



Middlefield Group
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YEAR END 1999
For the year ended December 31, 1999

Press Release

MINT ANNOUNCES YEAR END RESULTS

Middlefield High Income Trust ("MINT" or the "Trust") is pleased to announce its unaudited financial results for the year ended December 31, 1999, the details of which are attached.

For the year ended December 31, 1999, the Trust generated net investment income of \$0.78 per unit. On January 28, 2000, MINT made a distribution of \$0.20 per unit for the fourth quarter of 1999 which is consistent with the \$0.20 per unit distribution made for each of the previous three quarters for a total of \$0.80 per unit for the full year. With respect to the current year, we have decided to restructure the portfolio with the objective of increasing the emphasis on capital preservation and growth potential while reducing the emphasis on maximizing current income. This tactical shift stems from our concern that the high distribution rates of some of our income fund investments are not sustainable. As a result, distributions will decline somewhat as we replace these income trusts with lower yielding securities that carry less capital risk and, in some cases, greater capital appreciation potential. The first quarter distribution for 2000 will be \$0.17 per unit. On an annualized basis this represents a yield of approximately 14.5% on a unit price of \$4.75.

The TSE 300 continued to record strong results in the fourth quarter of 1999, propelled primarily by the performance of its two largest technology-related stocks, Nortel and BCE. For the fourth quarter, the TSE posted a total return of roughly 21%, compared to a third quarter loss of 0.4%. In contrast, the fourth quarter proved to be a difficult period for the income trust sector. A shift in the US Federal Reserve outlook towards a tightening bias combined with a tax-loss sell off of income trust investments in the final months of the year resulted in a total loss of 6.1% for the quarter, as measured by the SCM Income Trust Index. Comparatively, MINT posted a total loss for the quarter of 6.9%, versus a loss of 1.4% in the third quarter. MINT's marginal underperformance of the SCM index in the fourth quarter was a result of its leverage in an environment of declining asset values and an underweighting relative to the index in the oil and gas asset class which continued to outperform during the quarter. Since inception of the Trust in February 1997, MINT has outperformed the SCM index benchmark by 1.5%. It is expected that once the Fed confirms a neutral position on interest rates, investors will acquire an appetite for the attractive yields offered by income trusts and returns from this sector will show significant improvement.

MINT is a closed-end investment trust that invests primarily in high yield equities supplemented by high yield debt. This news release contains forward-looking information. Actual future results may differ materially. The risks, uncertainties and other factors that could influence actual results are described in MINT's annual report to unitholders and other documents filed with regulatory authorities.

MINT trades on the Toronto Stock Exchange under the symbol "MID.UN".

For further information, contact Nancy Tham or the undersigned:
Mr. J. Dennis Dunlop
Senior Vice President

March 20, 2000

STATEMENTS OF NET ASSETS

As at December 31

| Unaudited | 1999 | 1998 |
|--|-------------------|-------------------|
| ASSETS: | | |
| Investments at Market Value | \$ 56,043,770 | \$ 68,496,411 |
| Cash and Short-Term Investments | 2,416,091 | 825,974 |
| Income Receivable | 1,183,427 | 1,419,771 |
| | 59,643,288 | 70,742,156 |
| LIABILITIES: | | |
| Accounts Payable and Accrued Liabilities | 104,756 | 397,932 |
| Unitholder Distributions | 1,393,213 | 1,638,690 |
| Loan Payable | 14,647,526 | 17,390,643 |
| | 16,145,495 | 19,427,265 |
| Net Assets | \$ 43,497,793 | \$ 51,314,891 |
| Units Issued and Outstanding | 6,942,765 | 7,405,192 |
| Net Asset Value per Unit | \$ 6.27 | \$ 6.93 |

STATEMENTS OF OPERATIONS

For the years ended December 31

| Unaudited | 1999 | 1998 |
|---|--------------------|---------------------|
| INVESTMENT INCOME: | | |
| Income from Investment Trust Units | \$ 5,405,798 | \$ 6,210,913 |
| Interest | 1,946,307 | 3,282,955 |
| | 7,352,105 | 9,493,868 |
| EXPENSES: | | |
| Interest and Bank Charges | 1,039,944 | 1,489,920 |
| Management Fee | 528,762 | 798,684 |
| Marketing | 53,678 | 51,075 |
| Custodian and Trustee Fee | 48,982 | 57,398 |
| Audit and Legal | 41,913 | 40,700 |
| Network Fee | 33,917 | 34,614 |
| Transfer Agent Fee | 8,025 | 8,025 |
| | 1,755,221 | 2,480,416 |
| Net Investment Income | \$ 5,596,884 | \$ 7,013,452 |
| NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS: | | |
| Net Realized Gain (Loss) from Investment Transactions | \$ (2,889,128) | \$ 879,290 |
| Change in Net Unrealized Depreciation of Investments | (2,078,074) | (23,698,750) |
| Net Loss on Investments | (4,967,202) | (22,819,460) |
| Net Increase (Decrease) in Net Assets Resulting from Operations | \$ 629,682 | \$ (15,806,008) |
| Net Investment Income per Unit | \$ 0.78 | \$ 0.84 |

STATEMENTS OF CHANGES IN NET ASSETS
For the years ended December 31

| Unaudited | 1999 | 1998 |
|---|--------------------|---------------------|
| OPERATIONS: | | |
| Net Investment Income | \$ 5,596,884 | \$ 7,013,452 |
| Net Realized Gain (Loss) from Investment Transactions | (2,889,128) | 879,290 |
| Change in Net Unrealized Depreciation of Investments | (2,078,074) | (23,698,750) |
| | 629,682 | (15,806,008) |
| DISTRIBUTIONS TO UNITHOLDERS | | |
| | (5,688,742) | (7,154,315) |
| UNITHOLDER TRANSACTIONS: | | |
| Issue Cost Recoveries | 161,051 | - |
| Repurchase of Units | (2,919,090) | (19,517,900) |
| Reinvested Distributions | - | 119,034 |
| | (2,758,039) | (19,398,866) |
| Net Decrease in Net Assets | (7,817,099) | (42,359,189) |
| NET ASSETS: | | |
| Beginning of Year | 51,314,892 | 93,674,080 |
| End of Year | \$ 43,497,793 | \$ 51,314,891 |
| INVESTMENT TRANSACTIONS: | | |
| Proceeds from Sale of Investments | \$ 18,321,430 | \$ 56,102,751 |
| Less: Cost of Investments Sold: | | |
| Owned at Beginning of Year | 90,140,191 | 89,143,475 |
| Purchased | 10,835,991 | 56,220,177 |
| Owned at End of Year | (79,765,624) | (90,140,191) |
| | 21,210,558 | 55,223,461 |
| Net Realized Gain (Loss) from Investment Transactions | \$ (2,889,128) | \$ 879,290 |
| Distribution per Unit | \$ 0.80 | \$ 0.88 |

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 1999

Unaudited

| Description | Business | % Weight |
|---|------------------------------------|---------------|
| HIGH YIELD EQUITY: | | |
| H&R Real Estate Investment Trust | Office/Industrial Buildings | 8.4% |
| AEC Pipelines L.P. | Oil Pipeline | 8.0% |
| RioCan Real Estate Investment Trust | Retail/Office/Industrial Buildings | 7.8% |
| ARC Energy Trust | Oil and Gas Production | 5.7% |
| Western Facilities Income Trust | Gas Plant/Oil Pipeline | 5.5% |
| Associated Freezers Income Trust | Public Refrigeration Warehousing | 5.0% |
| Westshore Terminals Income Fund | Coal Handling Facility | 4.8% |
| Paperboard Industries International Inc. | Paperboard/Packaging | 4.8% |
| Northland Power Income Fund | Cogeneration-Electricity/Steam | 4.2% |
| Koch Pipelines Canada L.P. | Oil Pipeline | 3.5% |
| Morguard Real Estate Investment Trust | Retail/Office/Industrial Buildings | 2.8% |
| Halterm Income Fund | Container Handling Facility | 2.6% |
| Summit Real Estate Investment Trust | Retail/Office/Industrial Buildings | 2.6% |
| Luscar Coal Income Fund | Coal Production | 2.4% |
| Rogers Sugar Income Fund | Sugar Production/Marketing | 1.4% |
| KMS Power Income Fund | Electricity Generation | 1.4% |
| Pembina Pipelines Income Fund | Oil Pipeline | 1.2% |
| Legacy Hotels Real Estate Investment Trust | Hotel | 0.7% |
| CPL Long Term Care Real Estate Investment Trust | Nursing Homes | 0.7% |
| | | 73.5% |
| HIGH YIELD DEBT: | | |
| Ainsworth Lumber Co. Ltd. 12.5% due July 15, 2007 | Forest Products | 5.7% |
| Millar Western Forest Products Ltd. 9.875% due May 15, 2008 | Forest Products | 5.2% |
| Finlay Enterprises Inc. 9% due May 1, 2008 | Jewelry Retail | 4.7% |
| Anchor Lamina Inc. 9.875% due February 1, 2008 | Tool and Die Manufacturing | 4.2% |
| Scott Paper Limited 10% due June 6, 2007 | Paper Products | 2.6% |
| Derlan Industries Limited 10% due January 15, 2007 | Aerospace Manufacturing | 2.2% |
| Greenstone Resources Ltd. 9% due February 28, 2002 | Gold Mining | 1.9% |
| | | 26.5% |
| Total Investment Portfolio | | 100.0% |

TRUST PROFILE

MINT raised \$98 million in March of 1997 through an initial public offering. The primary objectives of the Trust are to produce a high level of sustainable income and to minimize the risk of investing in high yield securities on a cost effective basis. MINT is comprised of four asset classes: income funds, high income debt, real estate investment trusts and royalty trusts. Unitholders can acquire additional units by participating in the Distribution Reinvestment Plan. The Plan enables unitholders to reinvest their quarterly distributions in additional units of MINT thereby achieving the benefit of compounding returns. MINT is fully RRSP eligible.

Head Office

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