



MCAN MORTGAGE CORPORATION ESTABLISHES AT-THE-MARKET PROGRAM

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Toronto, Ontario – October 6, 2021. MCAN Mortgage Corporation ("MCAN", the "Company" or "we") (TSX: "MKP") today announced that it has established an at-the-market equity program (the "ATM Program") that allows the Company to issue up to \$30,000,000 (the "Maximum Amount") of common shares ("Common Shares") from treasury to the public from time to time. The ATM Program is being established pursuant to a prospectus supplement (the "Prospectus Supplement") dated the date hereof and filed in each of the provinces and territories of Canada, to the Company's short form base shelf prospectus dated August 20, 2021 (the "Shelf Prospectus", and together with the Prospectus Supplement, the "Prospectus").

Sales of the Common Shares through the ATM Program will be made pursuant and subject to the terms of an equity distribution agreement dated the date hereof (the "Distribution Agreement") with Canaccord Genuity Corp. The volume and timing of distributions under the ATM Program, if any, will be determined at MCAN's sole discretion.

Sales of the Common Shares will be made through "at-the-market distributions" as defined in National Instrument 44-102 - *Shelf Distributions*. The Common Shares will be distributed under the ATM Program at the market prices prevailing at the time of sale, and therefore prices may vary as between purchasers and over time. The ATM Program will end on the earlier of (i) September 20, 2023, and (ii) the date of distribution of the Maximum Amount, unless terminated prior to such date in accordance with the terms of the Distribution Agreement. The Company plans to use the net proceeds, if any, from the ATM Program to grow the Company's mortgage lending and investing business.

"We view the ATM Program as adding to our capital raising capabilities and one element of our long-term sources of capital that can be used to fund growth" said Karen Weaver, President and Chief Executive Officer. "Under this program, we can incrementally raise capital over a 2-year period to deploy as we grow, at our discretion. MCAN's business growth in the past year has been funded through our DRIP and a successful equity raise through a shareholder rights offering. We believe the establishment of this program provides the Company with an attractive alternative source of incremental capital and greater flexibility to raise equity. As we look forward to funding future growth, we will continue to evolve our capital markets and other funding strategies."

The Prospectus has been filed with the securities commissions in all provinces and territories of Canada. The Prospectus contains important detailed information about the securities being offered. Before you invest, you should read the Prospectus and the other documents the Company has filed for more complete information about the Company and the ATM Program. Copies of the Distribution Agreement and the Prospectus are available under the Company's profile at www.sedar.com.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Common Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. Further, this news release does not constitute an offer to sell or the solicitation of an offer to buy in the United States and the Common Shares referred to in this news release may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or pursuant to an applicable exemption from the registration requirements under the U.S. Securities Act of 1933 and applicable state securities laws.

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 single family 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 and 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 ("OSFI").

In order to take advantage of the tax benefits provided by its MIC status, we typically pay out substantially all of MCAN's nonconsolidated taxable income to shareholders through dividends. As a MIC, we are entitled to deduct the dividends that we pay to shareholders from our

taxable income. Regular dividends are taxed as interest income to shareholders. We are able to pay capital gains dividends, which would be taxed as capital gains to shareholders. Dividends paid to foreign investors may be subject to withholding taxes. The Company has historically paid out dividends in cash but has the option to pay out its dividends in the form of cash or shares. In the event of a significant increase in taxable income relative to accounting income, the Company may look to pay out a combination of regular dividends in the form of cash and special dividends in the form of shares, which would conform with OSFI's current restriction on increasing cash dividends. This is consistent with our dividend policy and our obligations as a MIC, while at the same time providing a cost effective source of capital for the Company to support future growth and business operations. 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, XMC Mortgage Corporation, is an originator of single family residential mortgage products across Canada.

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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. Forward-looking information contained in this news release includes any stated or implied growth for the Company, the aggregate value of Common Shares which may be issued pursuant to the ATM Program, MCAN’s expected use of the net proceeds of the ATM Program, if any, and the anticipated benefits of the ATM Program. The forward-looking information contained in this news release is based on a number of assumptions which we believe to be reasonable including, but not limited to, the aggregate net proceeds received as a result of the ATM Program. 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, risks related to the price at which Common Shares are sold under the ATM Program, the aggregate net proceeds received by MCAN as a result of the ATM Program, and the factors discussed under “Risk Factors” in the Shelf Prospectus. 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 is 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.