



THIRD QUARTER REPORT 2004
For the period ended September 30, 2004

Press Release

MINT announces Third Quarter Results

Middlefield Group is pleased to present the unaudited financial results for MINT *Income Fund* (“MINT”) for the period ended September 30, 2004, the details of which are attached.

In the third quarter of 2004, MINT paid distributions totalling \$0.21 per unit to unitholders. **MINT generated a total return of 35.1% for the one year ended September 30, 2004.**

As at September 30, 2004, the asset class weightings for the MINT portfolio were:

Asset Class	Portfolio Weighting
Business Trusts	41.9%
Real Estate Investment Trusts	23.8%
Oil and Gas Royalty Trusts	21.1%
Power and Pipeline Trusts	10.9%
Cash	2.3%

The primary objective of MINT is to provide unitholders with high levels of sustainable monthly income. MINT invests selectively in the income trust sector with a bias toward economically sensitive trusts with lower capital expenditure requirements, stable cash flows and dominant market positions. Business trusts comprise the largest weighting within MINT’s portfolio, supplemented by REITs and oil and gas royalty trusts. This strategy provides unitholders with a balance of high, stable, tax-efficient income and the potential for capital appreciation.

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

For further information, please contact Nancy Tham, Vice President, at (416) 847-5349 or visit our website at www.middlefield.com.

November 10, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2004 AND 2003 (UNAUDITED)

The following discussion and analysis should be read in conjunction with the attached unaudited interim financial statements. Readers should also refer to Management's Discussion and Analysis in the Fund's 2003 Annual Report. Management is responsible for the existence of appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

SECTOR ANALYSIS

The business trust sector continued to expand during the second quarter. Business trusts currently comprise 90 issuers with a market capitalization of approximately \$39 billion. Parkland Income Fund was added to the portfolio during the third quarter. Parkland's main businesses are retail and wholesale fuel marketing, as well as convenience stores. The Fund is growing its merchandising business which should offset the inherent volatility in the retail and wholesale area. Parkland recently announced an increase in their distributions.

During the third quarter, REIT unit prices recovered from the correction experienced in the second quarter and generated healthy returns aided by stable property demand/supply dynamics. Calloway REIT made its fourth acquisition from FirstPro Shopping Centres acquiring 14 Wal-Mart anchored centres and announced an increase in distributions. This is the second time this year Calloway has increased distributions.

Strong commodity prices continued to support the oil and gas royalty trust sector, generating the strongest returns among sub sectors in the income trust market. Canadian Oil Sands Trust performed exceptionally well during the quarter which saw its unit price increase by approximately 24%.

In light of the Co-Advisors' expectation of a recovery in economic growth and a gradual increase in interest rates over the next 12 months, the Fund has adopted an underweight position in power and pipeline trusts.

DISTRIBUTIONS TO UNITHOLDERS

Cash distributions paid to unitholders in the third quarter totalled \$0.21 per unit. MINT generated a total return of 35.1% for the one year ended September 30, 2004.

FINANCIAL PERFORMANCE

The net asset value per unit increased by 8.9% during the quarter and increased by 24.3% year-over-year to \$10.52 at September 30, 2004. Net investment income was \$0.20 per unit in the third quarter of 2004 compared to \$0.21 per unit during the third quarter of 2003. The ratio of management fees and other operating expenses (excluding interest expense and bank charges) to average net asset value ("MER") was 1.50% for the period, compared to 1.44% in the third quarter of 2003.

OUTLOOK

After experiencing a healthy correction in the second quarter, income trust trading prices rallied during the third quarter of 2004, led by the oil and gas royalty trust sector which continued to benefit from strong commodity prices. Interest rates are expected to continue to rise from record lows, albeit at a gradual pace, placing downward pressure on prices of the more interest sensitive sectors of the market, including the power and pipeline trusts. By focusing the Fund's investment portfolio on economically sensitive trusts, MINT is well-positioned to benefit from an improving North American economy. These types of trusts have the potential to deliver growth in distributable income during the expansionary phase of the economic cycle.

Income trusts have become an integral part of Canada's equity capital markets over the last few years. The income trust sector currently comprises over 160 issuers with a combined market capitalization of approximately \$108 billion and represents approximately 8% of the market capitalization of the Toronto Stock Exchange. The continued growth of the income trust market together with the passing of limited liability legislation will likely generate greater interest from institutional investors and facilitate the inclusion of income trusts in common equity benchmark indices in 2005. Legislation providing statutory limited liability to investors in income trusts domiciled in Alberta became effective on July 1, 2004 and similar legislation is before parliament in Ontario and is expected to be passed over the next few months.

**STATEMENTS OF FINANCIAL HIGHLIGHTS
FOR THE PERIODS ENDED
SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
DATA PER UNIT				
Net Asset Value at Beginning of Period	\$ 9.66	\$ 8.09	\$ 9.79	\$ 7.34
INCOME FROM INVESTMENT OPERATIONS:				
Net Investment Income	0.20	0.21	0.63	0.64
Net Realized and Unrealized Gain on Investments	0.87	0.36	0.71	1.04
	1.07	0.57	1.34	1.68
DISTRIBUTIONS TO UNITHOLDERS				
	0.21	0.20	0.61	0.56
Net Asset Value at End of Period	\$ 10.52	\$ 8.46	\$ 10.52	\$ 8.46
RATIOS/SUPPLEMENTAL DATA				
Total Assets at End of Period	\$ 62,454,542	\$ 52,293,070	\$ 62,454,542	\$ 52,293,070
Total Net Assets at End of Period	\$ 47,100,299	\$ 39,332,837	\$ 47,100,299	\$ 39,332,837
Weighted Average Net Assets	\$ 45,056,464	\$ 39,177,821	\$ 45,367,695	\$ 36,930,034
Management Expense Ratio*	1.50%	1.44%	2.12%	1.41%
Portfolio Turnover Rate	7.60%	13.01%	26.45%	35.30%
Total Rate of Return for the Period	11.18%	7.07%	14.29%	23.78%

* Excludes interest expense and bank charges

**STATEMENTS OF NET ASSETS
AS AT SEPTEMBER 30, 2004 AND DECEMBER 31, 2003**

	September 30 2004 Unaudited	December 31 2003 Audited
ASSETS:		
Investments at Fair Value	\$ 60,448,740	\$ 59,460,320
Cash	1,398,834	1,272,881
Income and Interest Receivable	423,295	449,979
Accounts Receivable	183,673	-
	62,454,542	61,183,180
LIABILITIES:		
Loan Payable	13,974,495	14,645,611
Accounts Payable and Accrued Liabilities	1,066,109	103,285
Unitholder Distributions Payable	313,639	929,365
	15,354,243	15,678,261
Net Assets	\$ 47,100,299	\$ 45,504,919
Units Issued and Outstanding	4,478,158	4,646,824

The accompanying notes to financial statements are an integral part of these financial statements.

**STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED
SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
INVESTMENT INCOME:				
Income from Investments	\$ 1,294,964	\$ 1,226,854	\$ 3,945,427	\$ 3,588,671
Interest	4,357	9,762	14,787	113,947
	1,299,321	1,236,616	3,960,214	3,702,618
EXPENSES:				
Management Fee	122,117	115,280	365,512	324,865
Interest and Bank Charges	90,693	106,239	295,208	296,962
Service Fee to Investment Dealers	34,814	-	34,814	-
General and Administrative	129,668	35,796	384,851	91,550
	377,292	257,315	1,080,385	713,377
Net Investment Income	922,029	979,301	2,879,829	2,989,241
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:				
Net Realized Gain (Loss) from Investment Transactions	(458,708)	(211,620)	1,330,200	(1,993,667)
Change in Net Unrealized Gain on Investments	4,321,528	1,902,535	1,754,074	6,849,812
Net Gain on Investments	3,862,820	1,690,915	3,084,274	4,856,145
Net Increase in Net Assets Resulting from Operations	\$ 4,784,849	\$ 2,670,216	\$ 5,964,103	\$ 7,845,386

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS ENDED
SEPTEMBER 30**

Unaudited	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
Net Assets at Beginning of Period	\$ 43,663,662	\$ 37,605,998	\$ 45,504,919	\$ 34,924,039
OPERATIONS:				
Net Increase in Net Assets Resulting from Operations	4,784,849	2,670,216	5,964,103	7,845,386
DISTRIBUTIONS TO UNITHOLDERS	(942,660)	(929,365)	(2,775,056)	(2,615,507)
UNITHOLDER TRANSACTIONS:				
Issue (Purchase) of Trust Units, Net	(405,552)	(14,012)	(1,593,667)	(821,081)
Net Increase in Net Assets	3,436,637	1,726,839	1,595,380	4,408,798
Net Assets at End of Period	\$ 47,100,299	\$ 39,332,837	\$ 47,100,299	\$ 39,332,837

The accompanying notes to financial statements are an integral part of these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO
AS AT SEPTEMBER 30, 2004
Unaudited

Description	No. of Units	Cost	Fair Value
Bell Nordiq Income Fund	85,000	\$ 908,350	\$ 1,236,750
BFI Canada Income Fund	50,000	547,942	1,092,500
CCS Income Trust	50,000	869,000	1,797,500
Chemtrade Logistics Income Fund	80,000	1,205,798	1,544,000
Clearwater Seafoods Income Fund	90,000	933,783	865,800
Connors Bros. Income Fund	78,000	1,337,700	1,267,500
Davis + Henderson Income Fund	80,000	882,293	1,556,000
KCP Income Fund	100,000	1,005,567	800,000
Livingston International Income Fund	75,000	868,775	1,395,000
Menu Foods Income Fund	60,000	876,000	879,000
Newalta Income Fund	60,000	772,500	1,287,000
Noranda Income Fund	100,000	987,750	1,120,000
Osprey Media Income Fund	65,000	644,760	630,500
Parkland Income Fund	30,000	539,050	654,000
PBB Global Logistics Income Fund	100,000	1,219,782	1,862,000
Superior Plus Income Fund	50,000	773,301	1,373,500
The Consumers' Waterheater Income Fund	100,000	1,001,847	1,434,000
Tree Island Wire Income Fund	50,000	762,500	764,000
UE Waterheater Income Fund	85,000	869,216	978,350
Versacold Income Fund	50,000	417,633	467,500
Westshore Terminals Income Fund	150,000	757,500	1,342,500
Yellow Pages Income Fund	100,000	1,117,644	1,211,000
Yellow Pages Income Fund – Instalment Receipts	50,000	360,325	379,500
BUSINESS TRUSTS: 41.9%		19,659,016	25,937,900
Alexis Nihon Real Estate Investment Trust	50,000	500,500	610,000
Borealis Retail Real Estate Investment Trust	120,000	1,204,250	1,515,600
Calloway Real Estate Investment Trust	100,000	1,203,157	1,705,000
Canadian Real Estate Investment Trust	80,000	960,000	1,320,000
Chartwell Seniors Housing Real Estate Investment Trust	100,000	1,127,786	1,215,000
Cominar Real Estate Investment Trust	60,000	740,002	950,400
H&R Real Estate Investment Trust	100,000	1,147,455	1,750,000
IPC US Income Commercial Real Estate Investment Trust	95,000	956,240	998,450
O & Y Real Estate Investment Trust	65,000	874,250	832,000
Retirement Residences Real Estate Investment Trust	75,000	939,808	809,250
RioCan Real Estate Investment Trust	100,000	1,060,273	1,650,000
Summit Real Estate Investment Trust	75,000	894,534	1,327,500
REAL ESTATE INVESTMENT TRUSTS: 23.8%		11,608,255	14,683,200
Acclaim Energy Trust	97,000	1,294,675	1,437,540
Advantage Energy Income Fund	50,000	598,572	1,075,000
ARC Energy Trust	75,000	926,921	1,263,750
Bonavista Energy Trust	50,000	823,788	1,294,500
Bonterra Energy Income Trust	25,000	487,500	631,750
Canadian Oil Sands Trust	25,000	1,060,406	1,366,250
Enerplus Resources Fund	30,000	852,770	1,235,700
Focus Energy Trust	75,000	765,675	1,356,000
NAL Oil & Gas Trust	75,000	686,250	1,071,750
Peyto Energy Trust	30,000	525,614	1,144,500
Vermilion Energy Trust	60,000	735,123	1,198,800
OIL AND GAS ROYALTY TRUSTS: 21.1%		8,757,294	13,075,540
AltaGas Income Trust	40,000	790,000	829,200
Boralex Power Income Fund	75,000	781,702	810,000
Calpine Power Income Fund	70,000	692,734	742,000
Enbridge Income Fund	60,000	697,200	747,000
Keyspan Facilities Income Fund	40,000	438,072	520,000
Macquarie Power Income Fund	44,000	440,000	455,400
Northland Power Income Fund	100,000	1,000,000	1,190,000
Pembina Pipeline Income Fund	50,000	525,167	623,500
TransCanada Power L.P.	25,000	824,092	835,000
POWER AND PIPELINE TRUSTS: 10.9%		6,188,967	6,752,100
CASH: 2.3%		1,398,834	1,398,834
Total Investment Portfolio, including Cash		\$ 47,612,366	\$ 61,847,574

The accompanying notes to financial statements are an integral part of this financial statement.

**STATEMENTS OF NET REALIZED GAIN (LOSS) FROM INVESTMENT TRANSACTIONS
FOR THE PERIODS ENDED**

SEPTEMBER 30	Three Months Ended September 30		Nine Months Ended September 30	
Unaudited	2004	2003	2004	2003
Proceeds from Sale of Investments	\$ 4,943,502	\$ 6,438,010	\$ 17,678,861	\$ 16,553,990
Less: Cost of Investments Sold:				
Owned at Beginning of Period	47,205,620	42,832,149	46,979,186	46,146,494
Purchased During Period	4,410,122	8,260,980	15,583,007	16,844,662
Owned at End of Period	(46,213,532)	(44,443,499)	(46,213,532)	(44,443,499)
	5,402,210	6,649,630	16,348,661	18,547,657
Net Realized Gain (Loss) from Investment Transactions	\$ (458,708)	\$ (211,620)	\$ 1,330,200	\$ (1,993,667)

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004 AND 2003 (UNAUDITED)**

1. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements of MINT *Income Fund* (the "Fund") have been prepared in accordance with Canadian generally accepted accounting principles. They follow the same accounting policies and methods used in the Fund's financial statements for the year ended December 31, 2003. The Fund's interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2003 as set out on pages 41 through 48 of the Middlefield Income Funds 2003 Annual Report.

2. DISTRIBUTIONS

For the nine months ended September 30, 2004, distributions amounted to \$0.61 per unit (2003 - \$0.56). Distributions of the Fund, at the discretion of the unitholder, are reinvested in additional units of the Fund, under the Distribution Reinvestment Plan without sales charge. For the nine months ended September 30, 2004, 8,999 units (2003 - 8,527) were purchased under the Plan, of which 2,536 units (2003 - nil) were issued from treasury.

DISTRIBUTION REINVESTMENT PLAN

The Fund's Distribution Reinvestment Plan allows unitholders to automatically reinvest distributions in additional units of the Fund. This feature provides unitholders with an excellent opportunity to benefit from compounding by investing distributions at a high reinvestment rate. Please contact your investment advisor to enroll in the Plan or contact Angela Wannappa at (888) 890-1868.

FUND PROFILE

The primary objectives of MINT 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 the following asset classes: business trusts, real estate investment trusts, power and pipeline trusts, and oil and gas royalty trusts. MINT is fully RRSP eligible. MINT trades on the Toronto Stock Exchange under the symbol "MID.UN".

DIRECTORS AND OFFICERS OF THE MANAGER

W. Garth Jestley, Chairman and Director
Dean C. Orrico, President and Director
Sylvia V. Stinson, Executive Vice President and Director
Nancy Tham, Vice President
Angela V. Wannappa, Senior Vice President and Secretary-Treasurer

THE ADVISOR

Middlefield Capital Corporation

Murray J. Brasseur, Chairman
Darren N. Cabral, Vice President
Richard L. Faiella, Senior Vice President
W. Garth Jestley, President, C.E.O. and Director
Robert F. Lauzon, Vice President, Trading
Dean C. Orrico, Executive Vice President

HEAD OFFICE

Middlefield Group
One First Canadian Place
58th Floor
P.O. Box 192
Toronto, Canada M5X 1A6

Telephone (416) 362-0714
Fax (416) 362-7925
Email invest@middlefield.com
Web Site www.middlefield.com

