year. As mine operations adjusted to previous downward price movements, global production of gold is expected to decline by approximately 1% in 2017. Lower mined supply could help prices move higher. Consistent with prior periods, the Fund maintained a diversified portfolio of gold companies, with a focus on lower cost, high quality producers.

One theme we believe is emerging is increased interest in advanced exploration and development stage companies. The last several years of capital constraint by many gold companies has significantly reduced the amount of exploration expenditures. As a result, the number of quality projects has been declining. Going forward, this will make it more difficult for gold companies to replace their reserves and maintain their development project pipelines. As a result, we believe large, economic deposits in safe jurisdictions will command premiums.

During the first quarter gold equities gained traction on a 7% rise in the price of the precious metal. Barrick Gold was up 18%. During fiscal 2016, Barrick continued to focus on reducing debt, cut costs and became more efficient, prioritizing better-performing mines over others. In addition, its debt reductions over the last two years have resulted in over US$2 billion in debt reductions. As the price of the underlying commodity continues to gain traction, the more efficient Barrick will continue to be a strong cash flow generator in the sector. However, we remain cautious on the name as asset sales have impacted its future production profile, and the company will need to build or acquire assets, which exposes it to significant risks.

We continue to benefit from our investment in Osisko Mining. Its Windfall Lake, Quebec, site and experienced management team provide Osisko with the wherewithal to bring this potentially large deposit into production. While drilling is still in its early stages, we believe the company has already been able to demonstrate that Windfall is a top tier project.

Another strong performance in the quarter was seen in our investment in Franco Nevada. Recent growth has been supported by the contribution of acquisitions and investments made during the downturn in 2013-14. The company now sees a solid return on investment as gold prices rise resulting in increased cash flow from its royalty and streaming activities.

Barkerville Gold is a new investment for Faircourt Gold. Its land holdings are focused in the historic Cariboo Mining District of central British Columbia that holds approximately 4.5 million oz of underground and alluvial gold near the town of Wells, BC. BGM has gone through a significant leadership change since 2015, with new board members and a new management team of experienced mine operators injected into the company, changes driven by its largest shareholder, Osisko Mining. In March, the company made a series of significant announcements that propelled the market value of our investment.

In order to generate additional returns and reduce risk, the Fund writes covered calls on securities held in the portfolio and cash secured put options on securities desired to be held in the portfolio. We believe that option writing can continue to add incremental value going forward. For the period ended March 31, 2017, the Fund generated income from option writing of approximately $0.35 million or $0.07 per weighted average number of shares outstanding.

The Fund declared regular monthly distributions totalling $0.072 per Class A Share for the period. Since inception of FGX the Fund has generated over $23.6 million in option premium, or $5.05 per weighted average share. For the quarter ending March 31, 2017, the Fund's NAV combined with paid distributions during the quarter generated a return of 8.92% outperforming the TSX Gold Index return of 7.16%.