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

June 1, 2023

Item 3. News Release

On June 1, 2023, MCAN issued a news release through the newswire services of Canada NewsWire. A copy of the news release is attached as Schedule "A" hereto as filed with and available on SEDAR at www.sedar.com

Item 4. Summary of Material Change

On June 1, 2023, the Company announced that after a comprehensive search by the Board of Directors, Don Coulter has agreed to assume the President and CEO role and join the Board of Directors on December 1, 2023, as part of the planned leadership change.

With the CEO succession resolved, Karen Weaver has chosen to step down as President and CEO and as a Director of the Board effective immediately. She will remain as a consultant through the end of 2023 to support an orderly transition in leadership. Board Chair Derek Sutherland will assume the interim CEO role until December 1st, 2023. The Board has appointed John Coke as Lead Director to ensure independent governance at the Board during Derek Sutherland's tenure as Interim CEO.

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:

Floriana Cipollone
SVP & Chief Financial Officer
416-591-5204

Item 9. Date of Report

June 2, 2023

This news release constitutes a “designated news release” for the purposes of the Company’s prospectus supplement dated October 6, 2021 to its short form base shelf prospectus dated August 20, 2021.

MCAN Financial Group Announces Incoming President and CEO
Karen Weaver Recognized for Outstanding Achievements

Toronto, June 1, 2023 -- MCAN Mortgage Corporation (d/b/a MCAN Financial Group) (“MCAN”) announced today that after a comprehensive search by the Board of Directors, Don Coulter will assume the President and CEO role and join the Board of Directors on December 1, 2023, as part of the planned leadership change.

With the CEO succession resolved, Karen Weaver has chosen to step down as President and CEO and as a Director of the Board effective immediately. She will remain as a consultant through the end of 2023 to support an orderly transition in leadership. Board Chair Derek Sutherland will assume the interim CEO role until December 1st, 2023. The Board has appointed John Coke as Lead Director to ensure independent governance at the Board during Derek Sutherland’s tenure as Interim CEO.

Karen, and the highly focussed team at MCAN, have done a tremendous job over the past four and half years. Under her leadership, MCAN established an award-winning residential mortgage origination platform with annual originations growing from $225 million in 2018 to over $1 billion during her tenure. The overall residential and construction mortgage portfolio grew 110% to $1.9B. Importantly, MCAN’s culture has become a strength and it is certified as a Great Place to Work™ and is an employee destination.

Additionally, over Karen’s tenure as leader of MCAN’s team total asset growth was 95% to $4.1 billion and net income grew by of 53% to $55.4 million with an average ROE of 14.39% over the four-year period ending in 2022. Also, MCAN matured its capital markets program and successfully raised over $90 million in common equity through three oversubscribed rights offerings and with an At The Market program.

After a thorough search process with a number of quality candidates, both external and internal, the MCAN Board unanimously concluded that Don Coulter is the ideal candidate to continue MCAN’s strategic growth and position in the Canadian mortgage market.

Don brings important CEO experience to his new role at MCAN. He is currently the CEO of connectFirst Credit Union and prior to this was the President and CEO of Wyth Financial (formerly Concentra Bank) where he led strategy including a digital transformation, award-winning product development, rebranding, and increased profitability. In addition to these positions, Don was CFO and then CEO of Coast Capital. Don is an alumnus of New York University Stern School of Business and the University of Toronto. He is a Chartered Professional Accountant and is an accredited director by the Institute of Corporate Directors.

"Don will drive long term strategy and build on existing platforms to take us to the next level by continuing MCAN's successes in the Canadian mortgage market," says Sutherland. "His 25 years of executive banking experience will be a key asset in helping us shape our strategic vision. We look forward to his joining MCAN and continuing the work of the executive team and broader company on our journey forward."

MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN" or "we") 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").

MCAN'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.

MCAN's wholly owned subsidiary, MCAN Home Mortgage Corporation, is an originator of residential mortgage products across Canada.

For further information, please contact:

MCAN Financial Group

Website: www.mcanfinancial.com
e-mail: mcanexecutive@mcanfinancial.com

Derek Sutherland
Chair of the Board and Interim CEO
(416) 572-4880

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. Future prospects of MCAN constitutes forward-looking information. The forward-looking

General use only

information contained in this news release is based on a number of assumptions which we believe to be reasonable, including assumptions relating to the investment opportunities that will be available to MCAN in its core business. 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, general risks relating to capital markets, economic conditions, regulatory changes, as well as the operations of our business. These factors may 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.

General use only