



**MIDDLEFIELD CANADIAN INCOME PCC (the "Company")  
AND MIDDLEFIELD CANADIAN INCOME - GBP PC (the "Fund")**

**POSTING OF CIRCULAR CONVENING A CELL EXTRAORDINARY GENERAL MEETING**

16 November 2012

In order to enable the Fund to continue to issue shares pursuant to the placing programme which was introduced by the Company on 19 October 2012 (the "Placing Programme"), the board of directors of the Company (the "Board") is seeking Fund authority to allot and issue up to 76,970,000 shares in the Fund (the "Shares") for cash on a non-pre-emptive basis. The Fund's existing disapplication of pre-emption rights authority was exhausted by the issue of 8,030,000 Shares on 31 October 2012.

In addition, the Board is also seeking Fund authority to issue 20,000,000 Shares to Canaccord Genuity Limited ("Canaccord"), as broker, on the basis that Canaccord will immediately sell all these Shares back to the Company at the same price at which they were issued, to be held in treasury. The Fund will therefore have the ability to sell Shares held in treasury in order to meet demand in the market for its Shares, as well as the ability to issue new Shares. The allotment of the 20,000,000 Shares to Canaccord will be authorised by the disapplication authority to allot up to 76,970,000 Shares non-pre-emptively referred to above. The remaining authority to allot and issue non-pre-emptively for cash will cover the issue of up to a further 56,970,000 new Shares under the Placing Programme. The sale of up to 20,000,000 Shares out of treasury on a non-pre-emptive basis will also be expressly authorised by the disapplication authority and will not reduce the remaining disapplication authority in respect of the allotment of further new Shares. The proposed disapplication authorities will lapse at the conclusion of the Fund's next Annual General Meeting expected to be held in May 2013 (at which time the Board expects to seek shareholder authority to renew these).

Accordingly, the Company has today issued a circular convening a Cell extraordinary general meeting of the Fund (the "Cell Extraordinary General Meeting") to be held at 10.00 a.m. on Wednesday, 5 December 2012 at 14 St. George Street, London W1S 1FE.

On 19 October 2012, the Company published a prospectus relating to the Placing Programme of up to 85 million Shares. As explained in the prospectus, the Board remains committed to the continuing expansion of the Fund and, in view of the level of ongoing demand for the Shares, the Board considers the Placing Programme necessary in order to allow the Fund to continue its current policy of issuing Shares on an ad hoc basis at a small premium to net asset value per Share where demand exceeds supply. The Placing Programme should benefit shareholders by, for example, (i) raising additional monies to enable the Fund to take advantage of investment opportunities, (ii) reducing the total expense ratio, (iii) maintaining the Fund's ability to issue new Shares tactically such as to better manage the premium to net asset value at which the Shares trade, and (iv) improving liquidity in the market for the Shares.

The Fund will only issue new Shares (or, as the case may be, sell Shares from treasury) when the Board believes it is advantageous to the Fund's shareholders to do so and in no circumstances would any issue of new Shares (or sale of Shares from treasury) be at an issue price which would result in a dilution of the net asset value per Share.

A copy of the circular will shortly be available for inspection at [www.hemscott.com/nsm.do](http://www.hemscott.com/nsm.do).

Copies of the circular are also available in electronic form on the Company's website at [www.middlefield.co.uk](http://www.middlefield.co.uk) and are available for collection during normal business hours on any day (Saturday, Sunday and public holidays excepted) from the offices of Middlefield International Limited at 288 Bishopsgate, London EC2M 4QP and from Norton Rose LLP, 3 More London Riverside, London SE1 2AQ.

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