

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

**Item 1 Name and Address of Company**

Pender Growth Fund Inc. (“**Pender Growth Fund**” or the “**Company**”)  
Suite 1830 – 1066 West Hastings Street  
Vancouver, BC V6E 3X1

**Item 2 Date of Material Change**

December 9, 2020

**Item 3 News Release**

The news release was disseminated on December 9, 2020 through Globe Newswire and filed on SEDAR.

**Item 4 Summary of Material Change**

On December 9, 2020, the Company announced that it had agreed to participate in Greenspace Brand Inc.’s (TSX-V: JTR) (“**Greenspace**”) proposed brokered private placement (the “**Greenspace Offering**”).

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

On December 9, 2020, the Company announced that it had agreed to participate in Greenspace Brand Inc.’s proposed brokered private placement financing.

It is anticipated that Pender Growth Fund will acquire 42,140,328 units of Greenspace (“**Greenspace Units**”) at a price of \$0.05 per Greenspace Unit for a purchase price of approximately \$2.1 million. In addition, it is anticipated that Pender Growth Fund’s manager, PenderFund Capital Management Ltd. (“**PenderFund**”) will acquire 37,859,672 Greenspace Units on behalf of certain investment funds it manages. As used herein, “Pender” refers to Pender Growth Fund and PenderFund collectively.

Each Greenspace Unit consists of one common share of Greenspace (a “**Greenspace Share**”) and one common share purchase warrant (a “**Greenspace Warrant**”). Each Greenspace Warrant will entitle the holder to acquire an additional Greenspace Share at an exercise price of \$0.08 for 24 months following closing of the Greenspace Offering, subject to an accelerated expiry provision.

Pender currently holds an aggregate of 63,699,000 Greenspace Shares, representing 26.58% of the issued and outstanding common shares. Of this

amount, Pender Growth Fund holds 22,828,320 Greenspace Shares representing 9.53% of the issued and outstanding common shares.

Greenspace initially announced that the Greenspace Offering would consist of 125,000,000 Greenspace Units. On December 11, 2020 Greenspace announced that the Greenspace Offering was increasing to 150,000,000 Greenspace Units. The anticipated ownership percentages of Pender referenced below reflect the increased size of the Greenspace Offering and, accordingly, are slightly lower than the anticipated ownership percentages disclosed in the Company's December 9, 2020 news release.

Upon closing of the Greenspace Offering, Pender will hold an aggregate of 143,699,000 Greenspace Shares, representing 36.88% of the issued and outstanding common shares (on a non-diluted basis). Of this amount, Pender Growth Fund will hold 64,968,648 Greenspace Shares, representing 16.67% of the issued and outstanding common shares (on a non-diluted basis). As disclosed by Greenspace, as Pender is currently an insider and control person of Greenspace, Pender's participation in the Greenspace Offering is considered to be a "related party transaction" for Greenspace pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") and Greenspace intends to rely on exemptions to the requirements in MI 61-101 that would otherwise require a formal valuation and minority shareholder approval of Pender's participation. The independent directors of Greenspace have determined that the terms of the Greenspace Offering (including Pender's participation) is fair to, and in the best interests of, the shareholders of Greenspace.

Closing of the Greenspace Offering is subject to receipt of all necessary corporate and regulatory approvals, including the approval of the TSX Venture Exchange.

## **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  
Telephone: 604-688-1511

**Item 9      Date of Report**

December 21, 2020.