

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name of the Company

Lotus Ventures Inc.

Item 2 Date of Material Change

May 21, 2019

Item 3 News Release

Disseminated May 21, 2019 by CISION newswire service

Item 4 Summary of Material Change

See attached news release

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Same as news release

5.2 Disclosure of Restructuring Transactions

Not applicable

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

May 21, 2019



Lotus Ventures Launches Initial Product Information & Appointment

VANCOUVER, May 21, 2019 /CNW/ - **Lotus Ventures Inc.** (the "Company" or "Lotus") (CSE: J) (Frankfurt: LV9), announces its initial product information, expected to be sold in the second half of 2019. The Company has imported 3,500 seeds, 229 strains and 75 live plants into the facility. These form the basis of the Lotus catalogue. We also anticipate growing proprietary strains which can be licensed to other licensed producers or used in various partnerships.

Even though legalization for recreational use took effect in October 2018, the sector remains constrained by the availability of high-quality cannabis. The Lotus product line is targeted to the higher end recreational segment of the market. Like the wine or spirits business, the high-end of the market commands much higher financial margins.

The following strains will become recognizable by the discerning cannabis consumer and are expected to be grown during the initial ramp-up stage: Goji OG, Kalifornia, Space Cake, MAC, Ancient's Breath, Soul Food, Purple Urkle, Northern Lights #5 and proprietary variations of Hashplant.

"We have a very large and diverse list of cultivars to select from and our team has experience with each live plant we've imported, so we feel very confident with our starting lineup," said COO, Carl Correia.

Appointment: Lotus announces Maurice Creagh replacing Gary Mathiesen as CFO. Gary Mathiesen stepped down after Lotus received its Standard Cultivation license, and the Company wishes him all the best moving forward. Maurice Creagh, a long-term construction executive and an early investor in Lotus, was a co-founder of Ventana Construction which has grown to annual construction volumes in the range of \$300 to \$600 million. Now semi-retired, Maurice Creagh continues to be active as an advisor on development and construction to municipalities, developers and investors. Maurice has been a director of several companies and a director of the Independent Contractors and Business Association of BC (ICBA) from 1998 to 2006.

ON BEHALF OF THE BOARD

Lotus Ventures Inc.

"Dale McClanaghan"

Dale McClanaghan, President and CEO

About Lotus Ventures Inc.

Lotus Ventures Inc. (CSE:J) is an Okanagan-based licensed cannabis producer focused on constructing purpose-built facilities with proprietary processes. The Company's initial operation is a 22,500 square foot facility designed with state-of-the-art air filtering systems, precise environmental control and a horticulture program adhering to Good Production Practices (GPP). Lotus designed its facility concentrating on low production costs and high margin products.

Lotus currently holds a Standard Cultivation license and Sale for Medical Purposes license pursuant to the *Cannabis Act* and *Cannabis Regulations*. The licenses were obtained by Lotus on March 8, 2019, less than a month after submitting its Evidence Package to Health Canada, being one of the fastest in the industry to do so.

The Company recently launched its initial consumer-brand, 'Lotus Cannabis Co.' targeting the

discerning cannabis connoisseur. With a seed library of over 200 strains to choose from, Lotus is set to grow only the best cannabis. The Company has an offtake agreement with Auxly Cannabis Group Inc. which gives Lotus the right to sell up to 50% of the initial facility's production.

Lotus' plant genetics along with its facility design, standard operating procedures, growing methods, and application support can be licensed to farmers and other licensed producers across Canada who see the value in cultivating premium products at low production costs.

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

SOURCE Lotus Ventures Inc.

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CO: Lotus Ventures Inc.

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