

**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 19, 2018

***Item 3 – News Release:***

On October 19, 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](http://www.sedar.com).

***Item 4 – Summary of Material Change:***

On October 19, 2018, MCAN announced that Mr. Jeff Bouganim, MCAN’s Chief Financial Officer, will be resigning from the Company effective November 26, 2018.

The Company simultaneously announced the appointment of Mr. Bouganim’s successor, Ms. Dipti Patel, who will serve as Vice President and Chief Financial Officer of MCAN. Ms. Patel joined MCAN in May 2009 and has been a key member of the management team of MCAN serving in roles in the investments division, Vice President and Chief Internal Auditor and most recently, as Vice President Operational Effectiveness. Ms. Patel is a CPA, CA and graduated from McMaster University.

***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) 591-2726

***Item 9 – Date of Report:***

October 25, 2018

**Schedule "A"**

**[See attached]**

**Stock market symbol**  
**TSX: MKP**

**MCAN MORTGAGE CORPORATION ANNOUNCES THE INTENDED DEPARTURE OF ITS CFO AND APPOINTMENT OF A NEW CFO**

**Toronto, Ontario – October 19, 2018.** MCAN Mortgage Corporation (“MCAN” or the “Company”) announces that Mr. Jeff Bouganim, MCAN’s Chief Financial Officer, will be resigning from the Company effective November 26, 2018.

“On behalf of the entire Company and the Board, I would like to thank Jeff for his contribution and dedication to the Company, and wish him well as he pursues a new opportunity”, stated Karen Weaver, MCAN’s Interim CEO. “We appreciate his efforts in building a first class finance team and his willingness to stay on board as we transition to his successor. I am pleased to welcome Ms. Dipti Patel as Vice President and Chief Financial Officer of MCAN. Ms. Patel joined MCAN in May 2009 and has been a key member of the management team of MCAN serving in roles in the investments division, Vice President and Chief Internal Auditor and most recently, as Vice President Operational Effectiveness.” Ms. Patel is a CPA, CA and graduated from McMaster University.

Mr. Bouganim commented, “Although my 8 years at MCAN, including my time at Xceed Mortgage Corporation prior to its acquisition by MCAN in 2013, were rewarding, it is time for me to pursue other opportunities that have become available to me. I remain committed to the performance of the Company and look forward to working with management and the Board, my successor, Ms. Patel and the entire MCAN finance team to ensure a smooth transition of the CFO role.”

*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](http://www.mcanmortgage.com)

e-mail: [mcanexecutive@mcanmortgage.com](mailto:mcanexecutive@mcanmortgage.com)

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

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