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

Canadian Securities Exchange: Symbol J

Vancouver, British Columbia – July 27, 2018

LOTUS FACILITY CONSTRUCTION & COMMISSIONING UPDATE

ARMSTRONG FACILITY

Construction of Lotus' initial production facility, at our recently purchased 23-acre location in Armstrong, BC is scheduled to complete in early September 2018. The building is 22,500 square feet with an annual production capacity 2,000KG per year of top-shelf cannabis. In September, the Lotus team will prepare its "evidence package" for Health Canada that will enable issuance of a cultivation license. After successfully testing two crop cycles, Lotus will be granted its "Sales License".

Preparations for the commissioning of the building and the commencement for operations has begun. Senior staff has been recruited and initiated work on translating our standard operating procedures into operating reality. The positions of quality assurance manager, master grower, first grower, production manager, quality assurance assistant have been filled and will begin training in August. During September staff will be installing and initiating the IT systems including product tracking, record keeping and building control systems. Preparation will also begin for cultivation with plant material acquisition scheduled for October.

FACILITY EXPANSION PLANS

The company has completed initial planning and budgeting for the doubling of production with the expansion of facility #1. The expansion will be adjoining the facility and will utilize production and processing areas, as well as, other common services. We anticipate submitting for building permit in September and commencement of construction in the fall. The expansion will bring the company's total production to 4,000 KG per year of top-shelf cannabis.

LOTUS & AUXLY DEAL

Lotus (or “the team” or “the company”) is finalizing the terms to its deal with Auxly Cannabis Group Inc. (or “Auxly” or “XLY”). As previously disclosed in the Company’s press release of January 30 2017, pursuant to the terms of the interim agreement with Auxly, Lotus will receive a capital investment for the proposes of building out Lotus’ facility and as consideration for the capital investment, Lotus will supply Auxly with 50% of its cannabis production from its flagship facility located in Armstrong, BC. The agreement with Auxly contemplates additional capital investment for the expansion of Lotus’ facility, subject to Auxly’s due diligence. Auxly will purchase the cannabis product on a cost plus basis for a period of 10 years. We look forward to continuing this partnership post legalization as Auxly has been a strategic partner for Lotus.

ON BEHALF OF THE BOARD

Lotus Ventures Inc.

"Dale McClanaghan"

Dale McClanaghan, President and CEO

For further information: Dale McClanaghan: dalemcclanaghan@gmail.com (604) 644-9844 or Daniel McRobert, Communications danielmrobertt@gmail.com (604) 842-4625

About Lotus Ventures, Inc.

Lotus is a late stage licensed producer applicant under the ACMPR rules and regulations, in active review with Health Canada. The unique business model combines an upstream royalty financing model with CBW and a downstream licensing model with farmer/grower partners using Lotus technology and intellectual property. The first facility is currently under construction in Armstrong, B.C. It is a purpose built, “state of the art” indoor facility with proprietary processes. The company has previously announced its first farmer/grower partner with its second facility slated in Ontario. See our December 14, 2017 press release for more details. The Lotus approach enables a scalable and reliable low-cost, high quality production at our BC facilities and our national partners.

About Auxly Cannabis Group Inc. (“XLY”)

Auxly Cannabis Group is a collective of entrepreneurs with a passion for the cannabis industry past, present and future. Our mandate is to facilitate growth for our partners by providing them with financial support and sharing our collective industry experience. Our partners all have different visions, voices and brand values, and all share a common goal—to build a world-class industry based on ethics, diversity, quality and innovation.

Caution Concerning Forward-Looking Statements

Forward-looking statements contained in this release are based on the beliefs, estimates, and opinions of management on the date the statements are made. There can be no assurance that such statements will prove accurate. Actual results may differ materially from those anticipated or projected. Lotus Ventures Inc. undertakes no obligation to update these forward-looking statements if management's beliefs, estimates, opinions, or other factors, should change.