

## FORM 7

### **MONTHLY PROGRESS REPORT** **April 2020**

**Name of CNSX Issuer:** Lotus Ventures Inc. (the "Issuer").

**Trading Symbol:** J

**Number of Outstanding Listed Securities:** 85,049,799

**Date:** April 30, 2020

#### **Report on Business**

##### **Overview of Impact of COVID-19 at Lotus**

To date Lotus Ventures has been able to continue full operations throughout the COVID-19 crisis. Our focus has been to maximize the safety of our employees, while providing a product that is compliant under government standards. We have maintained production, shipment, marketing at or close to normal levels. This has taken a huge effort and cooperation by all our staff, customers and our extended network of suppliers. Thank you to them all.

The Company has been engaged in bulk wholesale activities since December 2019 and its production cycle has continued since uninterrupted. The Company has established wholesale relationships with multiple producers both servicing the recreational and medical markets in Canada. Lotus' flower production is being used for pre-rolls, premium dried flower and for medical purposes.

Sales have continued strong and Lotus believes it has established itself as a premium and reliable wholesale partner.

#### **1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

Since October 1, 2019 the Company has been continuously harvesting a new crop every 12 days or so without any interruptions. Lotus has continued to see robust production results for its dried flower and is currently selling to either its streaming partner, Auxly Cannabis Group Inc., or to a third-party Licensed Producer.

Lotus is staffed up in accordance with the operating plans incorporated in the Cannabis Act application. The core Cultivation and Sanitation teams remain on-site, plant health continues to thrive, with other employees working remotely due to Covid-19. The North Okanagan remains a low-impacted area for Covid-19 cases, and the Company will continue to monitor the situation over the up-coming weeks.

**2. Provide a general overview and discussion of the activities of management.**

Lotus Ventures currently operates its indoor purpose-built facility in the Okanagan Valley, B.C. The Company's team, with a strong focus on the production team, is committed to delivering a consistent and reliable product. The Company has grown multiple strains during its ramp-up phase and has identified a strain to grow moving forward that can result in higher margins.

The design work and building permit drawings for the expansion of the facility up to an additional 30,000 square feet have been submitted. Lotus is using this time to accumulate capital and to continue sales.

**3. Describe and provide details of any new products or services developed or offered.**

In May 2019, Lotus announced its initial product information. The Company imported 3,500 seeds, 229 strains and 75 live plants into the facility, consisting of diverse and sought-after genetics.

Lotus continues to receive positive feedback about its product from purchasers and expects its high THC% flower to continue to have a demand in the marketplace. Recent batches of cannabis have tested up to 26% THC.

**4. Describe and provide details of any products or services that were discontinued.**

None

**5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

None

**6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

None

**7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

None

**8. Describe the acquisition of new customers or loss of customers.**

None

**9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.**

None

**10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.**

The Company has adjusted to business during the COVID-19 pandemic and has added production staff to assist with plant maintenance, along with part time contract workers accessible when needed. An important feature of the Lotus facility is the high degree of automation which has provided us with a highly reliable performance on output level and quality standards. The automation also provides low operating costs per gram and the ability to continue full production and almost full processing with low staffing levels.

COVID-19 poses novel business and health risks and Lotus will continue to manage prudently to mitigate these additional risks as they appear. Performance continues to be encouraging and we hope mitigation measures will continue to enable uniform progress.

**11. Report on any labour disputes and resolutions of those disputes if applicable.**

None

**12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.**

None

**13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

None

**14. Provide details of any securities issued and options or warrants granted.**

None

**15. Provide details of any loans to or by Related Persons.**

None

**16. Provide details of any changes in directors, officers or committee members.**

None

**17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.**

None

**Certificate of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

**Dated:** May 4, 2020

Dale McClanaghan  
Name of Director or Senior Officer

“Dale McClanaghan”  
Signature  
President and CEO

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer Lotus Ventures Inc.	April 30, 2020	YYYY/MM/DD 2020/05/04
Issuer Address Suite 1848 Commercial Drive, Vancouver, British Columbia V5N 4A5		
City/Province/Postal Code Vancouver, BC V5N 4A5	Issuer Fax No. n/a	Issuer Telephone No. 604-644-9844
Contact Name Dale McClanaghan	Contact Position President and CEO	Contact Telephone No. 604-644-9844
Contact Email Address <a href="mailto:dalemccclanaghan@gmail.com">dalemccclanaghan@gmail.com</a>	Web Site Address www.lotusventures.ca	