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NEWS RELEASE

Pender Growth Fund Announces Shareholder Meeting Results and Update on Proposed Reclassification

VANCOUVER, B.C., May 25, 2018 (TSXV: PTF) Pender Growth Fund Inc. (the “Pender”) is pleased to announce that its shareholders approved all matters put before them at the annual general and special meeting held May 23, 2018 (the “Meeting”), including an ordinary resolution authorizing Pender to cease to be classified as a non-redeemable investment fund and to be reclassified as a public company reporting issuer under applicable securities law (the “Reclassification”).

Pender currently anticipates that the Reclassification will become effective in the fourth quarter of 2018 with its first financial filing following the Reclassification being the audited financial statements for the year-ended December 31, 2018.

Full details on the Reclassification and its impact on Pender, including Pender’s continuous disclosure obligations and investment restrictions, are contained in the Information Circular mailed to the shareholders of Pender in connection with the Meeting.

Pender does not anticipate that the Reclassification will have a material impact on Pender’s assets, liabilities, revenue, profitability, cash flow or business plan.

About Pender

Pender is a closed-end investment fund with a goal of growing the NAV on a per share basis over the long-term. Pender will utilize its small capital base, closed-end structure and long-term horizon to invest in unique situations; primarily small cap, special situations, and illiquid public and private companies.

For further information, please visit www.pendergrowthfund.com or contact:

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Cautionary Statements Regarding Forward Looking Information

This press release includes certain “forward-looking information” and “forward-looking statements” (collectively “forward-looking statements”) within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future operating or financial performance of the Company, are forward-looking statements.

Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this press release relate to, among other things, the completion of the Reclassification and the impact of the Reclassification on Pender's assets, liabilities, revenue, profitability, cash flow or business plan. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by Pender, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, management's discretion to not proceed with the Proposed Reclassification. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, Pender does not assume any obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.