

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

Item 1. Reporting Issuer

MCAN Mortgage Corporation (the “**Corporation**”)
200 King Street West
Suite 400
Toronto, ON
M5H 3T4

Item 2. Date of Material Change

July 8, 2010

Item 3. Press Release

On July 8, 2010, a news release in the form attached as Schedule “A” was issued and disseminated through Canada NewsWire.

Item 4. Summary of Material Change

On July 8, 2010, the Corporation announced the appointment of William Jandrisits as President, Chief Executive Officer and Director of MCAN Mortgage Corporation, effective August 4, 2010. In order to accommodate Mr. Jandrisits’ appointment to the Board, Raymond Doré will resign as a Director of the Corporation.

Effective August 4, 2010, Ian Sutherland will resign as Interim Chief Executive Officer and be re-appointed Chairman of the Board of the Corporation. David Broadhurst will resign as Interim Chairman.

Item 5. Full Description of Material Change

Please see the news release attached as Schedule “A”.

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

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change described in this report:

Ian Sutherland, Interim CEO
Telephone: (416) 591-2726

Item 9. Date of Report

July 9, 2010

Schedule “A”

Stock Market Symbol

TSX: MKP

MCAN MORTGAGE CORPORATION

Toronto, Ontario – July 8, 2010. MCAN Mortgage Corporation (“MCAN” or the “Corporation”) is pleased to announce the appointment of William Jandrisits as President and Chief Executive Officer and a Director of the Corporation effective August 4, 2010.

Mr. Jandrisits previously served as Director of Investor Relations & Strategic Initiatives – Canada and Director of Finance for Starwood Capital Group. Prior to 2006, Mr. Jandrisits spent 13 years with the RBC Financial Group and headed RBC Banking’s North American Real Estate group. He has an MBA from The University of Western Ontario, Ivey School of Business.

In order to accommodate the appointment of Bill Jandrisits to the Board, Raymond Doré will resign as a Director of the Corporation after 13 years as a director, including serving as Chairman of the Board from July 2000 to May 2006. The Board would like to thank Ray for his long service and valuable contribution to the Corporation. His involvement with MCAN will continue in his capacity as a significant shareholder of the Corporation.

Effective August 4, 2010, Ian Sutherland will resign as Interim Chief Executive Officer and be re-appointed Chairman of the Board of the Corporation. David Broadhurst will resign as Interim Chairman.

“We are delighted to have someone with Bill’s stature and expertise join our team to lead the development of MCAN,” said Ian Sutherland.

“I look forward to working with this talented group of individuals and to contributing to the growth of MCAN,” responded Bill Jandrisits.

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.

The Corporation’s objective is to generate a reliable stream of income by investing its funds in a portfolio of mortgages (including single family residential, residential construction, non-residential construction and commercial loans), as well as other types of loans and investments, real estate and securitization 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 basis) as permitted by the Tax Act. The term deposits are sourced through a network of independent financial agents. As a mortgage investment company, MCAN is entitled to deduct from income for tax purposes 50% of capital gains dividends and 100% of non-capital gains dividends paid by the Corporation. Such dividends are received by the shareholders as capital gains dividends and interest income, respectively.

For further information, please contact:

MCAN Mortgage Corporation

Website: www.mcanmortgage.com

e-mail: isutherland@mcanmortgage.com

Ian Sutherland

Interim Chief Executive Officer

(416) 591-2726