FAIRCOURT

GOLD INCOME CORP.

Third 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 September 30, 2017, the yield was 8.09%.

TOP TEN HOLDINGS as at September 30, 2017

- Agnico Eagle Mines Ltd.
- Aurico Metals Inc.
- Kirkland Lake Gold Ltd.
- Klondex Mines Ltd.
- MAG Silver Corp.
- Newmont Mining Corp.
- Osisko Mining Inc.
- Pretium Resources Inc.
- Semafo Inc.
- Wheaton Precious Metals 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.

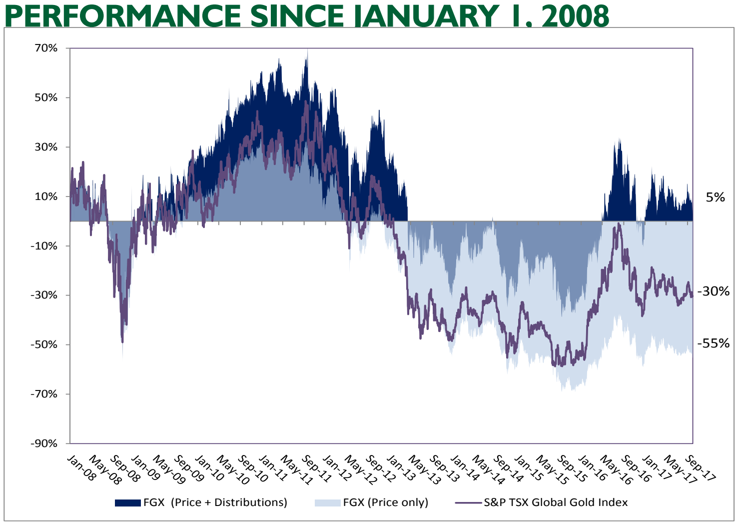
PRECIOUS METALS OUTLOOK

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 September 30, 2017

	1 Year	3 Year	5 Years	Since Inception
FGX – Market Price [1,2]	-13.13%	9.25%	-5.60%	-1.34%
FGX – Basic NAV [1,3]	-19.38%	8.21%	-6.56%	-1.50%
S&P/TSX Global Gold Index	-16.73%	6.55%	-9.88%	-3.53%

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	$4.59	$0.29	$0.48	$0.58

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GOLD INCOME CORP.

Faircourt Gold Income Corp – September 2017 Update

The price of gold and related equities rallied during the third quarter as investors re allocated assets into the precious metal. Primary focus for investors focused on concerns for the U.S. economy and the Federal Reserve's plans to both reduce its balance sheet while considering an interest rate hike that may derail fragile growth. In addition, there are matters that are growing international tensions.

Lack of progress on important economic policy changes discussed since President Trump's Inauguration; tax reform, repealing Obamacare, infrastructure spending are beginning to produce challenges for the US economy. Wage inflation that was growing earlier in the year has subsided, and despite the hawkish tone from the US Fed, there is less data supporting future interest rate increases.

The President's inability to gain the votes necessary from his own party to repeal healthcare legislation has lead to concerns about the economy. The repealing of Obamacare was supposed to be the first and easiest step in a series of legislative changes to make America great again. Lack of resolve on that front has spilled over to Trump's plans for tax reform and infrastructure spending. Its not that the legislation itself is bad policy, its that Trump's twitter outbursts and speeches on major social issues have made supporting him on legislation problematic for both Democrats and Republicans.

US economic data continues to move forward only gradually with headline CPI showing muted signs of inflationary pressures. CPI was up 1.9% year over year in August, rising from 1.7% in July. Core CPI, met market expectations in August by climbing 1.7% year over year. Despite some of the good news, consumer confidence is near its lowest point in 12 months. During September, the US economy lost 33,000 jobs, with that number negatively impacted by Hurricane Harvey's impact on Texas and Irma's fallout in Florida.

One of the key reasons for the run up in gold back in 2008 was caused by the US Federal Reserve's program of quantitative easing, or what is more commonly called money printing. Nine years later in 2017 with the US economy on better footing, the Fed has stated its intention to reduce the size of its balance sheet. The impact of the Fed's balance sheet reduction on domestic debt markets is not likely to be too disruptive. The balance sheet stands at $4.5 trillion and is composed mostly of Treasury's and mortgage-backed securities. To reduce the size of its balance sheet, The Fed will likely not invest a portion of its maturing bonds, allowing them to roll off its balance sheet. As the Fed progressively reduces its balance sheet, it will give the Federal Reserve room to help the economy down the road. As the U.S. is in the 8th year of economic expansion, and recessions occur on average once every ten years, the Fed will once again be able to use its balance sheet, if needed, in a potentially new quantitative easing program.

International tensions have also been a key source of support for higher gold prices. U.S.-North Korea tensions continue to be very concerning for the world. During a September General Assembly meeting of the United Nations, President Trump stated that "if provoked, the United States will have no choice but to totally destroy North Korea". That is blunt language that only leads to tension. Already the situation has the attention of Russia, China, not to mention the entire Korean peninsula and the countries that manufacture and ship in that region. Since that time, North Korea's leadership has used that threat to build its case of isolation from the west. What is destabilizing is the understanding that the rhetoric can only strengthen North Korea's nuclear resolve. We have two leaders themselves in an upward spiral of rhetoric that could inflame an already difficult situation.

Further heightening tensions around the world involves the US President and his threat to terminate the 2015 Iran nuclear deal if Congress and US allies don't amend the agreement in significant ways. As a way to further strengthen his position in a potential re-negotiation, the President also ordered the US Treasury to impose new sanctions on Iran's Islamic Revolutionary Guard Corps as a backer of terrorist groups in the region. Global leaders and U.S. allies that were part of the agreement; UK, France and Germany issued a statement vowing their commitment to the agreement. The challenge once again for global stability is that the US President is using rhetoric to raise the tension level on a major international issue, yet either doesn't have the legal basis to challenge the issue or doesn't believe that the heightened rhetoric will have a negative unintended consequence. As a result, we believe that an allocation to gold equities is appropriate for investors to consider for the near term.

The third quarter ended as the price of the precious metal dropped to $1,279.10 down $67.15 from its recent high of $1346.25 on September 8. The rise in the US dollar in Sept and the rise in the probability of another Fed rate hike in December have not been positive for the gold price in the short term. However given the different situations noted in our report, we believe heightened volatility and increased uncertainty will continue to be present in the global economy for some time.

Over the past two years, the fund had increased its weighting in development stage companies, as we believed that after several years of curtailed exploration, larger producers would need to look for acquisition growth targets. Since then, development stage companies have contributed significantly to the growth and stability of the portfolio. While some senior producers have been able to make acquisitions or develop growth opportunities through expansion and development of existing assets, many of the larger producers still face a flattening or even declining production profile.

A company that is currently transitionsing from development to production that we have invested in since 2015 is Pretivm Resources. The company has been developing its 100%-owned underground Brucejack gold mine in northern British Columbia. A feasibility study was completed in June 2014 and updated in December 2016 resulting in proven and probable reserves of 8.1 million ounces. Estimates from the feasibility study suggest gold grades over the next ten years to average 16.1grams/tonne. Commercial production was announced in July 2017 with 82,203 ounces of gold produced at an average recovery rate of 96% during the quarter. Pretivm continues to be a key contributor to the fund as it has not only grown from a development stage investment when we first invested to producer that continues to operate efficiently with lower sustainable cash costs than many other operators in a lower-risk mining jurisdiction with sound management leading its production. Despite its single mine location and complex geology, the high-grade nature of the asset reduces the risk of this portfolio holding due to the potential for low cost production growth.

Another transitioning company that we have been invested in is Roxgold. Roxgold's key asset, the high grade Yaramoko Gold Mine, is located in Burkina Faso, West Africa. In addition, the company is also developing its Bagassi South asset, a new deposit whose feasibility study is expected by year end. During the quarter, Roxgold mined 76,000 ounces of ore at 12.2g/t while its plant processed 66,670t at an average head grade of 13.55g/t. Results have surpassed some analyst expectations and we continue to look for strong results as the Bagassi site moves forward. Relative to its peers, Roxgold continues to trade very cheaply, more like the development company it used to be, rather than its current position as a producer. We believe that this valuation differential will narrow over time.

Agnico continues to be a key holding of the Fund. A consistent performer, the company announced continued strong operating performance with record quarterly gold production in the third quarter at 454,362 ounces at total cash costs per ounce of $546 and all-in sustaining costs per ounce of $789. Higher than expected grades at the LaRonde mine assisted the company in its strong production in the quarter at 105,345 ounces of production, with lower total cash costs per ounce of $328. Management also announced full year production guidance increases and reduced cost forecasts leading to stronger support for the equity. Management also announced a quarterly dividend increase of 10%, which has been well received by investors.

Newmont Mining is another senior gold producer that delivered a very profitable quarter. Free cash flow more than doubled to nearly $500 million and gold production rose 7% year over year in the 3rd quarter, as lower cost production from two of Newmont's newest mines; Merian in Suriname and Long Canyon in Nevada offset lower production at some of the company's more mature mine operations. The strong performance not only provides increased capital to deploy long term in newer developments, but also allowed the company to increase its dividend for the third quarter by 50 percent.

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 September 30, 2017, the Fund generated income from option writing of approximately $1.07. million or $0.077 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 $24.3 million in option premium, or $5.16 per weighted average share. Year to date to September 30, 2017, the Fund's market price combined with paid distributions during the period generated a return of 2.60% outperforming the TSX Gold Index return of 1.59%.