FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Pender Growth Fund Inc.
Suite 1830 – 1066 West Hastings Street
Vancouver, BC V6E 3X1

(the "**Company**")

Item 2 Date of Material Change

March 2, 2020

Item 3 News Release

The news release was disseminated on March 2, 2020 through Globe Newswire and filed on SEDAR.

Item 4 Summary of Material Change

On March 2, 2020, the Company reported that the previously announced private portfolio company (the "**Portfolio Company**") that had accepted a term sheet for a significant equity financing in January 2020 was not successful in closing the financing. As a result, the Company determined it was appropriate to further reduce its carrying value of the Company's investment in the Portfolio Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On March 2, 2020, the Company reported that the previously announced Portfolio Company that had accepted a term sheet for a significant equity financing in January 2020 was not successful in closing the financing. If the Portfolio Company is successful in closing an alternate financing in the future, it is expected to be at significantly unfavourable terms to existing investors.

After careful consideration of the terms of a potential alternate financing, the Company determined it appropriate to further reduce the Company's carrying value of the Portfolio Company. The Company's total net asset value is therefore decreased by approximately $1.9 million ($0.23 of net asset value per share).

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

March 9, 2020.