

THIRD QUARTER REPORT 1999

For the period ending September 30, 1999

Press Release

MINT ANNOUNCES THIRD QUARTER RESULTS

Middlefield High Income Trust ("MINT") is pleased to announce its unaudited financial results for the nine months ended September 30, 1999, the details of which are attached.

On September 21, MINT announced its third quarter distribution of \$0.20 per unit, payable on October 29, 1999 to unitholders of record on September 30, 1999. The distribution rate remained unchanged from the previous quarter and will continue at the same rate for the balance of 1999. On an annualized basis, this represents a yield of approximately 13.3% on the current market price of \$6.00 per unit.

Rising bond yields, both in the US and Canada, contributed to the weak performance of the income trust sector during the third quarter. However the recent assumption of a neutral position on interest rates by the Federal Reserve is expected to improve returns in the fourth quarter as interest in the high income sector increases. Further, we anticipate a marked improvement in MINT's pipeline investments as the current high commodity price environment will inevitably result in higher production and throughput volumes.

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using 2000 dates is processed. The manager of the Trust is one of the Middlefield group of companies ("Middlefield"). Middlefield formed a committee which assessed the impact of the Year 2000 date change issue on operations, and based on that assessment, developed a plan encompassing problem item updates, replacements and Year 2000 compliance testing. Costs to the Trust associated with addressing the Year 2000 problem are not material and are being expensed. Remediation plans have been carried out and are complete. Critical systems have been determined to be compliant. The potential impact of suppliers or other third parties not being compliant could range from inconvenience to the use of alternates. The plan also addresses contingency arrangements in the event that systems should fail. To alleviate some of the concerns over the Year 2000 Issue, we will print a Statement of Account as at November 30, 1999 for each unitholder. This statement will be retained in our offices. Any unitholder that holds MINT in their brokerage account should receive a statement directly from their broker.

MINT is a closed-end investment trust that invests primarily in high yield equities, supplemented by high yield debt. This press 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

November 26, 1999

STATEMENTS OF CHANGES IN NET ASSETS
For the nine months ended September 30

Unaudited	1999	1998
OPERATIONS:		
Net Investment Income	\$ 4,283,191	\$ 6,027,930
Net Realized Gain (Loss) from Investment Transactions	(2,237,256)	1,584,868
Change in Net Unrealized Appreciation (Depreciation) of Investments	2,080,573	(21,614,651)
	4,126,508	(14,001,853)
DISTRIBUTIONS TO UNITHOLDERS		
	(4,300,189)	(5,521,111)
UNITHOLDER TRANSACTIONS:		
Issue Cost Recoveries	161,052	-
Repurchase of Units	(2,059,296)	(17,736,058)
Reinvested Distributions	-	119,026
	(1,898,244)	(17,617,032)
Net Decrease in Net Assets	(2,071,925)	(37,139,996)
NET ASSETS:		
Beginning of Period	51,314,892	93,674,080
End of Period	\$ 49,242,967	\$ 56,534,084
INVESTMENT TRANSACTIONS:		
Proceeds from Sale of Investments	\$ 12,913,825	\$ 48,557,891
Less: Cost of Investments Sold:		
Owned at Beginning of Period	90,140,191	89,143,475
Purchased	9,191,578	51,840,973
Owned at End of Period	(84,180,688)	(94,011,425)
	15,151,081	46,973,023
Net Realized Gain (Loss) from Investment Transactions	\$ (2,237,256)	\$ 1,584,868
Distribution per Unit	\$ 0.60	\$ 0.66

STATEMENTS OF NET ASSETS

As at September 30

Unaudited	1999	1998
ASSETS:		
Investments at Market Value	\$ 64,617,482	\$ 74,451,743
Cash and Short-Term Investments	1,817,961	5,158,624
Income Receivable	1,295,368	2,626,914
	67,730,811	82,237,281
LIABILITIES:		
Accounts Payable and Accrued Liabilities	152,835	183,034
Unitholder Distributions	1,420,515	1,690,611
Loan Payable	16,914,494	23,829,552
	18,487,844	25,703,197
Net Assets	\$ 49,242,967	\$ 56,534,084
Units Issued and Outstanding	7,090,378	7,684,395
Net Asset Value per Unit	\$ 6.95	\$ 7.36

STATEMENTS OF OPERATIONS

For the nine months ended September 30

Unaudited	1999	1998
INVESTMENT INCOME:		
Income from Investment Trust Units	\$ 4,008,496	\$ 5,224,116
Interest	1,607,002	2,742,059
	5,615,498	7,966,175
EXPENSES:		
Interest and Bank Charges	783,416	1,172,128
Management Fee	407,353	637,852
Marketing	46,343	39,111
Custodian and Trustee Fee	36,913	44,270
Network Fee	27,006	24,259
Audit and Legal	25,257	15,000
Transfer Agent Fee	6,019	5,625
	1,332,307	1,938,245
Net Investment Income	4,283,191	6,027,930
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net Realized Gain (Loss) from Investment Transactions	(2,237,256)	1,584,868
Change in Net Unrealized Appreciation (Depreciation) of Investments	2,080,573	(2,054,970)
Net Gain (Loss) on Investments	(156,683)	(470,102)
Net Increase in Net Assets Resulting from Operations	\$ 4,126,508	\$ 5,557,828
Net Investment Income per Unit	\$ 0.59	\$ 0.70

STATEMENT OF INVESTMENT PORTFOLIO

As at September 30, 1999

Unaudited

Description	Business	% Weight
HIGH YIELD EQUITY:		
AEC Pipelines L.P.	Oil Pipeline	8.3%
H&R Real Estate Investment Trust	Office/Industrial Buildings	7.7%
RioCan Real Estate Investment Trust	Retail/Office/Industrial Buildings	7.5%
Avista Real Estate Investment Trust	Retail/Office/Industrial Buildings	6.4%
ARC Energy Trust	Oil and Gas Production	5.2%
Western Facilities Income Trust	Gas Plant/Oil Pipeline	4.8%
Westshore Terminals Income Fund	Coal Handling Facility	4.7%
Associated Freezers Income Trust	Public Refrigeration Warehousing	4.3%
Northland Power Income Fund	Cogeneration-Electricity/Steam	4.3%
Paperboard Industries International Inc.	Paperboard/Packaging	4.1%
Koch Pipelines Canada L.P.	Oil Pipeline	3.5%
Halterm Income Fund	Container Handling Facility	3.4%
Luscar Coal Income Fund	Coal Production	3.1%
Morguard Real Estate Investment Trust	Retail/Office/Industrial Buildings	2.4%
Rogers Sugar Income Fund	Sugar Production/Marketing	1.6%
KMS Power Income Fund	Electricity Generation	1.3%
Pembina Pipelines Income Fund	Oil Pipeline	1.2%
CPL Long Term Care Real Estate Investment Trust	Nursing Homes	0.7%
Legacy Hotels Real Estate Investment Trust	Hotels	0.6%
		75.1%
HIGH YIELD DEBT:		
Ainsworth Lumber Co. Ltd. 12.5% due July 15, 2007	Forest Products	5.0%
Millar Western Forest Products Ltd. 9.875% due May 15, 2008	Forest Products	4.4%
Finlay Enterprises Inc. 9% due May 1, 2008	Jewelry Retail	4.3%
Anchor Lamina Inc. 9.875% due February 1, 2008	Tool and Die Manufacturing	4.0%
Scott Paper Limited 10% due June 6, 2007	Paper Products	3.5%
Derlan Industries Limited 10% due January 15, 2007	Aerospace Manufacturing	2.0%
Greenstone Resources Ltd. 9% due February 28, 2002	Gold Mining	1.7%
		24.9%
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.

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