Form 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Pender Growth Fund Inc.
Suite 1830 – 1066 West Hastings Street
Vancouver, British Columbia V6E 3X2

Item 2. Date of Material Change

March 27, 2020

Item 3. News Release

A news release announcing the material change referred to in this report was issued on March 30, 2020 through the facilities of GlobeNewswire at www.globenewswire.com/ and filed on SEDAR at www.sedar.com.

Item 4. Summary of Material Change

On March 30, 2020, Pender Growth Fund Inc. and PenderFund Capital Management Ltd. (collectively, "**Pender**") announced that Pender has completed the second and final tranche of investment, by way of private placement, in GreenSpace Brands Inc. ("**GreenSpace**"), consisting of the issuance of an aggregate of 37,705,991 common shares of GreenSpace (the "**Shares**") to Pender Growth Fund Inc. and other funds managed by PenderFund Capital Management Ltd. at a price of $0.065 per Share for aggregate gross proceeds of approximately $2.5 million, pursuant to the terms of an investment agreement, as amended, between PenderFund Capital Management Ltd. and GreenSpace (the "**Amended Investment Agreement**") and subject to final approval of the TSX Venture Exchange (the "**TSX-V**").

Item 5.1 Full Description of Material Change

On March 30, 2020, Pender announced that, further to its news release dated February 26, 2020, Pender has completed the second and final tranche of investment, by way of private placement, in GreenSpace pursuant to the terms of the Amended Investment Agreement and subject to final approval of the TSX-V.

Having received conditional approval from the TSX-V and the approval of GreenSpace's disinterested shareholders in accordance with the rules and policies of the TSX-V, Pender Growth Fund Inc. and other funds managed by PenderFund Capital Management Ltd. purchased, by way of private placement, 37,705,991 Shares of GreenSpace at a price of $0.065 per Share for aggregate gross proceeds of approximately $2.5 million (the "**Second Tranche**") pursuant to the terms and conditions of the Amended Investment Agreement. Of that amount, Pender Growth Fund Inc. invested approximately $0.675 million. Upon closing of the Second Tranche, Pender Growth Fund Inc. and other funds managed by PenderFund Capital Management Ltd. holds an equity stake in GreenSpace of approximately 27.5%, of which Pender Growth Fund Inc. holds an equity stake of approximately 9.9%.

In connection with the closing of the Second Tranche, GreenSpace's board of directors (the "**Board**") has been further reconstituted such that two additional members of the Board resigned effective upon closing of the Second Tranche, and an additional appointee designated by Pender, being Kelly Edmison, has been appointed to the Board effective upon closing of the Second Tranche.

The Shares issued under the Second Tranche are subject to a hold period expiring four-months and a day from the closing of the Second Tranche. For additional details regarding the transaction, please see GreenSpace's and Pender Growth Fund Inc.'s press releases dated February 19, 2020 and February 26, 2020.

Disclaimer for Forward-Looking Information

This material change report may contain forward-looking statements (within the meaning of applicable securities laws) relating to Pender Growth Fund Inc.'s investment in GreenSpace Brands Inc. 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 Pender's expectations and conditions relating to the completion of its investment in GreenSpace. The forward-looking statements in this material change report are based on certain assumptions; they are not guarantees 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 receipt of final approval from the TSX-V. There can be no assurance that forward-looking statements will prove to be as 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 material change report and, except as expressly required by applicable law, Pender Growth Fund Inc. assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

For further information, please contact Gina Jones, Chief Financial Officer at 604-688-1511.

Item 9. Date of Report

This material change report is dated April 1, 2020.