

News Release

ROLLOVER OF MRF 2003 II RESOURCE LIMITED PARTNERSHIP

Middlefield Mutual Funds Limited (the “Mutual Fund”) is pleased to announce that it has completed the distribution to MRF 2003 II Resource Limited Partnership (the “Partnership”) investors of its Growth Class shares that resulted from the transfer of all of the assets of the Partnership to the Mutual Fund on December 13, 2005. **The Partnership was dissolved on February 1, 2006 at which time the net asset value of the Partnership was \$32.30 per unit. The after-tax total return on money at risk for the life of the Partnership was therefore approximately 77% for an Ontario investor subject to the highest marginal tax rate.**

The transfer was a tax-free exchange which means that no disposition occurred and therefore no capital gains tax is payable as a result of the rollover. **Investors can continue to defer the capital gains tax liability that arises upon disposition of their investment by retaining the shares of the Mutual Fund, which offers nine asset Classes into which they can switch tax-free.** In addition to the Growth Class, also offered are Income Plus, Equity Index, Index Income, Canadian Balanced, U.S. Equity, Resource, Short-Term Income and Income and Growth Class. **Investors should consult their investment advisor to select the most suitable strategy for them based on their unique personal needs and objectives.**

Partnership investors can determine their Growth Class shareholdings by multiplying the number of Units they held in the Partnership by 2.45037462. Shares of Growth Class have now been credited to the accounts of beneficial holders of Partnership Units. The adjusted cost base of the shares of the Growth Class distributed to Partnership investors is \$5.76832206 per share. There are no fees charged on the rollover into the Mutual Fund, nor on redemptions of Mutual Fund shares. Although there is a \$30 switch fee, the Mutual Fund will waive this fee for switch requests received before March 31, 2006 to provide investors with sufficient time to determine which fund classes best suit their purpose.

For further information visit our website at www.middlefield.com or contact the undersigned:

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