FAIRCOURT

GOLD INCOME CORP.

Fourth 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 December 31, 2017, the yield was 8.21%.

TOP TEN HOLDINGS as at December 31, 2017

- Agnico Eagle Mines Ltd.
- Alamos Gold Inc., Class 'A'
- AuRico Metals Inc.
- Detour Gold Corp.
- Franco-Nevada Corp.
- Kirkland Lake Gold Ltd.
- MAG Silver Corp.
- Newmont Mining Corp.
- Randgold Resources Ltd., ADR
- Semafo 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.

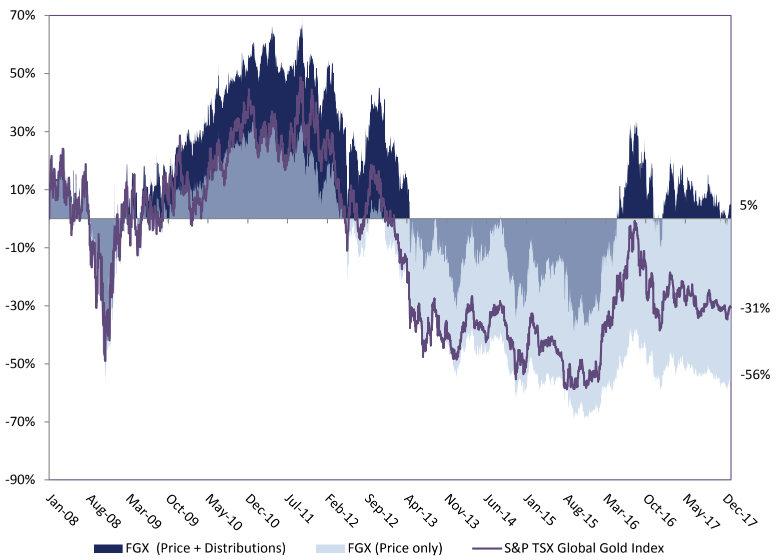
PRECIOUS METALS OUTLOOK

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 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 December 31, 2017

	1 Year	3 Year	5 Year	10 Year	Since Inception*
FGX – Price [1,2]	3.26%	12.77%	-3.74%	0.52%	-1.24%
FGX – NAV [1,3]	4.90%	12.17%	-3.71%	-1.14%	-1.08%
FGX – Index	1.23%	6.43%	-9.95%	-3.59%	-3.57%

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

Distribution History	Since Inception	2017	2016	2015	2014
Total Distributions Per Share	$4.90	$0.29	$0.29	$0.48	$0.58

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GOLD INCOME CORP.

Faircourt Gold Income Corp – December 2017 Update

Over the last twelve to eighteen months, the global economy has overcome significant uncertainty; Brexit implications for the EU; North Korean nuclear tensions; Russian meddling in the US elections all clouding the global political and geopolitical climate. Despite that uncertainty, there has been steady global equity market growth in virtually all markets with historically low volatility. Gold's safe-haven appeal has been slightly diminished as the global economy continued to improve through much of 2017.

The price of gold had a stable run in 2017 and we continue to see several factors that in our opinion point to continued growth in the sector. There are many geopolitical issues facing the global economy that could see significant increases in the gold price including further unrest inside Iran; the war of words between President Trump and North Korea's Kim Jong-Un, in addition to the reduced willingness of China to buy US Treasuries. This last issue comes at a time that the U.S. under President Trump's leadership is clearly becoming both more protectionist and less enthused about being the world's policeman, a hegemonic position the U.S. has held since the end of WWII. Reduced leadership can mean reduced centrality of the U.S. dollar as the world's currency, weakness that can change the relative value of gold and related investments.

It is our belief that the strong synchronized global equity market growth that has been on the rise over the last few years may cause investors to become slightly more defensive and turn to more defensive assets. The coordinated actions by central banks to stimulate economies through the massive expansion of central bank balance sheets, increasing the money supply and slashing interest rates led to asset price appreciation and in some cases led to perceived bubbles or mania in various sectors. We are now at what could be a change in central bank coordination, where reduction of massive balance sheets cause dislocation and volatility. Market volatility remains low as we are in the tenth year of this global bull market and we believe that the prospect for a change in central bank positioning may create more volatility and a more defensive posture among investors that want to protect gains earned during this period. With the U.S. Federal Reserve raising interest rates three times in 2017 and suggesting three more rate hikes in 2018, there are implications for financial assets that could speak well for gold.

Despite the issues the world has faced in 2017 whether it was nuclear or terrorist threats, global capital markets have shrugged off much of the typical anxiety that would otherwise follow such events. One area that illustrates the focus on growth vs worry can be seen in the precious metals space where gold was range bound for the year between $1,150 and $1,350 as physical gold really seeks direction from this level. The gold price was up 13% for the year, out-performing the senior and mid-tier gold equities that saw growth of 11%, while the juniors only garnered an 8% return for the year. Clearly investors are still shy to fully embrace the sector and are looking for liquidity and cash resources in operations vs new discoveries. What is interesting about this situation is that the price of gold has been range bound for close to three years. From an operations standpoint, that has allowed producers to adjust to this reality, increasing operational efficiency, improving cash flows and reducing their focus on marginal sites. As the market has focused on efficiency and not growth over the last few years, we believe that seniors will reach the point in the not too distant future when acquisition of new near term producing assets will become a focus offsetting their structural production declines that have been evident since 2014.

We anticipate 2018 continuing to be an extension of the range bound market for precious metals as we have seen in the previous 12 months. Rising tensions could result in periods of increased volatility and heightened gold price movement and we will manage accordingly.

We continue to focus our portfolio towards producers with sound operations, low cost assets, and strong balance sheets that can continue to deliver growing free cash flow in this range bound environment. Those companies that have heavier debt loads facing production declines will be forced to seek external growth and we believe that with the development names in our portfolio, we should see returns as these valuable assets become acquisition targets.

As mentioned in previous quarterly reports we have been focused on those producers and developers that maintain solid balance sheets and capital discipline. As a result, the allocation towards exploration focused assets is outweighed by producers. Overall, with gold trading above $1300 USD per ounce, we see good value in the equities and continue to believe that gold equities are poised to outperform the commodity even with modest further increases in the gold price.

Our portfolio was helped by companies that were leading performers over the physical price movement this year that included the following companies.

Pretivm is one of BC's newest success stories, ramping up commercial production of its high-grade gold underground Brucejack Mine. Pretium Resources is six months into ramping up production at Brucejack. The company is transitioning from a gold mine developer to a producer, a transition that investors should reap the value being created. As it ramps up production we could see multiple expansion as it executes its mine plan and investors gain comfort with the variability inherent in this kind of high grade mine. Brucejack has proven and probable reserves of over 8.1 million ounces and a mine capable of producing average annual production of 500,000 oz/yr. In addition, it has an 18 year mine life and has a limited environmental footprint, crucial in the current operating environment.

Roxgold is mining its key asset, the high grade Yaramoko Gold Mine, located in the Houndé greenstone region of Burkina Faso, West Africa. The mine's low cost at $645/oz in our opinion should produce solid cash flow that will not only generate free cash flow but will also fund organic growth, making it an attractive takeover target. Gold production of 126,990 ounces in 2017, exceeded expectations on the upper limit of the increased guidance range of 115,000 to 125,000 ounces previously announced on September 20, 2017. Gold production of 35,016 ounces was achieved during the fourth quarter achieving 99.1% gold recovery. Overall, the company has a strong balance sheet with cash of approximately $64 million and long-term debt of only $47 million as of December 31, 2017

Another newer BC success story is Barkerville Gold Mines Ltd. focused on developing its extensive land package located in the historical Cariboo Mining District of central British Columbia. Barkerville's mineral tenures cover 1,950 square kilometres along a strike length of 67 kilometres which includes several past producing hard rock mines of the historic Barkerville Gold Mining Camp near the town of Wells, British Columbia. It possesses a combination of a scaleable Cdn land package that has existing history of 4.5 million oz produced with elevated grades all supported by the management team from Osisko, whom investors have come to respect.

Kirkland Lake Gold is a mid-tier gold producer targeting over 620,000 ounces of gold production in 2018 from mines in Canada and Australia. Kirkland Lake Gold's solid base of quality assets is complemented by district scale exploration potential, supported by a strong financial position with extensive management and operational expertise. For 2017, it announced record annual and quarterly production for the full-year with **production** of 596,405 ounces, beating guidance. In Q4 production was 166,579 ounces, a 9% increase from Q4 2016 and 20% higher than Q3 2017. In addition to its production growth, the company is well funded with Cash and cash equivalents of approximately $230 million at December 31, 2017 while convertible debt tranches have been converted commons shares. KL was a top performing stock on S&P/TSX Composite Index in 2017 with share price increasing 174.5% (for full-year 2017)

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 year ended December 31, 2017, the Fund generated income from option writing of approximately $1.4 million or $0.29 per weighted average number of shares outstanding. The Fund declared regular monthly distributions totaling $0.288 per Class A Share for the year.

Since inception of FGX the Fund has generated over $24 million in option premium, or $5.24 per weighted average share.

For the year ending December 31, 2017, the Fund's market priced return combined with paid distributions during the year generated an annual return of 3.26% outperforming the S&PTSX Global Gold Index return that generated a return of only 1.23%.