

**Form 51-102F3**  
***Material Change Report***

**Item 1            Name and Address of Company**

LOTUS VENTURES INC.  
200 – 24 East 4<sup>th</sup> Avenue  
Vancouver, BC V5T 1E8

**Item 2            Date of Material Change**

January 30, 2017

**Item 3            News Release**

January 30, 2017 Facility Financing

**Item 4            Summary of Material Change**

The attached news release contains an accurate summary of the nature and substance of the material change.

**Item 5            Full Description of Material Change**

See attached news release which contains a full description of the material change.

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

Not applicable

**Item 7            Omitted Information**

Not applicable

**Item 8            Executive Officer**

Dale McClanaghan, President and CEO  
604-644-9844

**Item 9            Date of Report**

February 3, 2017

## **LOTUS VENTURES INC.**

Suite 1010 – 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3

**Canadian Securities Exchange: Symbol J**

**Vancouver, British Columbia – January 30, 2017**

### **Facility Financing Agreement**

Lotus Ventures Inc. is pleased to announce that it has entered into a binding agreement to access up to \$12 million of financing. Monies will be advanced in two stages, as required to build out its first production facility, in Armstrong BC, and its planned initial expansion. Provision of this financing is subject to satisfaction of a number of pre-conditions including receipt of the Affirmation Confirmation from Health Canada. This financing will be completed as a future equity issue or series of issues done according to a very accretive pricing and production royalty formula in the agreement. This agreement has been modeled on similar agreements more commonly found in the mining sector.

The Company applied for the Building Permit for the production facility on November 28, 2016 and township officials advise the permit will be issued shortly.

Construction is planned to commence immediately following this Health Canada approval. Additional information will be provided on a more recurring basis as we progress towards becoming a licensed producer of medical marijuana.

These announcements are significant milestones on our path to becoming an important participant in the rapidly developing Canadian regulated market for marijuana production for medical and, soon to be legalized, adult recreational use.

### **ON BEHALF OF THE BOARD**

**Lotus Ventures Inc.**

“Dale McClanaghan”

Dale McClanaghan, President and CEO

### **For further information, contact:**

Dale McClanaghan, President and CEO - (604) 644-9844

***The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.***