

**FORM 7**  
**MONTHLY PROGRESS REPORT**  
**May 2016**

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

Trading Symbol: **J**

Number of Outstanding Listed Securities: **32,102,750**

Date: **June 6, 2016**

**Report on Business**

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.  
**The company has applied to Health Canada for a license to produce medical marijuana under the Marijuana for Medical Purposes Regulations. Health Canada is reviewing the application and we have been in correspondence with the Licenses and Permit Division to provide additional information for our application.**
2. Provide a general overview and discussion of the activities of management.  
**The company has engaged Kilbride Partners as financial advisors to evaluate strategic alternatives for the financing of its production facility in British Columbia.**
3. Describe and provide details of any new products or services developed or offered.  
**None**
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.  
**The company has engaged Kilbride Partners as financial advisors. Kilbride Partners is a multi-disciplinary strategic advisory business. Representing Kilbride Partners are Mark W. Cosens, Founder and Managing Director and Scott Samuel, Managing Director.**
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 trade-marks.  
**None**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**None**
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.  
**The company has entered into private placement agreements for a non-brokered private placement financing of 1,658,750 units at a price of \$0.20 per unit for gross proceeds of \$331,750. Each unit consists of one common share of the Company and one transferrable warrant to purchase one common share of the Company at a price of \$0.25 per share for five years. On May 27, 2016, 1,658,750 common shares were issued pursuant to this private placement.**
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 is 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: **June 6, 2016**

Dale McClanaghan

Name of Director or Senior Officer

*" Dale McClanaghan "*

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Signature

President and CEO

Official Capacity

<b><i>Issuer Details</i></b>	For Month End	Date of Report
Name of Issuer	May 31, 2016	YYYY/MM/DD
Lotus Ventures Inc.		2016/06/06
Issuer Address		
708-1445 Marpole Avenue		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6H 1S5	(604) 602-0670	604-644-9844
Contact Name	Contact Position	Contact Telephone No.
Dale McClanaghan	President and CEO	604-644-9844
Contact Email Address	Web Site Address	
<a href="mailto:dalemcclanaghan@gmail.com">dalemcclanaghan@gmail.com</a>	None	