

Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

Pender Growth Fund (VCC) Inc. (the "Company")
Suite 2200, 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Item 2 Date of Material Change

October 3, 2007

Item 3 News Release

Press Release was issued at Vancouver, British Columbia on October 3, 2007.

Item 4 Summary of Material Change

Pender Financial Group Corporation ("Pender Financial"), the owner of Pender Capital Management Ltd. (the "Manager"), the manager of the Company, has entered into an agreement in principle to sell the shares of the Manager to Kelly Edmison, David Barr and Bill Rand, thereby indirectly transferring to them the management contract for the Company.

Item 5 Full Description of Material Change

Pender Financial, the owner of the Manager, the manager of the Company, has entered into an agreement in principle to sell the shares of the Manager to Kelly Edmison, Dave Barr and Bill Rand, thereby indirectly transferring to them the management contract for Pender Growth.

Kelly Edmison has been Chairman of the Company since inception. David Barr has been the Fund Manager since inception and Bill Rand is the Chairman of Pender Financial and a long time business associate of Mr. Edmison. Mr. Rand has had a long and successful career in public venture capital.

The proposed transaction will not have any impact on the day to day operation of the Company. The Company will file a prospectus shortly and it is expected that shares will be available for sale by early November 2007.

The sale is subject to completion of formal sales documentation, regulatory approval, approval of the Board of the Company, and certain other conditions usual to arrangements of this nature. As the transaction is non-arms length in nature, the transaction must be approved by an Independent Committee of the directors and may be referred to the shareholders for approval. It is anticipated that the transaction will close within 30-60 days.

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

The following executive officer of the Company is available to answer questions regarding this report:

David Barr, Chief Financial Officer and Investment Manager
of PenderFund Capital Management Ltd.,
Manager of Pender Growth Fund (VCC) Inc.

Telephone: 604-630-5446

Item 9 Date of Report

Date the Report.

October 12, 2007