



MCAN MORTGAGE CORPORATION PROVIDES COVID-19 UPDATE AND ANNOUNCES EXECUTIVE DEPARTURE

Toronto, Ontario – April 13, 2020. In response to the COVID-19 pandemic, MCAN Mortgage Corporation (“MCAN”, the “Company” or “we”) (TSX: MKP) has successfully moved to an entirely remote operation with no business interruption. MCAN is focused on the safety and well being of our team, customers and stakeholders. We are also focused on ensuring that the quality of our work and our customer interactions continue in the new working environment. We entered this pandemic with a strong team and financial position and we continue to maintain solid capital and liquidity in our business. We continue to proactively manage our business, liquidity, portfolio and investments. While the duration and scope of the COVID-19 pandemic is unknown and evolving, we believe that we are well positioned to address challenges and opportunities as they arise in these uncertain times.

Our Chief Financial Officer, Ms. Dipti Patel, has chosen to resign for another opportunity and will be leaving MCAN after the first quarter results are reported and the Annual General Meeting (“AGM”) is held. We appreciate all of the contributions Ms. Patel has made over her 11-year tenure with the Company and wish her the best in her future. The Company has initiated a search for a new Chief Financial Officer including internal and external candidates.

We will be reporting our first quarter results on May 12, 2020 and providing a more detailed update on our operations and business at that time. We will hold our AGM remotely, enabling shareholders to participate virtually in a live audio webcast. We believe that this is important for the health and well-being of all of our management, Directors and shareholders. Please refer to the instructions for participating at the AGM found in the Management Information Circular and posted on our website and on SEDAR.

MCAN is a public company listed on the Toronto Stock Exchange under the symbol MKP and is a reporting issuer in all provinces and territories in Canada. MCAN also qualifies as a mortgage investment corporation (“MIC”) under the Income Tax Act (Canada) (the “Tax Act”).

The Company’s primary objective is to generate a reliable stream of income by investing in a diversified portfolio of Canadian mortgages, including single family residential, residential construction, non-residential construction and commercial loans, as well as other types of securities, loans and real estate investments. MCAN employs leverage by issuing term deposits that are eligible for Canada Deposit Insurance Corporation deposit insurance and are sourced through a network of independent financial agents. We manage our capital and asset balances based on the regulations and limits of the Tax Act, the Trust and Loan Companies Act (Canada) and OSFI.

As a MIC, we are entitled to deduct the dividends that we pay to shareholders from our taxable income. Regular dividends are taxed as interest income to shareholders. We are also able to pay capital gains dividends, which would be taxed as capital gains to shareholders for income tax purposes. Dividends paid to foreign investors may be subject to withholding taxes. Additionally, to continue to meet the MIC criteria, 67% of our non-consolidated assets measured on a tax basis are required to be held in cash or cash equivalents and residential mortgages.

MCAN’s wholly-owned subsidiary, XMC Mortgage Corporation, is an originator of single family residential mortgage products across Canada.

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