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Canadian Securities Exchange: Symbol J

Lotus Reports First Quarter Fiscal 2022 Results

Vancouver, British Columbia – February 1, 2022 - **Lotus Ventures Inc.** (CSE: J) (OTC: LTTSF) (“**Lotus**” or the “**Company**”), announced today financial results for its first fiscal quarter ended November 30, 2021. During the quarter the Company realized a slowdown in sales due to COVID limitations, supply chain disruptions and less volume of product purchased by wholesale partners. Our thoughts go out to the local farmers and growers that were also affected.

First Quarter Results:

- Revenue of \$410 thousand compared to \$1.3 million in the prior years’ first quarter. The decrease in quarterly sales was due to several factors, including the ones listed above. The Company is in the process of securing additional wholesale relationships to reduce sales risk and reliance on individual LP’s.
- Although operating at a reduced level during the quarter, Lotus was able to operate at a profit and with strong margins. Net income in the quarter was \$65 thousand, compared to a net loss of \$339 thousand in the prior years’ first quarter.
- Gross margin before fair value adjustments remained above 40%. Lotus attributes its strong margins to its proprietary production process which was designed to produce high-quality cannabis at a low-cost per gram.

Strain Development:

The Company has continued its in-house strain development with 30 varieties now germinated for testing. Lotus plans on transitioning to a second high THC premium strain which is expected to be submitted during an upcoming product listing call with a provincial wholesaler.

Outlook for 2022:

The Company remains focused on improving its sales position and liquidity throughout the coming year. The Company is currently in discussions with three licensed producer’s which are interested in Lotus wholesale flower supply. In addition to continuing wholesale efforts, Lotus is expecting to allocate a portion of its production to its own pre-roll and flower offerings to diversify sales into the recreational market.

In January, Kolab Project launched a 10 pack of 0.35-gram Lotus grown Kalifornia pre-rolls on the Ontario Cannabis Store which is expected to be another strong selling offering. In aggregate, Lotus and Kolab have launched a 3.5-gram flower offering, a 14-gram flower offering, and a 10 pack of 0.35-gram pre-roll offering.

The Company's priorities moving forward this year are:

- Restore sales momentum and secure additional wholesale transactions.
- Transition to selling a second high THC premium cannabis strain.
- Introduce Lotus pre-roll and flower offerings to diversify sales risk and add sales growth.
- Continue production consistency in both volume (avg. 70,000 grams a crop) and in THC (generally now over the 23% threshold and up to 25%).
- Convert the current inventory of high-quality flower to cash.
- Obtain COVID relief capital which the Company is eligible for \$157,000 in wage subsidy grants.

The following financial information is derived from the Company's Management Discussion and Analysis for the quarter ended November 30, 2021:

Description	Three months ended Nov 30, 2021	Three months ended Aug 31, 2021	Three months ended May 31, 2021	Three months ended Feb 28, 2021
<i>Revenues</i>	\$410,568	\$1,235,937	\$1,437,763	\$1,431,509
<i>Net income (loss)</i>	\$65,293	\$42,625	\$208,893	\$329,414
<i>Income (loss) per share, basic and diluted</i>	\$0.00	\$0.00	\$0.00	\$0.00
<i>EBITDA</i>	\$279,830	\$264,876	\$433,488	\$547,044
<i>Total assets</i>	\$17,172,703	\$16,907,742	\$16,845,615	\$16,841,875
<i>Total long-term liabilities</i>	\$Nil	\$Nil	\$Nil	\$Nil
<i>Cash dividends / share</i>	\$Nil	\$Nil	\$Nil	\$Nil

Description	Three months ended Nov 30, 2020	Three months ended Aug 31, 2020	Three months ended May 31, 2020	Three months ended Feb 28, 2020
<i>Revenues</i>	\$1,376,270	\$1,782,613	\$1,775,878	\$1,071,252
<i>Net income (loss)</i>	\$(339,835)	\$(241,443)	\$1,231,779	\$(335,888)
<i>Income (loss) per share, basic and diluted</i>	\$0.00	\$0.00	\$0.01	\$0.00
<i>EBITDA</i>	\$(116,506)	\$(26,639)	\$1,458,827	\$(116,665)
<i>Total assets</i>	\$16,413,969	\$16,908,437	\$17,245,515	\$16,541,664
<i>Total long-term liabilities</i>	\$Nil	\$Nil	\$Nil	\$Nil
<i>Cash dividends / share</i>	\$Nil	\$Nil	\$Nil	\$Nil

The Quarterly Financial Statements and Management Discussion and Analysis for the period are both available on [sedar.com](https://www.sedar.com)

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 a Canadian licensed producer and the owner of Lotus Cannabis Co.™, a premium consumer brand in Canada. Lotus operates as a wholesale company and has reached consumers in nine provinces to date through wholesale partners. Lotus' best-selling strains have built a strong brand reputation which has led to our flower being sold in both the premium and ultra-premium segments of the market. Lotus looks to launch its own product offerings in the recreational market over the next year and has a collection of unique cannabis strains in development.

Lotus Ventures Inc. is listed on the Canadian Securities Exchange under the symbol J and on the OTC Markets under the symbol LTTSF.

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Forward-Looking Information:

The information contained within this news release has been prepared by Lotus Ventures Inc. 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.