

FORM 51 – 102F3
MATERIAL CHANGE REPORT

1. Name and address of Company:

MCAN Mortgage Corporation
200 King Street West
Suite 400
Toronto, Ontario
M5H 3T4

2. Date of Material Change:

July 5, 2007.

3. New Release:

A press release disclosing the details outlined in this Material Change Report was issued by MCAN Mortgage Corporation (“MCAN” or the “Company”) from Toronto, Ontario on July 6, 2007 and disseminated through the facilities of CNW Group and would have been received by the securities commissions where MCAN is a “reporting issuer” and the stock exchange on which the securities of MCAN are listed and posted for trading in the normal course of its dissemination.

4. Summary of Material Change:

On July 5, 2007, MCAN successfully completed a fully subscribed rights offering.

5. Full Description of Material Change:

On July 5, 2007, MCAN completed a fully subscribed rights offering (the “Offering”) that expired on July 5, 2007. The Offering raised gross proceeds of \$16,379,800 with 1,559,981 new Common Shares issued. Of the new Common Shares issued, 1,380,681 were subscribed for under the initial subscription privilege and 179,300 were subscribed for under the additional subscription privilege.

The net proceeds of the Offering will be used to increase regulatory capital.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not Applicable.

7. Omitted Information:

Not Applicable.

8. Executive Officer:

Blaine Welch
President & Chief Executive Officer
(416) 591-2726
200 King Street West
Suite 400
Toronto, Ontario
M5H 3T4

9. Date of Report:

July 6, 2007