

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 – Name and Address of Company:

MCAN Mortgage Corporation (“MCAN” or the “Company”)
200 King Street West, Suite 600
Toronto, Ontario
M5H 3T4

Item 2 – Date of Material Change:

October 9, 2018

Item 3 – News Release:

On October 9, 2018, MCAN issued a news release through the newswire services of CNW Group. A copy of the news release is attached as Schedule “A” hereto and is available on SEDAR at www.sedar.com.

Item 4 – Summary of Material Change:

On October 9, 2018, MCAN announced the departure of Mr. William Jandrisits as President, Chief Executive Officer and director of MCAN.

The Company simultaneously announced the appointment of Ms. Karen Weaver as Interim Chief Executive Officer of MCAN until such time as a permanent successor is appointed. Ms. Weaver has been a director of MCAN since November 2011 and Chair of the Audit Committee since May 2013. She is licensed by the Washington State Board of Public Accountants, is a certified corporate director in Canada and a member of the Institute of Corporate Directors. Ms. Weaver has significant experience in real estate, financing, public financial accounting and reporting and corporate strategy and operations. She has spent over 20 years as Chief Financial Officer of publicly listed corporations, including First Capital Realty Inc. from 2004 to 2014 and DH Corporation from 2014 to 2017.

Item 5 – Full Description of Material Change:

A full description of the material change is provided in the news release attached as Schedule “A”.

Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 – Omitted Information:

None.

Item 8 – Executive Officer:

The following senior officer of MCAN is knowledgeable about the material change and this report:

Karen Weaver
Interim Chief Executive Officer
(416) 988-8312

Item 9 – Date of Report:

October 12, 2018

Schedule "A"

[See attached]

Stock market symbol

TSX: MKP

MCAN MORTGAGE CORPORATION ANNOUNCES THE DEPARTURE OF ITS PRESIDENT AND CEO AND THE APPOINTMENT OF INTERIM CEO

Toronto, Ontario – October 9, 2018. MCAN Mortgage Corporation (“MCAN” or the “Company”) announces the departure of Mr. William Jandrisits as President, CEO and director of MCAN. The Board of Directors (the “Board”) would like to express its gratitude to Mr. Jandrisits for his contribution to MCAN over the past 8 years.

The Board is pleased to announce that Ms. Karen Weaver has been appointed Interim CEO of MCAN until such time as a permanent successor is appointed. Ms. Weaver has been a director of MCAN since November 2011 and Chair of the Audit Committee since May 2013. She is licensed by the Washington State Board of Public Accountants, is a certified corporate director (“ICD.D”) in Canada and a member of the Institute of Corporate Directors. Ms. Weaver has significant experience in real estate, financing, public financial accounting and reporting and corporate strategy and operations. She has spent 20+ years as Chief Financial Officer of publicly listed corporations, including First Capital Realty Inc. from 2004-2014 and DH Corporation from 2014-2017.

The Board will be conducting a search for a suitable permanent successor candidate.

MCAN is a public company listed on the Toronto Stock Exchange (“TSX”) 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 its corporate funds in a portfolio of mortgages (including single family residential, residential construction, non-residential construction and commercial loans), as well as other types of financial investments, loans and real estate investments. MCAN employs leverage by issuing term deposits eligible for Canada Deposit Insurance Corporation (“CDIC”) deposit insurance up to a maximum of five times capital (on a non-consolidated tax basis in the MIC entity) as permitted by the Tax Act. The term deposits are sourced through a network of independent financial agents. As a MIC, MCAN is entitled to deduct from income for tax purposes 100% of dividends, except for capital gains dividends, which are deducted at 50%. Such dividends are received by the shareholders as interest income and capital gains dividends, respectively.

MCAN’s wholly-owned subsidiary, XMC, is an originator of residential first-charge mortgage products across Canada. As such, XMC operates primarily in one industry segment through its sales team and mortgage brokers.

MCAN is also an NHA MBS issuer.

For further information, please contact:

MCAN Mortgage Corporation

Website: www.mcanmortgage.com

e-mail: mcanexecutive@mcanmortgage.com

Karen Weaver
Interim Chief Executive Officer
(416) 988-8312

Ian Sutherland
Chair of the Board
(647) 393-1542