

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ending March 31, 2007 decreased 11.5% to \$197,101.00 from \$219,880.00 a year earlier. This was due to a decrease in mortgage interest income.

Net income for the three months increased 3.4% to \$158,841.00 or \$.22 per share compared with \$153,610.00 or \$.21 per share for the same period in 2006. The higher net income was consistent with a decrease in advertising expenses and management fees.

Effective April 23, 2007, the Company went "Live" on FundSERV, a national online network for the Canadian investment industry. Specifically, FundSERV facilitates the buying and selling of investment fund instruments which now includes the Company's Preferred shares pursuant to the Offering Memorandum. The purpose for becoming a member is to broaden the exposure of the Company to professional investment dealers and financial planners who may have clients interested in purchasing dividend paying shares

Please visit our new website at www.mandatemortgage.com

FINANCIAL HIGHLIGHTS

Source: globefund.com

As of March 31, 2007							
Fund name	5 Star	1yr	3yr	5yr	10yr	15yr	
	Rating		%	%	%	%	%
Mandate							
National	Mtge	*****		9.17	8.42	7.81	7.60 7.82

- Annualized return on common shareholders' equity for the three (3) months ending March 31, 2007 was **10.14%** while return on preferred shareholders' equity was **9.34%**. This compares favourably to the average one year return of mortgage funds of 4.20%, G.I.C.'s of up to 4.0%, B. C. Savings Bonds @ 3.90% or 90 day term deposits up to 3.95%.
- Mortgage assets decreased 12.6% to \$5,952,875.00 as compared with the same period in 2006. The weighted average interest rate on the portfolio was 10.23%.
- Provisions for losses was \$96,773.01 or 1.4% of the total assets as at March 31st compared to \$95,365.00 or 1.3% in 2006.