FAIRCOURT GOLD INCOME CORP.

Fourth Quarter 2022

Inception Date: November 16, 2007
Fund Manager: Faircourt Asset Management Inc.
Portfolio Advisor: Faircourt Asset Management Inc.
NEO 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, 2022, the yield was 9.29%.

TOP TEN HOLDINGS as at December 31, 2022

- Agnico Eagle Mines Ltd.
- Alamos Gold Inc.
- Barrick Gold Corp.
- Dundee Precious Metals Inc.
- Eldorado Gold Corp.
- Endeavour Mining Corp.
- Franco-Nevada Corp.
- K92 Mining Inc.
- SSR Mining 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

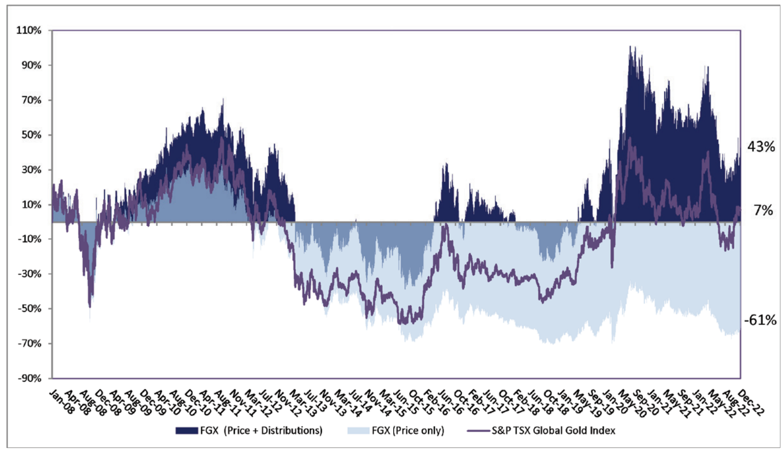
The Portfolio Advisor believes the fundamentals for investments in precious metals companies continue to be strong, especially during this uncertain global economic environment.

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:

- Massive Stimulus from governments in response to the global pandemic
- Central Banks expanding balance sheets
- Concerns about entering a Global Recession
- Fears of inflation

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, 2022

	1 Year	3 Year	5 Year	10 Year	Since Inception*
FGX – Price [1,2]	-9.35%	3.89%	6.30%	1.77%	1.19%
FGX – NAV [1,3]	-9.90%	2.24%	6.36%	0.93%	1.32%
FGX – Index	-2.41%	4.09%	7.65%	9.01%	0.48%

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

Distribution History	Since Inception	2022	2021	2020	2019
Total Distributions Per Share	$6.428	$0.29	$0.29	$0.29	$0.29

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FAIRCOURT

GOLD INCOME CORP.

Fourth Quarter 2022

2022 was a challenging year for most investors as traditional long only portfolios experienced losses in both equity and bond holdings due to inflationary pressures, volatility and finally monetary tightening in the latter half of the year. There were brief rallies in capital markets that were based on hopes that any tick down in inflation prints would convince the US Federal Reserve to pivot away from aggressive liquidity withdrawal measures. While markets weakened, investors were unwilling to adjust portfolios away from what worked in 2020-2021, towards an allocation to protect portfolio value and guard against inflation.

As 2022 ended, both bond markets and equity markets suffered as Central Banks reacted to inflationary pressures albeit in a catch up series of rate increases. For the year, the S&P500 posted an uncomfortable -19.4% for 2022, the TSX Composite (ex-Energy) was -8%; Nasdaq was -33.1%, Russell 2000 also down for the year at -22%. Since 1950, the only years with more significant declines in the S&P500 were 1974, 2002 and 2008. Despite the economic backdrop for most of the year, we witnessed muted demand for gold. In Q4, we began to witness increased inflows to gold in what many would suggest is a more traditional response to inflationary pressures and instability in the global economy. We believe that 2023 is setting up well for gold and related equites.

There are several factors that to us support a higher gold price and as a result higher earnings for gold companies. On the gold price, it appears that the fed tightening cycle is coming to an end, however that does not mean a pivot happens any time soon. A pivot occurs when the Fed ultimately reduces interest rates, however we believe that given the continued high rates of inflationary pressure, current Fed positioning remains. This set up is good for gold. The world is still dealing with higher geopolitical risk and uncertainty with the continued unrest emanating out of Russia showing an unwillingness to retreat from its invasion of Ukraine. Another macro positive for gold is that we are seeing corporate earnings forecasts providing weaker guidance for 2023. We have stated in previous commentaries that at a minimum a mild recession is on the way in 2023. These factors present a positive environment for gold.

According to the World Gold Council, in 2022, central banks purchased the largest amount of gold in recent history. The world's central banks bought 673 metric tons in one month, and in the third quarter, the figure reached 400 metric tons. This is interesting because the flow from central banks since 2020 had been net sales. Most central banks' largest percentage of reserves are US dollars, and given its rise in 2022 it would make sense for some central banks, especially China, to decide to depend less on the dollar for fear of devaluation on the horizon.

There are more reasons to buy gold. Over the last few years, many investors who had owned gold as a hedge against currency devaluation built positions in various crypto currencies based on a belief that digital currencies hold value given the limited number of coin releases. The 2022 downfall of crypto exchanges has shaken investor confidence in crypto and once again suggests gold's primacy as a stable investment holding value in turbulent times.

For the gold companies, due to capital markets pressures in 2021-2022, there was forced austerity that put miners in good shape financially, with many companies generating increased cash flows. In 2023, we could see increased M&A activity as those mid to large cap companies could have an ability to use their strengthened stock price as currency to add reserves as many smaller/junior gold companies have languishing equity prices. We still see lack of interest from broader market participants to allocate to gold and particularly to the related equities. Being in some of the smaller names offers significant growth in 23 as we believe heightened M&A will prove beneficial for patient investors.

Subsequent to year-end, we saw evidence of a renewed focus on M&A with Newmont's proposed acquisition of Newcrest Mining for $16.9 billion. It may be several months before any transaction is agreed upon, and it is likely that Newmont will have to raise its offer to secure a deal.

The fund uses an all-cap approach where the larger names are used for stability and to generate option premium and smaller names are added to provide growth and give the fund exposure to exploration. After a lacklustre year in the gold sector, we see good opportunities in a number of gold equities for 2023. We believe that Canadian assets will continue to be sought after in 2023 as concerns about resource nationalism in some countries lead investors to value geopolitically stable jurisdictions.

Osisko Mining continues to advance the Windfall project in Quebec. OSK released its feasibility study in November 2022, showing a 10 year mine life with >200,000 oz/year of production. While capex at $789 million is higher than outlined in the PEA from 2021, there are opportunities for improved economics from the mine including better than anticipated grades and the ability to use significant debt financing, in part due to the significant infrastructure in place at the mine site.

Sabina Gold and Silver owns the Black River Project in Nunavut. This project is notable for its 6 g/t grade along with a >200,000 oz/year production rate over its 15 year mine life. Sabina has secured project financing for the estimated capex and is working diligently to secure contracts and lock in pricing to de-risk construction. As the share price declined during 2022, we have now seen an opportunity to add the name on weakness.

We have highlighted K92 mining in the past but it continues to be one of our favourite names. K92's Kainantu mine posted strong production for 2022 of 122.8 koz at a grade of over 8 g/t. In addition to solid production numbers, we believe that the Kainantu mine can continue to deliver impressive exploration results and this is what will drive the stock significantly higher.

Given the fear of recession, the downside risk to the economy, and heightened geopolitical risks that exist, we believe that the outlook for gold is very positive for 2023. It would be prudent for investors to position their portfolios with a significant gold allocation

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. Since inception of the Fund, the Manager has generated significant income from option premium of approximately $28.60 million or $6.080 per weighted average number of Shares outstanding.

For the year ending December 31, 2022, the Fund generated income from option writing of approximately $0.49 million or $0.1725 per weighted average number of shares outstanding declaring regular monthly distributions totaling $0.2880 per Share. For the year ending December 31, 2022, the Fund generated a total return of -9.35% on a market price basis and -9.50% on a NAV basis versus its benchmark, the S&PTSX Global Gold Index performance of -2.41%.