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Canadian Securities Exchange: Symbol J

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Lotus Reports First Quarter Results for Fiscal Year 2021

Lotus Ventures Inc. (CSE: J) (OTC: LTTSF) (FRA: LV9) (“**Lotus**” or the “**Company**”) is the Okanagan-based licensed producer that owns Lotus Cannabis, a premium cannabis brand in Canada. The Company reported today continued execution by the production team and a fourth consecutive quarter with sales exceeding \$1 million for the three-month period ending November 30, 2020. Lotus has found sales success in the market by supplying high THC flower at competitive prices for consumers in Canada.

First Quarter Financial Results

- Lotus recognized revenue of \$1,376,270 in the quarter compared to \$1,782,613 in the previous quarter. The decrease in revenue is due to shipments being completed after the quarterly cut-off date and will be included in the subsequent quarter.
- The production cost in the quarter was \$1.40 per gram. Approximately 438,000 grams were represented in the cost of sales, while the Company’s inventory consisted of approximately 533,000 grams of dried cannabis awaiting release for sale.
- Lotus maintained a healthy gross margin of \$848,566 representing 61%, while recognizing a loss of \$339,835 for the quarter due to one-time operating expenses.
- Lotus paid off \$762,687 of liabilities since the end of the previous quarter. The decrease in liabilities is a combination of deferred revenue and a portion of loans being retired.

Subsequent Events

- The Kalifornia strain produced by Lotus continues to be the #2 best performing SKU in the Province of New Brunswick with strong sales in BC, Alberta and Ontario.
- The Kalifornia was the #2 best performing 3.5g SKU in the entire Canna Cabana national retail network in December 2020.
- The Kalifornia was the 12th best-selling 3.5g flower SKU out of 263 SKU’s on the Ontario Cannabis Store (“OCS”) during the Fourth Quarter of 2020.
- The Kalifornia was included in the OCS wholesale ‘Top 100 Always in Stock’ list across all products in every category.
- Lotus received a lab test report from High North Laboratories with 4.5% in terpene content and 25% in THC content for a recent harvest of the Kalifornia.

The Interim Financial Statements and accompanying Management Discussion and Analysis for the period ending November 30, 2020 is available on the Company's SEDAR profile at 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 the publicly held licensed producer that owns Lotus Cannabis, a premium cannabis brand in Canada. Located in BC's North Okanagan region, Lotus created a purpose-built facility designed for the ideal growing conditions cannabis plants need to thrive in. Lotus operates on a proprietary high-performance harvest schedule with fresh biweekly harvests, providing consumers with a quality and consistent product experience. Lotus has decades of growing experience and uses an entirely handcrafted production process created by one of the region's most knowledgeable growing teams.

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To learn more, visit lotuscannabis.ca or follow the Lotus brand on social media.

Twitter: [@lotuscannabisco](https://twitter.com/lotuscannabisco) , **LinkedIn:** [@lotuscannabisco](https://www.linkedin.com/company/lotuscannabisco) , **Instagram:** [@lotuscannabisco](https://www.instagram.com/lotuscannabisco)

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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.

