

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

Item 1 Name and Address of Company

Pender Growth Fund Inc.
Suite 1640 – 1066 West Hastings Street
Vancouver, BC V6E 3X1

(the “**Company**”)

Item 2 Date of Material Change

May 10, 2019

Item 3 News Release

The news release was disseminated on May 10, 2019 through Globe Newswire and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

On May 10, 2019, the Company announced that it had closed a public offering of its Class C participating common shares (the “Common Shares”) at a price of \$3.90 per Common Share (the “Offering Price”) for aggregate proceeds of \$15,015,000 (the “Offering”).

The Company has also granted the agents an option to purchase up to an additional 15% of the Common Shares sold under the Offering at the Offering Price to cover over-allotments, if any, and for market stabilization purposes.

The Company intends to use the net proceeds of the Offering to invest in public and private investment opportunities principally in the information technology and telecommunications sectors, according to the Company’s investment strategies, as well as for working capital and general corporate purposes.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See attached Schedule "A".

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, contact:

Gina Jones
Chief Financial Officer and Corporate Secretary
Telephone: 604-688-1511

Item 9 Date of Report

May 17, 2019

Schedule "A"
News Release

See attached.



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NEWS RELEASE

FOR IMMEDIATE RELEASE

May 10, 2019

Pender Growth Fund Closes Marketed Public Offering of Class C Shares for Gross Proceeds of \$15,015,000

VANCOUVER, B.C. (TSXV: PTF) Pender Growth Fund Inc. (the “Company”) is pleased to announce the closing of its previously announced public offering of Class C participating common shares (the “Common Shares”) at a price of \$3.90 per Common Share (the “Offering Price”) for aggregate proceeds of \$15,015,000 (the “Offering”).

The syndicate of agents (the “Agents”) was led by PI Financial Corp.

The Company has also granted the Agents an option to purchase up to an additional 15% of the Common Shares sold under the Offering at the Offering Price to cover over-allotments, if any, and for consequent market stabilization purposes.

The Company intends to use the net proceeds of the Offering to invest in public and private investment opportunities principally in the information technology and telecommunications sectors, according to the Company’s investment strategies, as well as for working capital and general corporate purposes.

The Common Shares were offered pursuant to the Company’s short form base shelf prospectus dated April 11, 2019 (the “Shelf Prospectus”) and a prospectus supplement (the “Prospectus Supplement”) dated May 6, 2019 as filed with securities regulators in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. A copy of the Shelf Prospectus and Prospectus Supplement can be found under the Company's profile on SEDAR at www.sedar.com

This news release shall not constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction. There shall not be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such province, state or jurisdiction. The securities offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from such registration requirements. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. persons.

About the Company

Pender Growth Fund Inc. is an investment company with the objective of achieving long-term capital appreciation for its investors. The Company utilizes its small capital base and long-term horizon to invest in unique situations; primarily small cap, special situations, and illiquid public and private companies. The Company trades on the TSX Venture Exchange under the symbol “PTF”. Please visit www.pendergrowthfund.com.

For further information, please contact:

Lucy Nair
PenderFund Capital Management Ltd.
(778) 945-5114
Toll Free: (866) 377-4743

Forward-Looking Information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. Forward-looking statements are identified by words such as “believe”, “anticipate”, “project”, “expect”, “intend”, “plan”, “will”, “may”, “estimate” and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections and include, without limitation, statements regarding the use of proceeds of the Offering. The forward-looking statements in this news release are based on certain assumptions; they are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading “Risk Factors” in the Company's annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.