



MCAN MORTGAGE CORPORATION ANNOUNCES FILING OF FINAL BASE SHELF PROSPECTUS FOR \$400 MILLION IN SECURITIES

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Toronto, Ontario – August 23, 2021. MCAN Mortgage Corporation ("MCAN", the "Company" or "we") (TSX: "MKP") today announced that it has filed and obtained a receipt for a final short form base shelf prospectus (the "Shelf Prospectus") with the Securities Commissions in each of the provinces and territories of Canada. The preliminary base shelf prospectus was filed and receipted on August 13, 2021. With the Shelf Prospectus, MCAN is now allowed to make public offerings of up to \$400 million of common shares, preferred shares, debt securities, subscription receipts, warrants and units (the "Securities") during the 25-month period that the Shelf Prospectus is effective. The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale, and set forth in an accompanying prospectus supplement. MCAN has filed the Shelf Prospectus in order to maintain financial flexibility and to have the ability to offer Securities on an accelerated basis to fund current and future growth of the business.

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 Securities 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 Securities 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 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, 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 forward-looking information contained in this news release is based on a number of assumptions which we believe to be reasonable. 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 offering or sale of Securities pursuant to the Shelf Prospectus, 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.