

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name of the Company

Lotus Ventures Inc.

Item 2 Date of Material Change

November 21, 2019

Item 3 News Release

Disseminated November 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

November 21, 2019



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

Canadian Securities Exchange: Symbol J

Vancouver, British Columbia – November 21, 2019

Lotus Ventures Finalizes First Shipment with Auxly Cannabis Group Inc.

Lotus Ventures Inc. (CSE: J) (FRA: LV9) (OTC: LTTSF) (the “Company” or “Lotus”) has finalized the details of its first shipment to Auxly Cannabis Group Inc. (TSXV: XLY), and expects the shipment to be sent out next week. Pursuant to Lotus and Auxly’s definitive agreement (the “Agreement”) dated September 11, 2018, Auxly is entitled to purchase the first 50% of Lotus’ cultivation at a fixed price, with a right of first offer to purchase the remaining 50% at market prices. Auxly has agreed to purchase 100% of the initial crop and has an ongoing interest in our high-quality flower production.

Lab Testing:

Lotus was pleased with its initial batch yielding more cannabis than originally expected, while passing all quality control measures. The Company grew multiple strains in its initial batch, optimizing the growing environment and learning what strains worked best for the current market demand. Out of the initial batch, one strain tested at 22.6% THC while the average amongst the group tested at approximately 19.1% THC. As per market demand, Lotus plans to grow higher THC products and anticipates higher THC results in future batches now that the growing environment has been standardized.

Market Trends:

As per multiple industry reports, as well as internal data, Canadian cannabis consumers are currently demanding premium dried flower with a high THC% content. Our analysis finds that indoor produced craft products with a high THC% have been able to either maintain or increase selling prices in retail since legalization, while lower-to-mid grade products have seen selling price compression since legalization. Lotus continues to be focused on exceeding consumer expectations as a reliable low-cost producer of high-quality flower grown from exotic and premium strains.

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 producer focused on growing exceptional cannabis products for the wholesale and recreational market in Canada. Lotus operates an innovative purpose-built facility with unique proven strains, and an entirely handcrafted production process created by one of the region's most experienced growing teams.

The facility was designed with a perpetual production cycle harvesting one of six production rooms every two weeks, consistently producing high-end cannabis at low production costs.

Earlier this year, Lotus Ventures launched its initial consumer-focused brand "Lotus Cannabis Co." targeting discerning consumers. The Company is in the process of obtaining an amended sales licence, which when issued, permits the sale of cannabis to provincial distributors and retail supply chains.

For Further Information:

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To learn more, visit <https://lotuscannabis.ca/> or follow us on Twitter: @lotuscannabisco Facebook: @lotuscanna Instagram: @lotuscannabisco LinkedIn: @lotuscannabisco

Forward Looking Information:

The information contained within this news release has been prepared by Lotus Ventures Inc. Lotus Ventures Inc. is the parent company for Lotus Cannabis Co., a premium cannabis brand in Canada. This document includes certain statements that are not descriptions of historical facts but are forward-looking statements. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, our future operating results, our expectations regarding the market for medical and recreational cannabis products, our expectations regarding the continued growth of the medical and recreational cannabis market, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. Users are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause our actual results to differ materially from those anticipated, expressed or implied in the forward-looking statements. These risks and uncertainties have not been documented or mentioned in this document nor other communications made by the company. The words "believe," "expect," "anticipate," "project," "targets," "optimistic," "intend," "aim," "will" or similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Company assumes no obligation and does not intend to update any forward-looking statements,

except as required by law.

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