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NEWS RELEASE

FOR IMMEDIATE RELEASE

April 26, 2019

Pender Growth Fund Announces Marketed Public Offering of Class C Shares

VANCOUVER, B.C. (TSXV: PTF) Pender Growth Fund Inc. (the “Company”) is pleased to announce that it is undertaking a public offering of its Class C participating common shares (the “Common Shares”) at a price per Common Share to be determined in the context of the market (the “Offering Price”) for aggregate proceeds of approximately \$20,000,000 (the “Offering”).

The syndicate of agents (the “Agents”) is being led by PI Financial Corp.

The Company has also granted the Agents an option to purchase up to an additional 15% of the Common Shares sold under the Offering at the Offering Price to cover over-allotments, if any, and for market stabilization purposes.

The Company intends to use the net proceeds of the Offering to invest in public and private investment opportunities principally in the information technology and telecommunications sectors, according to the Company’s investment strategies, as well as for working capital and general corporate purposes.

The Common Shares will be offered pursuant to the Company’s short form base shelf prospectus dated April 11, 2019 (the “Shelf Prospectus”). A copy of the Shelf Prospectus can be found under the Company's profile on SEDAR at www.sedar.com. The terms of the Common Shares will be described in a prospectus supplement to be filed with securities regulators in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

The Offering is subject to certain customary conditions, including the approval of the TSX Venture Exchange, and is expected to close on or about May 8, 2019.

The Offering Price is expected to be determined in the context of the market, with the final terms of the Offering to be determined at the time of pricing. There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering.

In connection with the Offering, the Company is proposing a reduction to the management fee (the “Management Fee”) payable to PenderFund Capital Management Ltd. (the “Manager”) under the existing management agreement between the Company and the Manager (the “Management Agreement”).

The current Management Fee is 2.50% per annum of the Net Asset Value (as defined in the Management Agreement) up to a Net Asset Value of \$50,000,000 and 2.00% of the Net Asset Value on the amount by which the Net Asset Value exceeds \$50,000,000. In the event the proceeds of the Offering are a minimum of \$15,000,000, the Company and the Manager have agreed that the Management Fee will be revised to 2.50% per annum of the Net Asset Value up to a Net Asset Value of \$15,000,000 and 1.75% of the Net Asset Value on the amount by which the Net Asset Value exceeds \$15,000,000.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction. There shall not be any sale of these securities in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such province, state or jurisdiction. The securities offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States, or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from such registration requirements. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. persons.

About the Company

Pender Growth Fund Inc. is an investment company with the objective of achieving long-term capital appreciation for its investors. The Company utilizes its small capital base and long-term horizon to invest in unique situations; primarily small cap, special situations, and illiquid public and private companies. The Company trades on the TSX Venture Exchange under the symbol “PTF”. Please visit www.pendergrowthfund.com.

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Forward-Looking Information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company and the environment in which it operates. 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 the Company’s expectations, estimates, forecasts and projections and include, without limitation, statements regarding the completion of the Offering, the use of proceeds thereof and the proposed reduction to the Management Fee. The forward-looking statements in this news release are based on certain assumptions, including that all conditions to completion of the Offering will be satisfied or waived, that the Offering will be completed and, in relation to the proposed reduction of the Management Fee, that the minimum proceeds of the Offering will be \$15,000,000; they are not guarantees of future performance 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 factors discussed under the heading “Risk Factors” in the Company’s annual information form available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be 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 news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.