

MANDATE NATIONAL MORTGAGE CORPORATION

PRESIDENT'S REPORT

Revenue for the three months ended June 30, 2007 was \$222,116.00, an increase of 3.0% from the same period last year. Net income increased 5.8% to \$171,982.00 or \$.24 a share compared to \$.22 for the same period in 2006. These increases are attributed primarily to an increase in higher fee income from mortgage applications.

During the second quarter, the Company sold \$755,682 of preferred shares through its Offering Memorandum and via FundSERV. The Offering Memorandum has been updated for the purpose of continuing to increase the preferred share capital base. Management will be focusing on marketing the shares to investment dealers and financial planners in B.C. and Alberta throughout the balance of 2007.

In an effort to broaden the Company's income base, management has been generating additional fee income from mortgage syndication and brokerage. These fees are primarily the result of clients seeking the assistance of the Company to secure financings which are either too large or not consistent with the Company's lending policies.

FINANCIAL HIGHLIGHTS

Source: globefund.com

Fund name	5 Star Rating	1 yr %	3 yr %	5 yr %	10yr %	15yr %
Mandate National	*****	9.42	8.59	8.00	7.66	7.83

- Annualized return on common shareholders' equity for the three (3) months ending June 30, 2007 was **10.73%** while return on preferred shareholders' equity was **9.90%**. This far exceeds the average one year return of bond funds of 3.30%, G.I.C.'s of up to 4.60%, B. C. Savings Bonds @ 4.56%, or 90 day term deposits up to 4.15%
- The yield once again exceeded the benchmark return to shareholders of 8.0% (Prime plus 2.0%)
- Provisions for losses totaled \$102,144 or 1.5% of the portfolio compared to \$94,774 or 1.4% in 2006. This is in keeping with the Company policy which is to provide a provision of 60 basis points for all new loans.