FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

MCAN Mortgage Corporation d/b/a MCAN Financial Group
("**MCAN**" or the "**Company**")
200 King Street West, Suite 600
Toronto, Ontario
M5H 3T4

Item 2. Date of Material Change

November 17, 2022

Item 3. News Release

On November 17, 2022, MCAN issued a news release through the newswire services of Cision. 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 November 17, 2022, the Company announced that it would be offering rights (the "**Rights**") to eligible holders of its common shares (the "**Common Shares**") of record at the close of business on November 24, 2022 (the "**Rights Offering**"). The Rights will be exercisable until 5:00 p.m. (Toronto time) on December 20, 2022.

A maximum of 2,450,407 Common Shares will be issued under the Rights Offering.

The Company expects to raise gross proceeds of up to C$34.3 million from the Rights Offering.

Item 5. Full Description of Material Change

For a full description of the material change, please see Schedule "A" attached hereto.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

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

Karen Weaver
President and Chief Executive Officer
(416) 988-8312

Item 9. Date of Report

November 24, 2022

SCHEDULE "A"

(see attached)

MCAN FINANCIAL GROUP ANNOUNCES $34 MILLION RIGHTS OFFERING

NOT FOR DISTRIBUTION OR DISSEMINATION INTO THE UNITED STATES OR THROUGH U.S. NEWSWIRE SERVICES

Toronto, Ontario – November 17, 2022. MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN", the "Company" or "we") (TSX: "MKP") today announced that it is offering rights (the "Rights Offering") to eligible holders of its common shares (the "Common Shares") of record at the close of business on November 24, 2022 (the "Record Date").

Pursuant to the Rights Offering, each holder of Common Shares will receive one right (a "Right") for each Common Share held. Every 13 Rights will entitle the holder to subscribe for one whole Common Share of the Company at a price of $14.00 per Common Share (the "Subscription Price").

MCAN expects to raise gross proceeds of approximately $34.3 million from the Rights Offering and intends to use all of the proceeds less offering expenses to fund the Company's mortgage lending and investment business. The Company expects the Rights Offering to close on or about December 22, 2022.

"We are raising capital in order to take advantage of immediately accretive opportunities that we see in our construction and residential mortgage lending business and our investment business," said Karen Weaver, President and Chief Executive Officer. "Year to date growth in our corporate assets to September 30, 2022 was 5%. The proceeds of this Rights Offering will increase our asset capacity for further growth in line with our risk appetite. Capital raised through rights offerings provide existing shareholders with the opportunity to maintain or increase their ownership in MCAN and participate in further growth of the Company. Over the years, our shareholders have supported and participated in our previous rights offerings, resulting in full subscriptions. Our last rights offering in November 2021 was 1.4 times oversubscribed."

Directors and senior officers, collectively holding, directly and indirectly, approximately 1.5 million Common Shares, have indicated their intention to exercise some or all of their Rights, subject to market conditions. Ian Sutherland, a former director and major shareholder, who continues to hold a significant position in the Company's Common Shares, has indicated his intention to exercise some or all of his Rights, subject to market conditions. As well, the KingSett Canadian Real Estate Income Fund, a significant shareholder of the Company, has indicated its intention to exercise some or all of its Rights, subject to market conditions.

The Rights will trade on the Toronto Stock Exchange under the symbol MKP.RT.A commencing on November 23, 2022 and will cease trading at 12:00 p.m. (Toronto time) on December 20, 2022. The ex-rights trading date for the Common Shares on the Toronto Stock Exchange will be November 23, 2022. This means that Common Shares purchased on or following November 23, 2022 will not be entitled to receive Rights under the Rights Offering. Rights are exercisable until 5:00 p.m. (Toronto time) on December 20, 2022 (the "Expiry Time"), after which time unexercised Rights will be void and of no value. Shareholders must hold at least 13 Common Shares to exercise their Rights, as no fractional Common Shares will be issued.

The Rights Offering includes an additional subscription privilege under which eligible holders of Rights who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available, that are not otherwise subscribed for in the Rights Offering.

There are currently 31,855,297 Common Shares outstanding. Following completion of the Rights Offering, MCAN expects that there will be approximately 34,305,704 Common Shares outstanding.

The Rights Offering will be conducted only in the provinces and territories of Canada (the "Eligible Jurisdictions"). Accordingly, and subject to the detailed provisions of a Rights Offering circular (the "Circular"), Rights will not be delivered to, nor will they be exercisable by, persons resident outside of the Eligible Jurisdictions. Rather, such Rights may be sold on their behalf.

Details of the Rights Offering will be set out in a Notice and Circular, which will be available under the Company's profile on SEDAR at www.sedar.com. The Notice and accompanying direct registration system statement and subscription form (the "Rights DRS Advice") will be mailed to each eligible shareholder of MCAN as at the Record Date. To subscribe, registered shareholders must forward the

completed Rights DRS Advice, together with the applicable funds, to the depositary and subscription agent, Computershare Investor Services, Inc., prior to the Expiry Time. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

The Rights and the Common Shares issuable upon exercise of the Rights have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and accordingly, the Rights and the Common Shares are not being publicly offered for sale in the "United States" or to "U.S. persons" (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended). This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. There shall be no sale of the securities in any jurisdiction in which an offer to sell, a solicitation of an offer to buy or a sale would be unlawful.

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 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 that are sourced through a network of independent financial agents. We manage our capital and asset balances based on the regulations and limits of both the Tax Act and the Office of the Superintendent of Financial Institutions Canada ("OSFI").

As a MIC, we are entitled to deduct the dividends that we pay to shareholders from our taxable income. Regular dividends are treated as interest income to shareholders for income tax purposes. We are also able to pay capital gains dividends, which would be treated as capital gains to shareholders for income tax purposes. Dividends paid to foreign investors may be subject to withholding taxes. 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.

Our MCAN Home division operates through MCAN's wholly owned subsidiary, XMC Mortgage Corporation, which has legally changed its name effective April 1, 2022, to MCAN Home Mortgage Corporation.

For further information, please contact:

MCAN Financial Group

Website: www.mcanfinancial.com

e-mail: mcanexecutive@mcanfinancial.com

Karen Weaver
President and Chief Executive Officer
(416) 203-5931

Floriana Cipollone
Senior Vice President and Chief Financial Officer
(416) 591-5204

A Caution About Forward-looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information can be identified by words such as: "expect", "intend," "plan," "seek," "believe," "estimate," "future," "likely," "may," "should," "will" and similar forward-looking language. The expected proceeds to be raised under the Rights Offering and the use thereof, including MCAN's ability to deploy the proceeds on an accretive basis, constitutes forward-looking information. The forward-looking information contained in this news release is based on a number of assumptions which we believe to be reasonable, including assumptions relating to the completion of the Rights Offering and the timing thereof, the amount of proceeds raised, the investment opportunities that will be available to MCAN in its core mortgage lending and investment business, and the expected use of proceeds from the Rights Offering. Forward-looking information entails various risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking information. Risks that could cause actual results to differ materially from those expressed or implied in the forward-looking information contained in this press release include, but are not limited to, that shareholders will not exercise all or any portion of the Rights, that the Company may not be able to find a suitable use of the proceeds of the Rights Offering on an accretive basis, the level of dilution that will be experienced by shareholders who do not exercise all or a portion of their Rights, failure to complete or a delay in the Rights Offering for any other reason, the lack of a trading market for the Rights developing and the trading price of the Common Shares following completion of the Rights Offering. In addition, general risks relating to capital markets, economic conditions, regulatory changes, as well as the operations of our business may also cause actual results to differ materially from those expressed or implied in such forward-looking information. Forward-looking information is not a guarantee of future performance, and management's assumptions upon which such forward-looking information are based may prove to be incorrect. Investors are cautioned not to place undue reliance on any forward-looking information contained herein. The Company disclaims any obligation to update or revise any forward-looking information contained in this news release, whether as a result of new information, future events or otherwise, except to the extent required by law.