

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

LOTUS VENTURES INC.
Suite 1010- 1030 West Georgia St.
Vancouver, BC V6E 2Y3

Item 2 Date of Material Change

April 19, 2017

Item 3 News Release

April 19, 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

April 19, 2017

LOTUS VENTURES INC.

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

Canadian Securities Exchange: Symbol J

Vancouver, British Columbia – April 19, 2017

Cannabis Facility Permits Issued

Lotus Ventures Inc. is pleased to report that its activities to obtain Licensed Producer (LP) status under the Health Canada, Access To Cannabis For Medical Purposes Regulations (ACMPR) has moved forward and we are poised to begin construction of the first facility in 2017.

Lotus has received approval for the necessary building permit for its proto-type facility from Spallumcheen Township near Armstrong BC. We have received a binding financial commitment to fund the two-stage construction, previously announced on January 30, 2017 and have received further information that Lotus Ventures Inc. has well advanced along in the approval process and expects to receive an affirmation confirmation from Health Canada to commence building this year. We have also created a community contribution profile which highlights our creation of 60 – 70 permanent jobs from the initial \$18 million investment plan in the North Okanagan region.

Health Canada has increased its budget and staffing, which will increase the speed at which it issues affirmation confirmations and processes LP applications. The Federal Government has issued legislation in favor of LP's being the permitted producers in the adult recreation legal market to commence July 1, 2018.

These announcements are material milestones for Lotus Ventures becoming an important market participant in the rapidly-developing Canadian regulated market for both medical and adult recreational use markets. We anticipate events developing more rapidly, in the near future, and will keep our shareholders informed as we move forward with our business plans.

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.