PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 5:00 P.M. (TORONTO TIME) ON DECEMBER 20, 2022.

This rights offering circular is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this circular. Any representation to the contrary is an offence.

This is the circular we referred to in the November 21, 2022 rights offering notice, which you should have already received. Your rights direct registration system advice and relevant forms were enclosed with the rights offering notice. This circular should be read in conjunction with the rights offering notice and our continuous disclosure prior to making an investment decision.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the "United States" (as defined in Regulation S under the U.S. Securities Act). This rights offering circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) ("**U.S. Persons**").*

Rights Offering Circular **November 21, 2022**

MCAN MORTGAGE CORPORATION d/b/a MCAN FINANCIAL GROUP

OFFERING OF RIGHTS TO SUBSCRIBE FOR 2,450,407 COMMON SHARES

Price: $14.00 per Common Share

SUMMARY OF THE RIGHTS OFFERING

Unless we have indicated otherwise, or the context otherwise requires, references in this circular to "**MCAN**", the "**Corporation**", "**we**", "**our**", "**us**" and similar terms refer to MCAN Mortgage Corporation d/b/a MCAN Financial Group. References in this circular to "**you**", "**your**" and similar terms refer to holders of MCAN's common shares (the "**Common Shares**").

Why are you reading this circular?

We are issuing to the holders of our Common Shares ("**Shareholders**") of record at the close of business (Toronto time) on November 24, 2022 (the "**Record Date**") an aggregate of 31,855,297 rights ("**Rights**") to subscribe for an aggregate of 2,450,407 Common Shares (the "**Rights Shares**") on the terms described in this circular (the "**Rights Offering**"). The purpose of this circular is to provide you with detailed information about your rights and obligations in respect of this Rights Offering. This circular should be read in conjunction with the November 21, 2022 rights offering notice (the "**Rights Offering Notice**") that you should have already received.

What is being offered?

Each holder of Common Shares as of the Record Date will receive one Right for each Common Share held on the Record Date on the terms described in this circular.

What does one Right entitle you to receive?

Each Right entitles the holder thereof to subscribe for 0.08 of a Common Share and every 13 Rights entitle the holder thereof to acquire one whole Common Share upon payment of the Subscription Price (as defined below) on or before the Expiry Time on the Expiry Date (each as defined herein) (the "**Basic Subscription Privilege**"). No fractional Common Shares will be issued.

If you exercise your Basic Subscription Privilege in full, you will also be entitled to subscribe pro rata for Common Shares (the "**Additional Common Shares**") not otherwise purchased by holders of Rights pursuant to the Basic Subscription Privilege, if any (the "**Additional Subscription Privilege**"). See "*How to exercise the Rights*" for more information.

What is the Subscription Price?

A holder of Rights must pay $14.00 to purchase one whole Rights Share (the "**Subscription Price**").

Example of Subscription

If you owned 500 Common Shares of the Corporation, you would receive 500 Rights. Assuming you wanted to fully subscribe for Common Shares under the Rights Offering, you would exercise your rights and submit a payment of $532.00. This would entitle you to 38 Common Shares (500 divided by 13 and excluding fractional shares) on subscription. In order to subscribe for the 38 Common Shares, you would fill out the appropriate form or instruct the appropriate broker/dealer. Please follow the instructions noted in "*How does an Eligible Holder that is a registered holder participate in the Rights Offering?*" and "*How does an Eligible Holder that is not a registered holder participate in the Rights Offering?*".

Who is eligible to participate in the Rights Offering?

The Rights are offered only to holders of Common Shares resident in a province or territory of Canada. See "*How to exercise the Rights*" for more information.

When does the Rights Offering expire?

The Rights Offering expires at 5:00 p.m. (Toronto time) (the "**Expiry Time**") on December 20, 2022 (the "**Expiry Date**"). The Corporation expects closing of the Rights Offering to occur on or about December 22, 2022 (the "**Closing Date**").

What are the significant attributes of the Rights issued under the Rights Offering and the Common Shares to be issued upon the exercise of Rights?

The Rights

Every 13 Rights entitle you to subscribe for one Common Share at the Subscription Price. The Rights are transferrable and will trade on the Toronto Stock Exchange (the "**TSX**") until 12:00 p.m. (Toronto time) on the Expiry Date. See "*Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?*" for more information. A Right does not entitle the holder thereof to any rights as a security holder of the Corporation other than the right to subscribe for and purchase Common Shares on the terms and conditions described herein.

The authorized share capital of MCAN consists of an unlimited number of Common Shares. As of the date hereof, the Corporation had issued and outstanding 31,855,297 Common Shares.

The Common Shares

Voting Rights

The holders of Common Shares are entitled to receive notice of, and to attend and vote at all meetings of the Shareholders.

Generally, each Common Share provides one vote per Common Share. However, pursuant to MCAN's by-laws and the *Trust and Loan Companies Act* (Canada) (the "**Trust Act**"), directors of MCAN are to be elected through cumulative voting in certain circumstances. Under the cumulative voting system, each Shareholder has the right to cast a number of votes equal to the number of votes attached to the Common Shares held by the Shareholder multiplied by the number of directors to be elected at any meeting of Shareholders. A Shareholder may cast all such votes in favour of one nominee or distribute them among the nominees in any manner. For example, a Shareholder owning 100 Common Shares could cast 900 votes in favour of one nominee or distribute the 900 votes equally in favour of all nominees or distribute the votes in any other manner among the nominees, as long as the total number of votes cast for the nominees does not exceed 900.

Dividends

Subject to the Trust Act, the holders of Common Shares of the Corporation shall be entitled to receive in each financial year of the Corporation, any dividends declared at the discretion of the directors.

The Corporation has declared a dividend of $0.36 for the fourth quarter of 2022, with such dividend having a record date of December 15, 2022. Common Shares issued on exercise of Rights under the Rights Offering will not be entitled to receive that dividend.

Rights Upon Liquidation

Subject to the Trust Act, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its Shareholders for the purpose of winding up its affairs, the holders of Common Shares of the Corporation shall be entitled to receive the remaining assets of the Corporation.

What is the minimum and maximum number or amount of Common Shares that may be issued under the Rights Offering?

There is no minimum number of Common Shares that may be issued under the Rights Offering. A maximum of 2,450,407 Common Shares may be issued under the Rights Offering.

Where will the Rights and the Common Shares issuable upon exercise of the Rights be listed for trading?

The TSX has approved the listing on the TSX of the Rights and the Common Shares issuable upon exercise of the Rights subject to the Corporation fulfilling all of the listing requirements of the TSX. The Common Shares are listed on the TSX under the symbol "MKP". The Rights will be listed on the TSX under the trading symbol "MKP.RT.A" and will be posted for trading beginning November 23, 2022 until 12:00 p.m. (Toronto time) on the Expiry Date, at which time the Rights will be halted from trading. See "*How to exercise the Rights - How does a Rights holder sell or transfer Rights*" for more information.

FORWARD-LOOKING INFORMATION

This circular contains "**forward-looking information**" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking information. This forward-looking information reflects our current expectations or beliefs based on information currently available to us. The words "anticipates", "assumes", "believes", "budgets", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might",

"opportunity", "plans", "projects", "seeks", "schedule", "should", "target", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this circular includes, but is not limited to, statements regarding: the Corporation's objectives; financial or other projections; completion of the Rights Offering; the anticipated benefits of the Rights Offering; the estimated costs of the Rights Offering and the net proceeds to be available upon completion of the Rights Offering; the intended use of proceeds from the Rights Offering, including the Corporation's ability to deploy the proceeds on an accretive basis; our estimate of how long the funds raised in the Rights Offering will last from the Expiry Date; our expectation regarding insider participation in the Rights Offering; the anticipated dilution to Shareholders in connection with the Rights Offering; our expectations regarding the sufficiency of our working capital and our ability to continue as a going concern; the Corporation's ability to close the Rights Offering; the probability that the Rights Offering will be completed in accordance with its terms and the Corporation's capitalization.

The forward-looking information in this circular is based on a number of key expectations and assumptions made by the Corporation's management which include, but are not limited to: the completion of the Rights Offering; the anticipated benefits of the Rights Offering; the necessary regulatory approvals being obtained for the completion of the Rights Offering on terms acceptable to MCAN; the estimated costs of the Rights Offering and the net proceeds to be available upon completion of the Rights Offering; the operating expenses of the Corporation for the 12 month period following the Expiry Date; the ability of MCAN's business to perform as expected; the investment opportunities that will be available to MCAN in its core mortgage lending and investment business; and no material adverse change in the affairs of MCAN. These assumptions are subject to risks and uncertainties. Forward-looking information should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Although the forward-looking information contained in this document is based upon what we believe are reasonable assumptions, we cannot assure investors that our actual results will be consistent with such forward-looking information.

Forward-looking information is subject to a number of risks and uncertainties that may cause MCAN's actual results to differ materially from those discussed in the forward-looking information and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, MCAN. These risks and uncertainties include, among other things: the Corporation's ability to complete the Rights Offering; general economic conditions; the potential occurrence of a material adverse change in the business; operating results or financial condition of the Corporation; risks associated with the completion of the Rights Offering; the Corporation's ability to find a suitable use of the proceeds of the Rights Offering on an accretive basis, the potential dilution of Shareholders as a result of the Rights Offering; the actual costs incurred in the Rights Offering; the actual amount of funds raised under the Rights Offering; the actual operating expenses of the Corporation for the 12 month period following the Expiry Date; irrevocability of the exercise of Rights by a holder of Common Shares; market risks in the business operated by us and other factors described under the heading "*Risk Factors*".

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, MCAN disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although we believe that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and, accordingly, undue reliance should not be put on such information due to its inherent uncertainty.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

Neither this Rights Offering nor the Rights or Rights Shares issuable in connection with this Rights Offering have been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or the securities regulatory authorities in any state of the United States, nor has the SEC or the securities regulatory authorities in any state of the United States passed upon the fairness or merits of this Rights Offering or upon the adequacy or accuracy of the information contained in this circular. Any representation to the contrary is a criminal offence.

The Rights and the Rights Shares have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities laws. Any holder of Common Shares that is in the United States or a U.S. Person cannot participate in the Rights Offering.

USE OF AVAILABLE FUNDS

Why are we raising funds?

We are raising capital in order to take advantage of immediately accretive opportunities in our construction and residential mortgage lending business and our investment business. Year to date growth in our corporate assets to September 30, 2022 was 5%. The proceeds from this Rights Offering will increase our asset capacity for further growth in line with our risk appetite.

How will we use the available funds?

The net proceeds of the Rights Offering (the "**Available Funds**") will be used for the purposes set out in the table below:

Description of intended use of Available Funds	**Assuming 15% of the Rights Offering**	**Assuming 50% of the Rights Offering**	**Assuming 75% of the Rights Offering**	**Assuming 100% of the Rights Offering**
Mortgage lending and investment business	$4,995,854.70	$17,002,849.00	$25,579,273.50	$34,155,698.00
Total use of Available Funds	$4,995,854.70	$17,002,849.00	$25,579,273.50	$34,155,698.00

We intend to invest the Available Funds as stated above. However, there may be circumstances where a reallocation of the Available Funds may be necessary. The Available Funds will be used by us in furtherance of our business and consistent with our business objectives. We will reallocate funds only for sound business reasons.

What will our available funds be upon closing of the Rights Offering?

MCAN is required to maintain adequate amounts of regulatory capital as prescribed by the Office of the Superintendent of Financial Institutions ("**OSFI**") in order to, among other things, issue term deposits. Additionally, under the *Income Tax Act* (Canada), mortgage investment corporations are limited to an income tax liabilities to capital ratio of 5:1 (or an income tax assets to capital ratio of 6:1), based on MCAN's non-consolidated balance sheet measured at its tax value. Furthermore, as a loan company under the Trust Act, OSFI oversees the adequacy of MCAN's capital and, in connection with such oversight in the ordinary course, has imposed minimum capital-to-regulatory (or risk-weighted) assets ratios and a minimum leverage ratio.

MCAN estimates it will have the following amount of Available Funds following the Rights Offering:

	Assuming 15% of the Rights Offering	**Assuming 50% of the Rights Offering**	**Assuming 75% of the Rights Offering**	**Assuming 100% of the Rights Offering**
Amount to be raised by the Rights Offering	$5,145,854.70	$17,152,849.00	$25,729,273.50	$34,305,698.00
Estimated costs for the Rights Offering (e.g., legal, accounting, audit)	$150,000	$150,000	$150,000	$150,000
Available Funds	$4,995,854.70	$17,002,849.00	$25,579,273.50	$34,155,698.00

How long will the available funds last?

The Corporation currently has working capital in excess of its basic requirements for the next 12 months, as well as an available line of credit facility. It is currently expected that the Available Funds will be used by the Corporation as stated in the table above within the 12 months following the Rights Offering.

INSIDER PARTICIPATION

Will insiders be participating?

Directors, officers and employees of MCAN who are Eligible Holders (as defined herein) may participate in the Rights Offering with respect to at least some of their Common Shares, although we can offer no assurances in this regard. The Corporation has made reasonable enquiries of the intentions of directors and senior officers concerning the exercise of Rights. Directors and senior officers who hold collectively, directly and indirectly, approximately 1.5 million Common Shares, have indicated that they intend, subject to market conditions, to subscribe either directly or indirectly for some or all of their pro rata share of the Common Shares offered pursuant to the Basic Subscription Privilege. Ian Sutherland, a former director and major shareholder, who continues to hold a significant position in the Corporation's Common Shares, has indicated that he intends, subject to market conditions, to subscribe for some or all of his pro rata share of the Common Shares offered pursuant to the Basic Subscription Privilege. In addition, KingSett Canadian Real Estate Income Fund ("**CREIF**"), a significant shareholder of the Corporation, has indicated its current intention, subject to market conditions, to subscribe for some or all of its pro rata share of the Common Shares offered pursuant to the Basic Subscription Privilege. No agreements have been entered into with Ian Sutherland, CREIF, or any other person.

Who are the holders of 10% or more of our Common Shares before and after the Rights Offering?

To the knowledge of the Corporation, as of the date hereof, there are no, and after the Rights Offering there will be no, Shareholders who beneficially own, directly or indirectly, or control voting securities carrying 10% or more of the voting rights attached to the outstanding securities of the Corporation calculated on a non-diluted basis.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

If a Shareholder exercises all of the Rights issued to it pursuant to the Rights Offering, it will retain its proportionate interest in the outstanding Common Shares. However, if a Shareholder does not exercise some or all of the Rights issued to it, its current percentage ownership in the Corporation will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights, which dilution may be significant.

As an illustration, if (i) a Shareholder owns 1,000,000 Common Shares on the Record Date; (ii) such Shareholder does not exercise its Rights to purchase Rights Shares pursuant to the Rights Offering, and (iii) 100% of the Rights Offering is completed (i.e. the Corporation issues an aggregate of 2,450,407 Common Shares), such Shareholder's percentage ownership of the Common Shares will be diluted by 7.1%, as determined based on the Corporation's issued and outstanding Common Shares following completion of the Rights Offering. See *"Risk Factor - Dilution"* for more information.

STANDBY COMMITMENT

There is no stand-by guarantor in connection with the Rights Offering.

MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

The Corporation has not retained any party to solicit the exercise of the Rights.

HOW TO EXERCISE THE RIGHTS

Subscriptions for Common Shares (pursuant to the Basic Subscription Privilege and/or the Additional Subscription Privilege) made in connection with this Rights Offering either directly or through a Participant (as defined herein) will be irrevocable and subscribers will be unable to withdraw their subscriptions for such Common Shares once submitted.

Who is eligible to receive Rights?

The Rights are offered only to holders ("**Eligible Holders**") of Common Shares resident in a province or territory of Canada (the "**Eligible Jurisdictions**"). This circular has not been filed with the securities commission or similar regulatory authority of any jurisdiction other than the Eligible Jurisdictions.

The Rights and Rights Shares issuable upon exercise of the Rights are not being offered to persons who are or appear to be, or who the Corporation or the Subscription Agent have reason to believe are, residents of jurisdictions other than the Eligible Jurisdictions (the "**Ineligible Jurisdictions**"), nor will the Corporation or Subscription Agent accept subscriptions from any holders of Common Shares who are residents of any jurisdiction other than the Eligible Jurisdictions ("**Ineligible Holders**") or from any transferee of Rights who is or appears to be, or who the Corporation or the Subscription Agent has reason to believe is, a resident of an Ineligible Jurisdiction.

The United States is an Ineligible Jurisdiction. The securities of the Corporation, including the Rights and the Rights Shares issuable on the exercise of the Rights, have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any U.S. state and may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of any U.S. Person. Consequently, this Rights Offering is not being made in the United States or to, or for the account or benefit of any U.S. Person and is not to be construed as an offering of any securities for sale to a U.S. Person or a person in the United States or a solicitation thereto or therein of an offer to buy any securities of the Corporation.

Payment of the Subscription Price will constitute a representation to the Corporation and, if applicable, to the Participant by the subscriber (including by its agents) that: (i) the subscriber is not a citizen or resident of an Ineligible Jurisdiction, and (ii) the subscriber is not purchasing the Common Shares for resale to any person who is a citizen or resident of an Ineligible Jurisdiction.

What happens to Rights issued to <u>registered</u> Ineligible Holders?

Rights DRS Advices (as defined herein) in respect of Rights issued to registered Ineligible Holders will not be issued and forwarded by the Corporation to registered Ineligible Holders. Instead, registered Ineligible Holders have been sent the Rights Offering Notice, for information purposes only, together with a letter notice (the "**Letter Notice**") advising them that their Rights DRS Advice will be issued to and held by the Subscription Agent, which will hold such Rights as agent for the benefit of all registered Ineligible Holders. Instructions as to the sale, transfer or exercise of the Rights represented thereby will not be accepted from such holders. The Subscription Agent will hold the Rights until December 9, 2022, inclusive, in order to give the registered Ineligible Holders the opportunity to claim the Rights DRS Advice by satisfying MCAN that they are resident in an Eligible Jurisdiction.

Following December 9, 2022, the Subscription Agent will, prior to the Expiry Time on the Expiry Date, use its reasonable commercial efforts to sell the Rights evidenced by such Rights DRS Advice on behalf of all such respective Ineligible Holders at such prices and otherwise in such manner as the Subscription Agent may determine in its sole discretion. No charge will be made for the sale of Rights by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and the costs of or incurred by the Subscription Agent in connection with sale of the Rights. The Subscription Agent will endeavour to effect sales of Rights on the open market and any proceeds received by the Subscription Agent with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such registered Ineligible Holders and delivered by mailing cheques in Canadian funds for all registered Ineligible Holders of the Subscription Agent therefor as soon as practicable to such registered Ineligible Holders at their addresses recorded on MCAN's register. Amounts of less than $10.00 will not be remitted.

The Subscription Agent will act in its capacity as agent of the registered Ineligible Holders on a best efforts basis only and the Corporation and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any registered Ineligible Holder. The Subscription Agent's ability to sell the Rights of Ineligible Holders, and the price obtained therefor, are dependent on market conditions. Neither the Corporation nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of registered Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day.

There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Subscription Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Holders of Rights should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in Canada as well as the jurisdiction where they reside, which are not described herein. Accordingly, holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Rights or Common Shares having regard to their particular circumstances.

Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of the Corporation. A registered Ineligible Holder whose address of record is outside the Eligible Jurisdictions but who holds Common Shares on behalf of a holder who is eligible to participate in the Rights Offering must notify the Corporation and the Subscription Agent, in writing, on or before December 9, 2022 if such beneficial holder wishes to participate in the Rights Offering. Otherwise, the Subscription Agent will sell the Rights of such beneficial Shareholder as described above.

What happens to Rights issued to Ineligible Holders that are <u>not registered holders</u>?

Rights delivered to Participants may not be delivered by those intermediaries to non-registered Rights holders who are resident in an Ineligible Jurisdiction. Participants receiving Rights that would otherwise be deliverable to Ineligible Holders may attempt to sell those Rights for the accounts of such Ineligible Holders and should deliver the proceeds of sale to such persons. Participants are responsible for any action pertaining to Rights that may have been received on behalf of non-registered Rights holders who are not eligible to participate in the Rights Offering. We expect that each nonregistered Ineligible Holder will receive, in accordance with the practices and procedures of the Participant, a confirmation of the number of Rights issued to it from its Participant.

There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Participant in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld.

Holders of Rights should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in Canada as well as the jurisdiction where they reside, which are not described herein. Accordingly, holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Rights or Common Shares having regard to their particular circumstances.

How does an Eligible Holder that is a <u>registered holder</u> participate in the Rights Offering?

For Eligible Holders who hold their Common Shares in registered form, a subscription form (the "**Rights Subscription Form**") and statement issued under the Subscription Agent's direct registration system (the "**Rights DRS Advice**") representing the total number of transferable Rights to which the holder is entitled as at the Record Date will be mailed with a copy of the Rights Offering Notice. To exercise the Rights represented by the Rights DRS Advice, you must complete and deliver the Rights DRS Advice in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time on the Expiry Date will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights DRS Advice and delivery to the Subscription Agent will only be effective when actually received by the Subscription Agent. Rights DRS Advices and payments received after the Expiry Time on the Expiry Date will not be accepted. Please allow sufficient time to avoid late delivery.

In order to exercise your rights you must:

1 **Complete and sign Form 1 on the Rights Subscription Form**. The maximum number of Rights that you may exercise under the Basic Subscription Privilege is shown on the first page of the Rights DRS Advice. If you complete the Form 1 so as to exercise some but not all of the Rights evidenced by the Rights DRS Advice, you will be deemed to have waived the unexercised balance of such rights, unless you otherwise specifically advise the Subscription Agent at the time the Rights DRS Advice is surrendered to the Subscription Agent.

2 **Additional Subscription Privilege**. Complete and sign Form 2 on the Rights Subscription Form only if you also wish to participate in the Additional Subscription Privilege. See " - *What is the Additional Subscription Privilege and how can you exercise this privilege?*" for more information.

3 **Enclose payment in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc**. To exercise the rights you must pay $14.00 per Common Share. In addition to the amount payable for any Common Shares you wish to purchase under the Basic Subscription Privilege, you must also pay the amount required for any Additional Common Shares subscribed for under the Additional Subscription Privilege.

4 **Delivery**. Deliver or mail the completed Rights Subscription Form and Rights DRS Advice and payment in the enclosed return envelope addressed to the Subscription Agent so that it is received at the office of the Subscription Agent noted below before the Expiry Time on the Expiry Date. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery. Mailing is at the sole risk of the holder of the Rights and neither the Corporation nor the Subscription Agent accept any responsibility for the mailing.

The Subscription Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise of the Rights. See "*Appointment of Depository*" for more information. The office of the Subscription Agent noted below has been appointed to perform these services.

By Hand, Courier or Registered Mail:

Computershare Investor Services Inc.
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1
Attention: Corporate Actions

By Mail:

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario M5C 3H2
Attention: Corporate Actions

The signature of the Rights DRS Advice holder must correspond in every particular with the name that appears on the face of the Rights DRS Advice. Signatures by a trustee, executor, administrator, curator, tutor, guardian, attorney, officer of a corporation, partnership, association or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither MCAN nor the Subscription Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will MCAN be liable for the failure to give any such notice.

How does an Eligible Holder that is <u>not a registered holder</u> participate in the Rights Offering?

You are a beneficial Eligible Holder if (i) you hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a "**Participant**") in the book-based system administered by CDS Clearing

and Depository Services Inc. ("**CDS**") and (ii) you are resident in an Eligible Jurisdiction. Eligible Holders who hold their Common Shares through a Participant will not receive physical certificates or Rights DRS Advices evidencing their ownership of Rights. The total number of Rights to which all beneficial Eligible Holders as at the Record Date are entitled will be issued to CDS and will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from its Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

If you are a beneficial Eligible Holder:

1 to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights and forward to such Participant the Subscription Price for each Common Share that you wish to subscribe for; and

2 you may subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege by instructing such Participant to exercise the Additional Subscription Privilege in respect of the number of Additional Common Shares you wish to subscribe for and forwarding to such Participant the Subscription Price for such Additional Common Shares requested. See " - *What is the Additional Subscription Privilege and how can you exercise this privilege?*" for more information.

Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction.

If a beneficial Eligible Holder is subscribing through a Participant, such beneficial Eligible Holder must deliver the payment and instructions to the Participant sufficiently in advance of the Expiry Date to allow the Participant to properly exercise the Rights on such beneficial Eligible Holder's behalf. The ability of a person having an interest in Rights held through a Participant to pledge such interest or otherwise take action with respect to such interest (other than through a Participant) may be limited due to the lack of a physical Rights DRS Advice.

Subscriptions for Common Shares (pursuant to the Basic Subscription Privilege or the Additional Subscription Privilege) made in connection with the Rights Offering through a Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for such Common Shares once submitted.

Neither the Corporation nor the Subscription Agent will have any liability for (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

Except as otherwise specifically provided herein (see "*Who is eligible to receive the Rights?*"), payment of the Subscription Price, or any purchase price for Additional Common Shares pursuant to the Additional Subscription Privilege, by a non-registered holder of Common Shares will constitute a representation to the Corporation, the Subscription Agent and to any Participant that the subscriber is not in the United States or a U.S. Person or the agent of any person in the United States or U.S. Person and is not purchasing the Common Shares for the account or benefit of, or for the resale to, any person in the United States or U.S. Person.

What is the Additional Subscription Privilege and how can you exercise this privilege?

Each Rights holder who has exercised in full its Basic Subscription Privilege may exercise additional Rights, if available, at a price equal to the Subscription Price for each additional Right. The number of additional Rights available will be the difference, if any, between the total number of Rights that were issued pursuant to the Rights Offering and the total number of Rights validly exercised and paid for pursuant to the Basic Subscription Privilege at the Expiry Time on the Expiry Date.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege is less than the number of available Additional Common Shares, each such holder of Rights will be allotted the number of Additional Common Shares subscribed for under the Additional Subscription Privilege.

If the aggregate number of Additional Common Shares subscribed for by those who exercise their Additional Subscription Privilege exceeds the number of available Additional Common Shares, each such holder of Rights will be entitled to receive the number of Additional Common Shares equal to the lesser of:

1 the number of Additional Common Shares subscribed for by the holder under the Additional Subscription Privilege; and

2 the product (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares available through unexercised Rights after giving effect to the Basic Subscription Privilege by a fraction, the numerator of which is the number of Rights previously exercised by the holder under its Basic Subscription Privilege and the denominator of which is the aggregate number of Rights previously exercised under the Basic Subscription Privilege by all holders of Rights who have subscribed for Additional Common Shares under the Additional Subscription Privilege.

Registered holders of Rights exercising their Additional Subscription Privilege

If you wish to exercise the Additional Subscription Privilege, you must first exercise your Basic Subscription Privilege in full by completing Form 1 on the Rights Subscription Form for the maximum number of Common Shares that you may subscribe for and also complete Form 2 on the Rights Subscription Form, specifying the number of Additional Common Shares for which you would like to subscribe. Send the purchase price for the Additional Common Shares under the Additional Subscription Privilege with your Rights DRS Advice to the Subscription Agent. The purchase price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare Investor Services Inc. These funds will be placed in a segregated account pending allocation of the Additional Common Shares, with any excess funds being returned by mail without interest or deduction. Interest, if any, earned on such funds will be for our benefit.

Beneficial holders of Rights exercising their Additional Subscription Privilege

If you are a beneficial holder of Rights through a Participant in CDS and you wish to exercise your Additional Subscription Privilege, you must deliver your payment and instructions to the Participant sufficiently in advance of the Expiry Date to allow the Participant to properly exercise the Additional Subscription Privilege on your behalf. See "*How does an Eligible Holder that is not a registered holder participate in the Rights Offering?*" for more information.

How does a Rights holder sell or transfer Rights?

The Rights will be listed on the TSX under the trading symbol "MKP.RT.A" and will be posted for trading on the TSX beginning November 23, 2022 until 12:00 p.m. (Toronto time) on the Expiry Date, at which time the Rights will be halted from trading.

You may elect to exercise only a part of your Rights and dispose of the remainder, or dispose of all your Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights (other than the fee for services to be performed by the Subscription Agent as described herein) is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

Registered holders of Rights selling or transferring Rights

If you do not wish to exercise some or all of your Rights, you may sell or transfer them directly or through your stockbroker or investment dealer at your expense, subject to any applicable resale restrictions. See "*Are there restrictions on the resale of securities?*" for more information. If you wish to transfer your Rights, a Stock Power of Attorney form (the "**Transfer Form**") will need to be obtained from the Subscription Agent and completed, have the

signature guaranteed by an "eligible institution" to the satisfaction of the Subscription Agent, in accordance with the instructions provided on the Transfer Form, and deliver the Rights DRS Advice and Transfer Form to the transferee. For this purpose, in Canada, eligible institution means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program or a member of the Stock Exchange Medallion Program. Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Industry Regulatory Organization of Canada.

It is not necessary for a transferee to obtain a new Rights DRS Advice to exercise the Rights or the Additional Subscription Privilege, but the signature of the transferee on Forms 1 and 2 must correspond in every particular with the name of the transferee shown on the Transfer Form. Signatures by a trustee, executor, administrator, curator, tutor, guardian, attorney, officer of a corporation, partnership, association or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. If the Transfer Form is properly completed, MCAN and the Subscription Agent will treat the transferee (or the bearer if no transferee is specified) as the absolute owner of the Rights DRS Advice for all purposes and will not be affected by notice to the contrary. A Rights DRS Advice so completed should be delivered to the appropriate person in ample time for the transferee to use it before the expiration of the Rights.

Beneficial holders of Rights selling or transferring Rights

If you hold Common Shares through a Participant and do not wish to exercise some or all of your Rights, you may arrange for the sale or transfer of Rights through that Participant at your expense, subject to any applicable resale restrictions. See "*Are there restrictions on the resale of securities?*" for more information.

When can you trade the Common Shares issuable upon the exercise of your Rights?

The Common Shares are listed on the TSX under the symbol "MKP". The TSX has conditionally approved the listing on the TSX of the Rights and the Common Shares issuable upon exercise of the Rights, subject to the Corporation fulfilling all of the listing requirements of the TSX. Subject to the disclosure set out in "*Are there restrictions on the resale of* securities" below, all Common Shares issuable on exercise of the Rights will be listed and posted for trading on the TSX as soon as practicable after the Closing Date.

Are there restrictions on the resale of securities?

The Rights being issued hereunder and the Common Shares issuable upon exercise of the Rights (collectively, the "**Securities**") are being distributed by the Corporation in the Eligible Jurisdictions pursuant to exemptions from the prospectus requirements under securities laws in the Eligible Jurisdictions.

Resale of the Securities may be subject to restrictions pursuant to applicable securities laws then in force. Set out below is a general summary of the restrictions governing first trades in the Securities in the Eligible Jurisdictions. Additional restrictions may apply to "insiders" of the Corporation and holders of the Securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "**control block**" in respect of the Corporation for purposes of securities laws. Each holder of Rights is urged to consult its professional advisors to determine the exact conditions and restrictions applicable to trades of the Securities.

Generally, the first trade of any of the Securities will be exempt from the prospectus requirements of securities laws in the Eligible Jurisdictions if: (i) the Corporation is and has been a "**reporting issuer**" in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "**control distribution**" as defined in applicable Canadian provincial securities laws; (iii) no unusual effort is made to prepare the market or to create a demand for the Securities; (iv) no extraordinary commission or other consideration is paid in respect of such trade; and (v) if the seller is an insider or officer of the Corporation, the seller has no reasonable grounds to believe that the Corporation is in default of applicable securities laws. If such conditions have not been met, then the Securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

The Corporation has been a reporting issuer for more than four months in each of the provinces and territories of Canada.

The Rights and the Rights Shares issuable upon exercise of the Rights have not been and will not be registered under the U.S. Securities Act or any applicable U.S. state securities laws. Accordingly, the Rights and the Rights Shares issuable upon exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. Person.

The foregoing is a summary only and is not intended to be exhaustive. Holders of Rights should consult with their advisors concerning restrictions on resale and should not resell their Securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

Will we issue fractional Common Shares upon exercise of the Rights?

No, the Corporation will not issue fractional Common Shares upon the exercise of the Rights. Where the exercise of Rights would otherwise entitle the holder of Rights to fractional Common Shares, the holder's entitlement will be reduced to the next lowest whole number of Common Shares and no cash or other consideration will be paid in lieu thereof.

APPOINTMENT OF DEPOSITARY

Who is the depositary?

Computershare Investor Services Inc. has been appointed to act as the depositary and as the Subscription Agent for the Rights Offering. Pursuant to an agreement with the Corporation, the Subscription Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights at the applicable subscription office. The office of the Subscription Agent noted below, which you may contact, has been appointed to perform these services.

By Hand, Courier or Registered Mail:	**By Mail:**
Computershare Investor Services Inc. 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1 Attention: Corporate Actions	Computershare Investor Services Inc. P.O. Box 7021 31 Adelaide Street East Toronto, Ontario M5C 3H2 Attention: Corporate Actions

Enquiries relating to the Rights Offering should be addressed to the Subscription Agent by telephone at 1-800-564-6253 (North America) or by sending an e-mail to corporateactions@computershare.com.

What happens if the Rights Offering is terminated?

If the Corporation terminates the Rights Offering, the Subscription Agent will return all funds held to holders of Rights that have subscribed for securities under the Rights Offering without interest or deduction.

RISK FACTORS

An investment in the Common Shares issuable upon exercise of the Rights is subject to certain risks, including those described below, as well as those risks related to our business and operations that are described in our continuous disclosure documents. You can access our continuous disclosure documents filed with Canadian securities regulators under the Corporation's profile on SEDAR at www.sedar.com.

Risks Related to the Rights Offering and Related Transactions

The Rights Offering is Subject to the Satisfaction or Waiver of Several Conditions

The completion of the Rights Offering is subject to a number of conditions precedent, some of which are outside of the control of the Corporation, including the receipt of certain regulatory approvals and the satisfaction of customary closing conditions. There can be no certainty that all conditions precedent to the Rights Offering will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Rights Offering not being completed or being completed later than currently anticipated.

If the Rights Offering does not proceed for any reason, although any subscription payments received in connection with the exercise of Rights would be returned promptly to subscribers without interest or deduction, all outstanding Rights would cease to be exercisable for Common Shares and would lose all of their value. In such circumstances, any person who had purchased Rights in the market would lose the entire purchase price paid to acquire such Rights.

Dilution

If a Shareholder exercises all of the Rights issued to them pursuant to the Rights Offering, they will retain their proportionate interest in the outstanding Common Shares on a non-diluted basis. However, if a Shareholder does not exercise some or all of the Rights issued to them, their current percentage ownership in the Corporation will be diluted by the issuance of Common Shares upon the exercise of Rights by other holders of Rights, which dilution may be significant. See "*Dilution*" for more information.

Even if a Shareholder elects to sell its unexercised Rights or if its Rights are sold on its behalf, the consideration it receives may not be sufficient to compensate it fully for the dilution of its current ownership in the Corporation that will be caused as a result of the exercise of Rights by other holders.

Interests of Certain Persons in the Rights Offering

Certain officers and directors of the Corporation may have interests in the Rights Offering that may be different from, or in addition to, the interests of the Shareholders.

Trading Market for Rights

There is currently no market through which the Rights may be sold and purchasers may not be able to resell the Rights issued pursuant to the Rights Offering. This may affect the pricing of the Rights in the secondary market, the transparency and availability of trading prices, the liquidity of the Rights and the extent of issuer regulation. Furthermore, the listing of the Rights and the Common Shares issuable on the exercise of the Rights on the TSX is subject to the approval of the TSX. The Corporation expects that the Rights will be listed on the TSX until 12:00 p.m. (Toronto time) on the Expiry Date, at which time the Rights will be halted from trading. The Corporation cannot, however, provide any assurance that the Rights will be so listed, an active or any trading market in the Rights will develop or that the Rights can be sold on the TSX at any time.

Subscription Price Not Necessarily an Indication of Value

The Subscription Price under the Rights Offering does not necessarily bear any relationship to the book value of the Corporation's assets, past operations, losses, financial condition or any other established criteria for value. Shareholders should not consider the Subscription Price to be an indication of the Corporation's value and the common Shares may trade at prices above or below the Subscription Price.

No Minimum Offering

There is no minimum offering. Without adequate funds, your investment in Rights may not be sufficient to complete any corporate objectives. As a result, the Corporation may need to raise additional capital by way of an offering of

equity securities, an offering of debt securities, or by obtaining financing through a bank or other entity. If the Corporation needs to obtain additional financing, there is no assurance that financing will be available from any source, that it will be available on terms acceptable to the Corporation, or that any future offering of securities will be successful.

Exercise of Rights Irrevocable

Subscriptions for Common Shares (pursuant to the Basic Subscription Privilege and/or the Additional Subscription Privilege) made in connection with this Rights Offering either directly or through a Participant will be irrevocable and subscribers will be unable to withdraw their subscriptions for such Common Shares once submitted. The Common Share trading price could decline below the Subscription Price for the Common Shares, resulting in a loss of some or all of your subscription payment.

Volatility of Market Price of Common Shares

There can be no assurance regarding the future trading price of the Common Shares and the market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Rights and/or Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to MCAN's operating results failing to meet the expectations of securities analysts or investors in any quarter, changes in securities analysts' recommendations or views regarding investing in the Common Shares, governmental regulatory action, adverse changes in general market conditions or economic trends or acquisitions, dispositions or other material public announcements by MCAN or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Information*".

Sale of Common Shares

To the extent that subscribers that exercise Rights sell the Common Shares underlying such Rights, the market price of the Common Shares may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of Common Shares underlying the Rights may cause Shareholders to sell their Common Shares, which may have a material adverse impact on the Corporation and its share price. Sales by Shareholders might also make it more difficult for the Corporation to sell equity securities at a time and price that it deems appropriate.

Responsibilities of Holders of Rights

If you fail to follow the subscription procedures and to meet the subscription deadline, your subscription may be rejected. None of MCAN, the Subscription Agent or any Participant undertakes to contact you concerning, or will attempt to correct, an incomplete or incorrect payment or subscription form. Whether a subscription properly follows subscription procedures is solely within our discretion. See "*How to exercise the Rights*" for more information. See also " *– Risks Related to the Rights Offering and related transactions - Dilution*".

Use of Proceeds

We currently intend to allocate the proceeds received from the Rights Offering as described under "*Use of Available Funds*"; however, management will have discretion in the actual application of the proceeds and may elect to allocate proceeds differently than those described if it believes that it would be in the best interests of our company to do so as circumstances change. The failure of management to apply these funds effectively could have a material adverse effect on MCAN.

Risks Related to the Capital Structure of the Corporation

Market Price of the Common Shares

If, for any reason, the Rights Offering is not completed or its completion is materially delayed, the market price of the Common Shares may be materially adversely affected.

ADDITIONAL INFORMATION

Where can you find more information about MCAN?

You can access our continuous disclosure documents filed with Canadian securities regulators under the Corporation's profile on SEDAR at www.sedar.com. You can also access information about us at our website at www.mcanfinancial.com.

MATERIAL FACTS AND MATERIAL CHANGES

There is no material fact or material change about MCAN that has not been generally disclosed.