FAIRCOURT

GOLD INCOME CORP.

Second Quarter 2024

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 June 30, 2024, the yield was 11.21%.

TOP TEN HOLDINGS as at June 30, 2024

- Agnico Eagle Mines Ltd.
- Alamos Gold Inc.
- Barrick Gold Corp.
- Dundee Precious Metals Inc.
- Endeavour Mining PLC
- Franco-Nevada Corp.
- Kinross Gold Corp.
- Newmont Corp.
- Orla Mining Ltd.
- Skeena Resources Ltd.

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

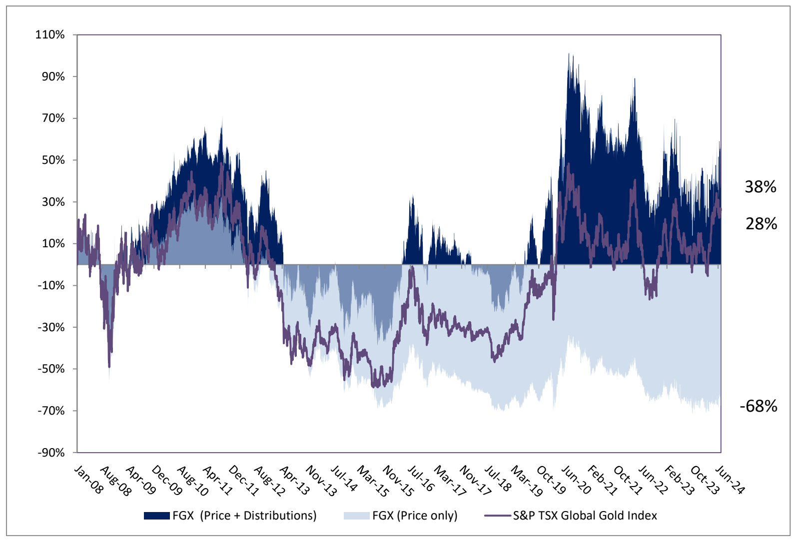
The Portfolio Advisor believes the fundamentals for investments in precious metals companies continue to be strong, especially during this uncertain global economic environment.

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 June 30, 2024

	1 Year	3 Year	5 Year	10 Year	Since Inception*
FGX – Price [1,2]	0.62%	-5.85%	6.64%	3.53%	0.86%
FGX – NAV [1,3]	1.24%	-5.75%	5.87%	3.77%	1.10%
FGX – Index	16.18%	4.81%	9.61%	6.39%	1.48%

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

Distribution History	Since Inception	2023	2022	2021	2020
Total Distributions Per Share	$6.86	$0.29	$0.29	$0.29	$0.29

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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 stocks hold a valuable place in asset allocation for investors, especially in times of high inflation and economic uncertainty. Gold and related equities can provide a natural hedge against inflation and is regarded as a safe-haven investment during downturns in the economy. At other times gold can also be a buffer against a bear market, or can be a stabilizer in the case of an international crisis. During the first half of 2024 geopolitical tensions such as the Russia-Ukraine War or China's increased aggressiveness towards Taiwan and other countries in the South China sea or the heightened tensions in the Middle East were prime examples of risks that led to higher volatility and higher gold prices.

Gold began 2024 at $2,062.59 and ended the semi-annual period at $2,325.70, rising by 12.75% after posting an all time high of $2,425 in May. Gold equities posted positive performance as well, slightly lagging gold with the S&P/TSX Global Gold index generating a return of 11.5% during the period. Gold continued to post new all-time highs into July.

In addition to the noted international uncertainties, the US economy has been front and centre as a source of uncertainty leading to support for higher gold prices. The CBOE Volatility Index (VIX) began the year at 11 and is approaching the 20-level post Q2 leading to sloppy trading in the equity markets of late. There is still potential downside before reaching oversold territory. The official unemployment rate in the U.S. has risen from 3.4% to 4.1% and is headed on a gradual upward trajectory. The FED's focus is shifting from battling persistent inflation to managing unemployment. FED officials have signaled they could begin to cut interest rates even as inflation remains above their 2% target. As rates are expected to come down later this year and yields on money market funds decline, we believe capital will find its way back. The increased likelihood of interest rate cuts from the Federal Reserve this year should also serve to lift gold prices.

Additional factors that contribute to our position in favour of gold and related equities include concern over large and persistent budget deficits, interest rate outlook, and continued central bank buying of physical gold. Of the factors noted, budget deficits (particularly, though not exclusively in the U.S.) are of particular concern as the U.S. has continued to post deficits more than 6% of GDP while the US economy has been strong. These large and persistent budget deficits have driven the debt to GDP ratio above 120% with continued increases forecast in the foreseeable future. U.S. debt and deficit concerns are not new as a driver of gold prices, but the size and lack of political will to reign in federal spending has brought more investor concern to bear on the issue. Data suggests the economy will weaken further in 2024, and this will only drive budget deficits higher.

At the same time, the global economy is finally exiting a period of high inflation, which is expected to usher in a period of lower interest rates. Lower interest rates are generally positive for gold prices as they lower the opportunity cost of holding a non-yielding asset like gold. Cumulatively, these factors make for a strong environment for gold – one that we believe will persist for the remainder of the year.

The fund maintains a diversified portfolio of gold companies with positions across the capitalization spectrum but with an emphasis on large and mid-cap names. Small cap names are finding it difficult to raise money at reasonable valuations so asset quality is key. We believe that in the current environment, focusing on mid and large cap companies with select exposure to developers with quality assets is appropriate. While valuations are low across the sector (P/E of gold miners at 20 vs S&P500 at 25), they are particularly low in the smaller cap names. We believe that there will continue to be M&A as mid and larger cap companies look to either replace reserves or grow production at trough level prices but this opportunity needs to be weighed against the risk profile of the junior miner and its need for capital.

Despite double digit returns in gold equities this year, we continue to see opportunities in the stocks as easing inflation and high gold prices work to improve margins. Investors have continued to reward mining companies with lower geopolitical risk footprints vs those names operating in countries perceived to be more operationally risky. Agnico-Eagle and Alamos gold, two top holdings in the fund both offer a more conservative risk profile and have returned 24.9% and 20.8% respectively to June 30th. Barrick, which the fund holds primarily to write options and earn premium on, underperformed (-3.6%)in the first half of 2024 as investors were concerned about the company's ability to meet its back-end loaded production guidance. 2024 served as a reminder of the operational risks inherent in the mining sector, with Victoria Gold announcing an a failure of its heap leach pad. Given the company's debt level and the extent of the damage investors have doubts whether Victoria will be able to fund the necessary rehabilitation of the pad.

M&A activity in the sector continues to be relatively muted as many of the companies continue to focus on their existing projects and the "bigger is always better" mindset that existed previously in the sector has thankfully been absent. There have been some deals announced. One of the Fund's holdings, Osino Resources, which operates in Namibia was purchased by a Chinese company, Yintai Gold. Yintai's offer exceeded the previous offer from Dundee Precious Metals, announced in late December, 2023. Yinai's offer is for $1.90 per share, all cash. We expect to see a continuation of this dynamic of smaller more focused deals that can offer cost synergies or other benefits rather than larger, growth only deals.

Looking forward, we believe the remainder of 2024 will be positive for gold and gold equities as interest rates begin to moderate and the economy slows. The equities are likely to be more volatile than they have been in the past several years as despite high gold prices, they are still subject to equity market dynamics prevalent in an economic downturn and the related fund flows. While this will increase the Fund's volatility, we expect that it will allow the Fund to add significant value from its option writing program.

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 $29.14 million or $6.97 per weighted average number of Shares outstanding.

For the period ending June 30, 2024, the Fund generated income from option writing of approximately $0.15 million or $0.06 per weighted average number of shares outstanding declaring regular monthly distributions totaling $0.2880 per Share. For the first half of 2024, the Fund generated a return of -3.21% on a market price basis and 5.49% on a NAV basis, versus its benchmark, the S&PTSX Global Gold Index performance of 12.7%.