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

**Item 1 – Name and Address of Company**

Element Financial Corporation
41 Lesmill Road
Toronto, ON M3B 2T3

**Item 2 – Date of Material Change**

December 15, 2011

**Item 3 – News Release**

A news release in respect of the material change was issued on December 14, 2011 through the facilities of Canada NewsWire, was subsequently filed on SEDAR and is included as Schedule "A" to this material change report.

**Item 4 – Summary of Material Change**

On December 14, 2011, shareholders of Mira II Acquisition Corp. ("**Mira II**") approved the amalgamation (the "**Amalgamation**") of Mira II with Element Financial Corporation ("**Element**") to form an amalgamated Ontario entity to be known as "Element Financial Corporation" and the consolidation of Mira II's common shares on the basis of one post-consolidation common share for every 32.3077 common shares issued and outstanding immediately before the consolidation (the "**Consolidation**"). Mira II completed the Consolidation on December 14, 2011. The Amalgamation was completed pursuant to the amalgamation agreement between Element and Mira II dated October 28, 2011. The Certificate and Articles of Amalgamation under the *Business Corporations Act* (Ontario) giving effect to the Amalgamation were issued December 14, 2011 and the Amalgamation was effective on December 15, 2011. The Amalgamation constitutes Mira II's Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange).

**Item 5 – Full Description of Material Change**

On December 14, 2011, shareholders of Mira II approved the Amalgamation (the "**Amalgamation**") of Mira II with Element to form an amalgamated Ontario entity to be known as "Element Financial Corporation" (the "**Resulting Issuer**") and the consolidation of Mira II's common shares on the basis of one post-consolidation common share for every 32.3077 common shares issued and outstanding immediately before the consolidation. Mira II completed the Consolidation on December 14, 2011. The Certificate and Articles of Amalgamation under the *Business Corporations Act* (Ontario) giving effect to the Amalgamation were issued December 14, 2011 and the Amalgamation was effective on December 15, 2011. The Amalgamation constitutes Mira II's Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange (the "**TSXV**")). The Amalgamation was completed pursuant to the amalgamation agreement between Element and Mira II dated October 28, 2011.

The TSXV has approved the Qualifying Transaction of Mira II. The Toronto Stock Exchange (the "**TSX**") has approved the listing of the common shares of the Resulting Issuer. Following the release of the respective final bulletins of the TSX and the TSXV, on December 14, 2011 and December 15, 2011, respectively, the common shares of the Resulting Issuer commenced trading on the TSX under the symbol "EFN" on December 16, 2011, at which time Mira II's common shares were delisted from the TSXV.

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

Not applicable.

**Item 7 – Omitted Information**

No significant facts have been omitted from this report.

**Item 8 – Executive Officer**

Jim More
Vice Chairman & Senior Executive Vice President
Element Financial Corporation
Tel: (416) 386-1067 ext. 219
E-mail: jmore@elementfinancial.ca

**Item 9 – Date of Report**

December 28, 2011

**SCHEDULE "A"**

# Mira II Acquisition Corp.

## JJR CAPITAL CORP. ANNOUNCES COMPLETION OF AMALGAMATION OF MIRA II ACQUISITION CORP. WITH ELEMENT FINANCIAL CORPORATION EFFECTIVE DECEMBER 15, 2011

**TSX VENTURE EXCHANGE: MIA.P FOR IMMEDIATE RELEASE**

**Toronto, Ontario – December 14, 2011 –** Further to the press releases dated October 5, 2011 and October 28, 2011, JJR Capital Corp. is pleased to announce that the shareholders of Mira II approved the amalgamation (the "Amalgamation") of Mira II with Element Financial Corporation ("Element") to form an amalgamated Ontario entity to be known as "Element Financial Corporation" (the "Resulting Issuer") and the consolidation of Mira II's common shares on the basis of one post-consolidation common share for every 32.3077 common shares issued and outstanding immediately before the consolidation (the "Consolidation"). Mira II completed the Consolidation today. The Certificate and Articles of Amalgamation under the *Business Corporations Act* (Ontario) giving effect to the Amalgamation have been issued today and the Amalgamation will be effective on December 15, 2011. The Amalgamation constitutes Mira II's Qualifying Transaction (as such term is defined in the policies of the TSX Venture Exchange (the "TSXV")).

The TSXV has conditionally approved the Qualifying Transaction of Mira II. The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the common shares of the Resulting Issuer, subject to the fulfillment of certain conditions. Following the release of the respective final bulletins of the TSX and the TSXV, the common shares of the Resulting Issuer are expected to commence trading on the TSX under the symbol "EFN" on December 16, 2011, at which time Mira II's common shares will be delisted from the TSXV.

*Investors are cautioned that, except as disclosed in the management information circular prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in securities of a capital pool company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR

SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

*Notice on forward-looking statements:*

*This release includes forward-looking statements regarding Mira II, Element, and their respective businesses. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this release, including completion of the proposed Qualifying Transaction, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including risks regarding the equipment finance industry, economic factors and the equity markets generally. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Mira II and Element undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise*

Mira II is a capital pool company governed by the policies of the TSXV. Mira II's principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

For further information please contact:

Ronald D. Schmeichel, CEO of Mira II Acquisition Corp. at 416-972-6294.