Organto Foods Inc.

(formerly Columbus Exploration Corporation)
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Management's Discussion and Analysis

For the Year Ended
December 31, 2015

(Stated in Canadian Dollars)

Dated April 29, 2016

Table of Contents

Profile and strategy 2

Overall performance and outlook 2

Discussion of operations 3

Selected annual and quarterly information 5

Summary of annual results 5

Summary of quarterly results 6

Liquidity and capital resources 8

Off-balance sheet arrangements 9

Related party transactions 10

Commitments 11

Acquisition of Agricola 11

Proposed transactions 11

Critical accounting estimates 11

Changes in accounting policies and standards 12

Financial instruments 12

Other information 13

The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Organto Foods Inc.'s (formerly Columbus Exploration Corporation) (the "Company" or "Organto") and its subsidiary's performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2015, which was prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in Canadian dollars. "This quarter" or "current quarter" means the three month period ended December 31, 2015 and "this year" or "current year" means the year ended December 31, 2015. This MD&A is dated April 29, 2016.

Forward looking information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Profile and strategy

On November 30, 2015, Agricola Nuova Terra Guatemala S.A. ("Agricola") completed its reverse takeover (the "RTO") of Columbus Exploration Corporation ("Columbus Exploration"), pursuant to which Columbus Exploration acquired all of the issued and outstanding common shares of Agricola in exchange for 46,228,882 common shares of Columbus Exploration, Columbus Exploration paying Agricola shareholders $100,088 (US$75,000) on or before September 11, 2015 (paid), a final payment of $256,040 (US$185,000) on or before December 31, 2016, and Columbus Exploration assuming $338,318 (US$242,844) in debt which bears interest at a rate of 8.5% per annum.

Upon completion of the RTO, Columbus Exploration changed its name to Organto Foods Inc., and Agricola became a wholly-owned subsidiary of Organto. On March 21, 2016, Agricola changed its name to Organto Guatemala, Sociedad Anonima ("Organto Guatemala"). For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") and is traded under the stock symbol "OGO".

The Company was incorporated on May 18, 2007 under the laws of the Province of British Columbia, Canada. The Company's principal business activity is the sourcing, processing and packaging of natural, organic and specialty food products. Organto owns and operates greenhouses in Guatemala used for the production and growing of organic produce. Agricola commenced full operations in March 2014.

Overall performance and outlook

The following highlight's the Company's overall performance for the year ended December 31, 2015:

- Loss of $1,793,938 from continuing operations for the year ended December 31,2015, compared to $224,709 during the prior year;
- Net loss of $1,801,553 for the year ended December 31, 2015, compared to $224,709 during the prior year;
- Cash balance of $63,211 at December 31, 2015, compared to $44,791 at December 31, 2014;
- Working capital deficiency of $881,783 at December 31, 2015, compared to working capital of $112,973 at December 31, 2014.

On April 14, 2016, the Company announced the appointment of Mr. Rients van der Wal as the Managing Director of Organto Europa BV, Organto's recently formed European subsidiary based in the Netherlands. Rients brings over 15 years of experience in the produce and organic food industry, having recently been Head of Sales of Total Exotics for Total Produce, one of the largest importers and distributors of fresh produce in Europe. His responsibilities will include building out Organto's distribution efforts in Europe as well as strategic sourcing of additional products.

On March 30, 2016, the Company entered into a secured convertible promissory note with SG Strategic Income Limited ("SGSI") pursuant to which SGSI has agreed to lend the Company US$590,000 (the "Loan") until March 30, 2017. Outstanding amounts will incur interest at a rate of 5% annually. The Loan and any interest accrued to date thereon will convert into common shares of the Company (i) at SGSI's election on delivering written notice to the Company; or (ii) automatically, if Organto completes a financing of at least $5 million, including the value of SGSI's convertible note and any other debt convertible into equity securities of the Company as a result of such financing. Any conversion will be effected based on a price of CDN$0.42 per share and conversion shares will be issued on the same terms and conditions that are applicable to the securities issued under the financing. Completion of the transaction remains subject to final approval from the TSXV.

On March 21, 2016, the Company appointed Mr. Andres Barresi as Chief Operating Officer, replacing Mr. Arturo Bickford. Mr. Barresi has extensive experience in the agricultural and foods industry in the public and private sectors. Andres started his career in the family business, a large producer of organic fruits in Patagonia, Argentina. He worked as a consultant for McKinsey & Company in the energy and food sectors and later joined Hermes Management Consulting where he became a partner, and held responsibilities in a number of countries in the Americas. He has spent the last few years working in M&A and Private Equity for Invixx Investimentos in Sao Paulo, Brazil. Mr. Barresi holds a Degree in Industrial Engineering with a major in Food Industries from the University of Buenos Aires and holds an MBA in Operational and Strategy from Cornell University.

On March 9, 2016, the Company announced that it has received organic certifications under the USDA National Organic Program (USDA NOP), European Organic Certification (EC 834/2007 and 889/2008), Canada Organic Certification and the Japan Agricultural Standard organic programs. The certifications cover the Monjas and La Pastoria farms which are approximately 38 hectares of open-field growing farms in Guatemala as well as 3.2 hectares of greenhouses.

On February 22, 2016, the Company announced that its processing and packing facility located in Patzún, Guatemala has received approval for organic certification under the USDA National Organic Program. Quality Certification Services ("QCS"), a leading organic certification program based in Florida, reviewed Organto's application and records. QCS is an industry leader with more than 25 years of experience in certification with clients in 39 states and 12 countries.

The Company's financial condition is affected by general market conditions and conditions specific to the organic and conventional food producing and processing industry. These conditions include, but are not limited to, the price of raw materials and accessibility of debt or equity.

For details relating to the Company's financial performance, please refer to the *Summary of quarterly results* section.

Discussion of operations

Organto operates a 2,300 m^2 plant and processing facility in Patzún, Guatemala and grows organic agricultural products in its company operated farms in Jalapa, Guatemala. In addition, the Company sub-contracts growing of conventional products to multiple growing associations in and around the Patzún, Guatemala area. The Patzún facility is managed by a ten-person team that oversees all aspects of farming and running the plant operations. All products grown or outsourced from local farmers are transported to the plant in Patzún to be processed, cleaned, sorted, graded and packed in the facility. Current and future products include Chinese snow peas, sugar snaps, various types of green beans (haricot verts), peppers, broccoli and other vegetable products.

The Patzún plant allows the company to increase the sourcing and production of conventional and organic produce around the plant. This will positively affect Organto's margins and allow the Company to reduce its average cost per kilogram for shipped product. Operating margins are expected to increase with new farming relationships and the high demand for the company's organic products.

The Company has recently entered into a lease-to-own arrangement with a private landowner in Monjas, Jalapa Guatemala since July 2015 for approximately 50 hectares of organic land with an existing 3.2 hectare organic greenhouse in operation. Open field farming will primarily be used to produce certain types of organic beans and the organic greenhouses will be used to expand into other types of organic produce. All products produced from these farms and greenhouses are also shipped to and processed at the plant in Patzún.

Organto has invested in a number of internal growth projects and selective acquisitions to diversify its product and source base, add capacity and improve the profitability of its plant operations. Organto's business plan calls for the construction and installation of over 5 hectares of organic greenhouses in 2015 and an additional 5 to 10 hectares in 2016 and 2017, subject to the availability of sufficient capital or financing. As of the date of this MD&A, Organto owns and operates one greenhouse in Guatemala. Currently, 3 hectares of greenhouses are being constructed. These will be completed in 2016 with additional expansion in late 2016 or early 2017.

The Company supplies distributors, agricultural brokers, retailers and food service companies with a variety of private-label and branded retail market agricultural produce in Europe and the United States of America. Organto supplies to many end-clients through a series of agricultural brokers and distributors for logistical reasons. In the future, Organto anticipates selling most of its products through a diversity of end-users in multiple countries and continents. Given the complexity in distribution and logistics, Organto has focused on establishing relationships with a few distributors and clients. Currently, demand for organic products exceeds the Company's ability to supply sufficient product.

Timeline of significant operational events

Agricola commenced commercial operations in 2014 and acquired a 2,300 m^2 plant and processing facility in Patzún, Guatemala at a cost of $3,204,457 including machinery and equipment. The plant utilizes the latest equipment and technology and has a production capacity in excess of 10,000,000 kilograms annually. The machinery, processing and packaging equipment is suitable for processing a variety of fruits and vegetables, including snow peas, sugar snaps, green beans (haricot verts), brussel sprouts, broccoli and many other vegetables.

On October 31, 2014, the Company completed the construction and production lines at the Patzún facility.

On November 12, 2014, the Company completed its first commercial shipment of products.

On November 24, 2014, the Company completed the Business Social Compliance Initiative Certification (BSCI), being the second packing and production company in Guatemala to obtain this certification.

On November 26, 2014, the Company shipped its first exports from the plant to Swedish retailer ICA.

On December 9, 2014, the Company shipped its first exports from the plant to German retailer EDEKA.

On January 10, 2015, the Company completed the process to obtain Global G.A.P. certification ("**Global GAP**") for its plants and supplying farming organizations. Global GAP is an independent, certification program for good agricultural practice (G.A.P.) that was formed in Europe in 1997 and is currently the leading global farm assurance program. The harmonized standards set by the Global GAP program assist producers with compliance in the areas of food safety, sustainable production methods, worker and animal welfare, environmental matters, quality management system, integrated crop management and integrated pest control.

On February 2, 2015, the Company shipped its first exports from the plant to German retailer ALDI.

On February 7, 2015, the Company shipped its first exports from the plant to Dutch retailer Jumbo.

On March 17, 2015, the Company shipped its first exports to Total Produce for their distribution into Coop Sweden and Denmark.

On April 20, 2015, the Company shipped its first exports from the plant to German retailers Kaufland and Globus.

During 2015, supply contracts to meet ongoing conventional demand have been made with Guatemalan farming associations and organizations. These contracts are ongoing and are renewed on an annual or seasonal basis.

In July 2015, the Company initiated the process to have its line of organic products certified by a number of globally recognized certifications programs, including the National Organic Program in the United States and the Organic European Certification in

Europe. The certification process is a requirement in order to label produce as organically certified. So far 15 hectares of the Monjas farm and 23.8 hectares of the Pastoria farm are certified as growers of organic produce and the Patzun processing plant is certified as organic handler processor.

In September 2015, the Company progressed with a number of important developments on the operations side. The Monjas (Jalapa, Guatemala) organic farm was prepared for seeding. The Company has also been working with its sub-contract farmers to coordinate delivery of product to the Patzún plant in the third week of September 2015 for immediate processing, packaging and delivery to customers in the fall season. These products have been delivered to customers during November 2015 to April 2016. In addition, the Company has continued to upgrade the Patzún plant in preparation for the processing of organic produce.

La Pastoria farm has been delivering organic produce throughout 2015 and continuing throughout 2016.

Non-current assets held for sale

As part of the RTO transaction, the Company acquired exploration and evaluation assets from Columbus Exploration with carrying values at December 31, 2015 as follows:

	($)
Mogollon property	453,699
Clanton Hills property	27,680
	481,379

During the current year, the Company recorded an impairment charge of $7,615 (2014 - $nil) on the Mogollon property, and included in net loss from discontinued operations. Subsequent to year end, the Mogollon and Clanton Hill properties were transferred or sold to Columbus Gold Corp. ("Columbus Gold"). For further details, please refer to *Related party transactions* section.

Selected annual and quarterly information

Summary of annual results

	Year ended		
	December 31, 2015 ($)	**December 31, 2014 ($)**	**December 31, 2013 ($)**
Revenues	1,640,957	228,571	-
Loss from continuing operations	(1,793,938)	(224,709)	-
Loss from discontinued operations	(7,615)	-	-
Net loss for the year	(1,801,553)	(224,709)	-
Basic and diluted loss per share from continuing operations	(0.28)	nm[1]	-
Basic and diluted loss per share from discontinued operations	(0.00)	nm[1]	-
Basic and diluted loss per share for the year	(0.28)	nm[1]	-

[1] Not meaningful. The loss per share has not been presented as the Company did not establish the intended authorized and issued share capital until November 30, 2015.

	December 31, 2015 ($)	December 31, 2014 ($)	December 31, 2013 ($)
Cash	63,211	44,791	648
Total assets	7,194,697	3,850,068	648
Total non-current financial liabilities	(764,087)	(415,193)	-

The Company incurred a loss from continuing operations of $1,793,938 during the current year, compared to $224,709 during the prior year. Net loss for fiscal 2015 was $1,801,553, compared to $224,709 for fiscal 2014. The increase in the loss from continuing operations and net loss is discussed below.

Revenues increased to $1,640,957 from $228,571 in the prior year, an increase of 618%. The revenue increase is a result of the Company selling goods during the entire 2015 year, whereas sales in 2014 were only generated during November and December. Accordingly, cost of sales increased to $1,608,855 from $248,915 in the prior year; an increase of 546%.

Overhead and operating expenses increased to $991,314 from $96,552 in the prior year. These increased costs are mainly attributable to the Company ramping up production in 2015.

Salaries and benefits increased in the current year to $274,282 from $90,902 in the prior year. The increase is also attributable to the Company ramping up production in 2015.

Share-based payments expense increased to $276,515 from $nil in the prior year. This is a result of 4,700,000 share options being granted on November 30th, 2015 on the closing of the RTO. There were no options granted during 2014 by Agricola.

Amortization expense increased to $276,755 in the current year, from $16,911 in the prior year. The increase in amortization expense is a result of having a full year of operations in 2015, in addition to significant investments in property, plant and equipment during 2015.

Loss from discontinued operations of $7,615 during the current year is in connection with the impairment of the Company's Mogollon property, which as classified as assets held for sale.

<u>Summary of quarterly results</u>

	Q4 2015 ($)	Q3 2015 ($)	Q2 2015 ($)	Q1 2015 ($)	Year End 2014 ($)[1]
Revenues	815,624	15,484	43,263	766,586	228,571
Loss from continuing operations	(1,081,634)	(387,261)	(134,514)	(190,529)	(224,709)
Loss from discontinued operations	(7,615)	-	-	-	-
Net loss for the period	(1,089,249)	(387,261)	(134,514)	(190,529)	(224,709)
Basic and diluted loss per share from continuing operations	(0.04)	nm[2]	nm[2]	nm[2]	nm[2]
Basic and diluted loss per share from discontinued operations	(0.00)	nm[2]	nm[2]	nm[2]	nm[2]
Basic and diluted loss per share for the period	(0.04)	nm[2]	nm[2]	nm[2]	nm[2]

[1] The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2014.

[2] Not meaningful. The loss per share has not been presented as the Company did not establish the intended authorized and issued share capital until November 30, 2015.

	Dec 31, 2015 ($)	Sep 30, 2015 ($)	Jun 30, 2015 ($)	Mar 31, 2015 ($)	Dec 31, 2014 ($)[1]
Cash	63,211	11,374	4,326	1,020	44,791
Total assets	7,194,697	5,310,985	4,525,293	4,185,754	3,850,068
Total non-current financial liabilities	(764,087)	(1,807,067)	(843,376)	(303,335)	(415,193)

[1] The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2014.

Consolidated statements of comprehensive loss for the three months ended December 31, 2014 is not available, and thus not discussed in this section of the MD&A. The table below presents financial information for the three months ended December 31, 2015.

	Three months ended, December 31, 2015 ($)
Revenues	815,624
Cost of sales	(906,312)
Gross loss	(90,688)
Overhead and other operating expenses	501,477
Salaries and benefits	103,296
Share-based payments	276,515
Amortization	102,484
	(1,074,460)
Interest expense	(37,101)
Foreign exchange gain	29,927
Loss from continuing operations	**(1,081,634)**
Loss from discontinued operations	**(7,615)**
Net loss for the period	**(1,089,249)**
Item(s) that may subsequently be re-classified to net income or loss:	
Foreign currency translation gain	120,737
Comprehensive loss for the period	**(968,512)**

Liquidity and capital resources

At December 31, 2015, the Company had cash of $63,211 and a working capital deficiency of $881,783, compared to cash of $11,374 and a working capital of $364,782 at September 30, 2015 and cash of $44,791 and a working capital of $112,973 at December 31, 2014.

Cash used in operating activities for the year ended December 31, 2015 was $1,740,174, compared to $272,161 during 2014. The increase in cash used in operating activities was mainly a result of ramping up production during 2015.

Cash used in investing activities during the year ended December 31, 2015 was $1,049,433, compared to $254,693 during 2014. Cash used in investing activities during 2015 and 2014 was mainly for property, plant and equipment in Guatemala.

During the year ended December 31, 2015, the company received $2,793,801 from financing activities, compared to $568,435 in 2014. Cash received during 2015 is comprised mainly of $1,770,884 which Columbus Exploration had advanced to Agricola during the RTO period, and a loan of $757,458 from SGSI. During 2014, the Company received contributions and advances from Omega totalling $568,435.

At December 31, 2015, the Company had current liabilities of $2,407,417, and non-current liabilities of $764,087.

Cash flow information for the three months ended December 31, 2014 is not available, and thus not discussed in this section of the MD&A. The table below present's cash flow information for the three months ended December 31, 2015.

	Three months ended, December 31, 2015 ($)
Operating activities	
Loss from continuing operations for the period	(1,081,634)
Items not involving cash	
Share-based payments (note 7b)	276,515
Unrealized foreign exchange	(157,293)
Amortization	102,484
Cash used in operating activities before changes in non-cash working capital	(859,928)
Changes in non-cash working capital	
Receivables	(91,839)
Inventories	(167,132)
Prepaid expenses and advances	(14,531)
Accounts payable	451,653
Accrued liabilities	(278,671)
Cash used in operating activities	(960,448)
Investing activities	
Payments on land lease	(14,196)
Property, plant and equipment	(525,709)
Cash used in investing activities	(539,905)
Financing activities	
Advances from Columbus Exploration Corporation under reverse-takeover agreement	641,158
Cash from acquisition of Columbus Exploration Corporation	228,827
Loan from SG Strategic Income Limited	574,355
Advances from Omega S.A.	97,918
Cash from financing activities	1,542,258
Effect of foreign exchange on cash	9,932
Increase in cash	51,837
Cash, beginning of period	11,374
Cash, end of period	**63,211**

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

The Company has a "Services Agreement" with Columbus Gold, whereby Columbus Gold provides administration and management services for a fixed monthly fee. The Services Agreement is effective November 30, 2015, until December 31, 2016 and may be terminated with 30 days' notice by Columbus Gold. Columbus Gold has certain directors and officers in common with the Company.

The Services Agreement was amended subsequent to December 31, 2015, whereby the monthly fee is $20,000 for February 2016 and $10,000 per month thereafter.

The following related party transactions were in the normal course of operations:

			Year ended
	December 31, 2015 ($)	**December 31, 2014 ($)**	**December 31, 2013 ($**
Management fees paid or accrued to Peter L. Gianulis, President and CEO of the Company	60,000	-	-
Acquisition of property, plant and equipment from Omega S.A., a Company owned by one of the founding shareholders of Agricola, in exchange for common shares of Agricola	-	3,204,457	-
Contributions from Omega S.A.	-	176,497	-
Sales to Unifresh or Fresh Organics LLC, companies owned by one of the founder shareholders of Agricola	915,312	228,571	-
Management fees paid or accrued to Fresh Organics LLC (note 18)	8,000	-	-
Administration fees paid or accrued to Columbus Gold	18,000	93,810	-
Directors fees paid or accrued	6,000	-	-
	1,007,312	**3,703,335**	**-**

Contributions from Omega represents the excess value of the buildings over the consideration paid by the Company.

The following summarizes advances, amounts that remain payable or accrued to each related party:

	December 31, 2015 ($)	**December 31, 2014 ($)**	**December 31, 2013 ($)**
Advances to Fresh Organics LLC	129,085	-	-
Due to Omega S.A. (note 8)	(451,825)	(415,193)	-
Management fees payable and expenses reimbursable to Peter L. Gianulis	(44,707)	-	-
Directors fees payable included in accrued liabilities	(6,000)	-	-
Trade payable to Columbus Gold	(5,250)	-	-
Amounts due to Columbus Gold, to be settled in exchange for Mogollon	(453,698)	-	-
Loan payable to CrediPresto, a corporation of which a Javier Reyes, a director of the Company, is a principal	(114,657)	-	-
	(947,052)	**(415,193)**	**-**

Subsequent to December 31, 2015, the Company completed the transfer of the Mogollon property to Columbus Gold to settle $453,698 owed to Columbus Gold.

Subsequent to December 31, 2015, the Company received $27,680 (US$20,000) from Columbus Gold for in exchange for the Clanton Hills property.

Commitments

At December 31, 2015, the Company has the following commitments:

	Within 1 year	Between 1 and 5 years	After 5 years	Total
Lease payments for land use in Guatemala	134,144	536,577	610,379	1,281,100
Management services from Fresh Organics LLC	96,000	152,000	-	248,000
Services Agreement with Columbus Gold	125,000	-	-	125,000
	355,144	**688,577**	**610,379**	**1,654,100**

Acquisition of Agricola

On November 30, 2015, Agricola completed its reverse takeover of Columbus Exploration, pursuant to which Columbus Exploration acquired all of the issued and outstanding common shares of Agricola in exchange for 46,228,882 common shares of Columbus Exploration, Columbus Exploration paying Agricola shareholders $100,088 (US$75,000) on or before September 11, 2015 (paid), a final payment of $256,040 (US$185,000) on or before December 31, 2016, and Columbus Exploration assuming $338,318 (US$242,844) in debt which bears interest at a rate of 8.5% per annum.

The RTO has been accounted for as a reverse takeover business acquisition whereby Agricola is the deemed acquirer of the Company. Subsequent consolidated financial statements will reflect the historical carrying values of the assets and liabilities of Agricola and the fair value of the assets and liabilities of Columbus Exploration. All intercompany loans and balances are eliminated on consolidation. The Company adopted December 31st as its new fiscal year end.

Proposed transactions

There are no proposed transactions at the date of this MD&A.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of useful lives of depreciated and amortized assets, the valuation of inventory which includes estimates with regards to the allocation of overhead and determining the net realizable value, assumptions used in determination of the fair value of share-based payments, the recoverability and measurement of deferred tax assets, and the allocation of the purchase price associated with the acquisition of a business.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern, classification of expenditures and the classification of financial instruments.

Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial Instruments* ("IFRS 9")

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15")

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

(c) Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial instruments

The fair value of the Company's financial instruments, financial statement classification and associated risks are presented in the table below:

Financial instrument	Financial statement classification	Associated risks	Fair value at December 31, 2015 ($)
Cash	Carrying value	Credit, currency and concentration	63,211
Receivables	Carrying value	Credit, currency and concentration	291,350
Accounts payable	Carrying value	Currency	(1,271,444)
Due to Omega S.A.	Carrying value	Currency	(451,825)
Loans from CrediPresto	Carrying value	Currency	(114,657)
Due to Columbus Gold Corp.	Carrying value	Currency	(453,698)
Loan from SG Strategic Income Limited	Carrying value	Currency	(764,087)
			(2,701,150)

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at December 31, 2015 are summarized below. The Board of Directors reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

The credit risk exposure on cash is limited to their carrying amounts at the date of the statement of financial position. Cash is held as cash deposits with a creditworthy chartered banks in Canada and Guatemala. The risk is assessed as low.

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at December 31, 2015, the Company had a working capital deficiency of $881,783 (December 31, 2014 – working capital of $112,973, December 31, 2013 – working capital of $648).

(c) Market risks – interest rate

The Company does not have debt that is subject to interest rate risks as the rates are repayable at fixed rates of repayment.

Sensitivity analysis

A 1% change in interest rates does not have a material effect to the Company's profit or loss and equity.

As the Company's functional currency is the Canadian Dollar, where foreign currency transactions such as the US Dollar, European Euro, and Guatemalan Quetzal are converted into Canadian Dollars, changes in exchange rates between these currencies may have an effect on the Company's profit or loss and equity. A +/- 10% change in the exchange rate between those currencies and the Canadian Dollar can affect equity by approximately $150,000.

Capital management

The Company's objectives when managing capital are to ensure an optimal capital structure is maintained to reduce overall cost of capital and allowing flexibility to respond to changes in working capital requirements.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and receivables.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company monitors working capital and cash flows regularly. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Other information

Outstanding share data

At the date of this MD&A, the Company has 72,608,931 shares issued and outstanding. In addition, there are 4,800,000 share purchase options outstanding with an exercise price of $0.065 to $0.20, which are all exercisable as at the date hereof. The Company presently has no warrants outstanding.

Risks and uncertainties

Risk factors

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business engaged in the production of organic and conventional produce. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the partners are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected.

Additional Capital Requirements

The ability of the Company to continue to expand its operations will depend on its continuing ability to raise capital, through equity or debt financing. Debt or equity financing may not be available to us on favorable terms or at all. In addition, an equity financing would dilute the Company's current shareholders and may result in a decrease in our share price if the Company is unable to realize returns equal to or above our current rate of return. Agricola will not be able to expand its operations within the natural and organic food industries without continued access to capital resources.

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require additional equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

Agricola has incurred losses in recent periods. There is no certainty that the Company will be able to achieve or maintain profitability in the future, and it may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, Agricola will not be profitable.

Dilution

In order to finance future operations and development efforts, the Company may raise funds through the issue of shares or securities convertible into shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of shares for such consideration and on such terms and conditions as may be established by the partners of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of shares or securities convertible into shares or the effect, if any, that future issues and sales of shares will have on the price of the shares. Any transaction involving the issue of previously authorized but unissued shares or securities convertible into shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Limited Operating History

Agricola began carrying on business in 2014 and has generated over $1.0 million in revenue from the sale of products. Agricola is therefore subject to many of the risks common to early-stage enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Agricola will be successful in establishing a customer base, that consumers will purchase its products, or that it will begin generating revenues. The company's ability to achieve a return on shareholders' investment and the likelihood of its success must be considered in light of the company's early stage of operations.

Reliance on operators and key employees

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Company's shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. An investment in the Company's shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment.

Reliance on a Single Processing Facility

To date, Agricola's activities and resources have been primarily focused on its facility in Patzún, Guatemala. The operations of the the Company will continue to be focused on this facility for the foreseeable future. Adverse changes or developments affecting the Company could have a material and adverse effect on the Company's business, financial condition and prospects. Operations and financial performance may be adversely affected if the Company is unable to keep up with the maintenance requirements of the facility, or in the event of a shut down of the facility for any reason, such as a natural disaster.

Competition

The agricultural produce industry is intensely competitive in all of its phases. The Company competes with other companies some of whom will have greater financial resources, larger facilities, more capacity, higher staffing levels, greater economies of scale, pricing advantages, longer operating histories and more established market presences. The Company may have little or no control over some or all of these competitive factors. If the Company is unable to effectively respond to these competitive factors or if the competition in its product markets results in price reductions or decreased demand for the Company's products, its business, results of operations and financial condition may be materially impacted.

The Company intends to focus its business on the production, processing, packing and shipping of organic produce grown in company-owned facilities. As a result of changing consumer preferences and awareness, there is increased demand for organic produce over conventional produce grown using genetically modified organism seeds (GMO), harmful, chemical pesticides and herbicides. The Company expects to face additional competition from new entrants to the organic produce market. The Company's ability to remain competitive will depend to a great extent on its ability to establish a customer base, maintain competitive pricing levels, manage transportation and delivery logistics and effectively market its products to its wholesale customers. There can be no assurance that the Company will have sufficient resources to compete successfully with its current or future competitors in these areas, which could have a material adverse effect on its business plan and results of operations.

Insurance

The agricultural and food production industry is subject to risks that could result in lost crops, contamination, health and food safety concerns, product liability lawsuits, regulatory action and potential liability and costs. Agricola intends to maintain insurance in amounts it believes and which are customary in the agricultural industry. However, such insurance often contains exclusions and limitations on coverage. As such, the Agricola's insurance policies may not provide coverage for all losses related to their business, including environmental liabilities and losses. The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on the Company's ability to achieve profitability, results of operations and financial condition.

The market price of shares may be subject to wide price fluctuations

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the shares.

The Company is unable to predict whether substantial amounts of shares will be sold in the open market. Any sales of substantial amounts of shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the shares.

Global financial conditions

Global financial conditions over the last few years have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of our Shares may be adversely affected.

Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

Management's responsibility for financial statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Disclosure and internal controls

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls over financial reporting have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The Company is an emerging markets issuer, and as such, is required by the TSXV to have sufficient internal controls over financial reporting. The Company is in the process of implementing an internal controls framework that is based on the COSO 2013 framework, established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company anticipates implementation to be completed and ready for fiscal 2017.

Caution regarding forward looking statements

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements that certain actions, events or results "may," "could," "would," "should," "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about: general business and economic conditions; the timing of the receipt of required approvals for operations; the availability of equity and other financing on reasonable terms; power prices; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the Company's ability to attract and retain skilled labour and staff; the impact of changes in Canadian/US dollar and other foreign exchange rates on costs and results; market competition; and ongoing relations with employees and with business partners and joint venturers.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Management undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Additional information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Corporation information

Head Office:	1090 Hamilton Street Vancouver, BC, V6B 2R9
Directors:	Javier Reyes Jeffrey Klenda Peter Gianulis Robert Giustra
Officers:	Robert Giustra, Chairman Peter Gianulis, Chief Executive Officer and President Akbar Hassanally, Chief Financial Officer Andres Barresi, Chief Operating Officer Jenna Virk, Corporate Secretary and VP Legal
Auditor:	DMCL LLP 1500 – 1140 West Pender Street Vancouver, BC, V6E 4G1
Legal Counsel:	McMillan LLP Suite 1500 - 1055 West Georgia Street Vancouver, BC, V6E 4N7
Transfer Agent:	Computershare Investor Services 2nd Floor – 510 Burrard Street Vancouver, BC, V6C 3B9

Organto Foods Inc.

(formerly Columbus Exploration Corporation)

1090 Hamilton Street

Vancouver, B.C.

V6B 2R9

Canada

Consolidated Financial Statements

For the Year Ended

December 31, 2015

(Stated in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Organto Foods Inc. (formerly Columbus Exploration Corporation)

We have audited the accompanying consolidated financial statements of Organto Foods Inc. (formerly Columbus Exploration Corporation), which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Organto Foods Inc. as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Organto Foods Inc's ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 29, 2016

Organto Foods Inc. (formerly Columbus Exploration Corporation)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2015 ($)	December 31, 2014 ($)
Assets		
Current assets		
Cash	63,211	44,791
Receivables	291,350	-
Inventories	325,923	158,791
Prepaid expenses and advances (note 5, 14)	363,771	-
Assets held for sale (note 6, 14)	481,379	-
	1,525,634	203,582
Non-current assets		
Property, plant and equipment (note 7)	5,175,135	3,646,486
Other non-current assets (note 8)	14,196	-
Goodwill (note 16)	479,732	-
	7,194,697	**3,850,068**
Liabilities and Shareholders' equity		
Current liabilities		
Accounts payable (note 14)	1,271,444	68,267
Accrued liabilities	115,793	22,342
Due to Omega S.A. (note 9, 14)	451,825	-
Short-term loans payable (note 10, 14)	114,657	-
Due to Columbus Gold Corp. (note 14)	453,698	-
	2,407,417	90,609
Non-current liabilities		
Long-term loan payable (note 11, 20)	764,087	-
Due to Omega S.A. (note 9, 14)	-	415,193
	3,171,504	505,802
Shareholders' equity		
Share capital (note 12)	4,834,368	648
Shares to be issued	-	3,204,457
Reserves	1,215,087	363,870
Deficit	(2,026,262)	(224,709)
	4,023,193	3,344,266
	7,194,697	**3,850,068**

Nature of operations and going concern (note 1)
Reverse takeover (note 16)
Commitments (note 19)
Subsequent events (note 20)
The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors

"Robert Giustra"
Robert Giustra – Director

"Peter Gianulis"
Peter Gianulis – Director

(Expressed in Canadian Dollars)

	Year ended	
	December 31, 2015 ($)	**December 31, 2014 ($)**
Revenues (note 14)	1,640,957	228,571
Cost of sales (note 13)	(1,608,855)	(248,915)
Gross profit (loss)	32,102	(20,344)
Overhead and other operating expenses	991,314	96,552
Salaries and benefits	274,282	90,902
Share-based payments (note 12b)	276,515	-
Amortization (note 7)	276,755	16,911
	(1,786,764)	(224,709)
Interest expense	(37,101)	-
Foreign exchange gain	29,927	-
Net loss from continuing operations	**(1,793,938)**	**(224,709)**
Net loss from discontinued operations (note 6)	**(7,615)**	**-**
Net loss for the year	**(1,801,553)**	**(224,709)**
Item(s) that may subsequently be re-classified to net income or loss:		
Foreign currency translation gain	574,702	187,373
Comprehensive loss for the year	**(1,226,851)**	**(37,336)**
Loss per share (note 12c)		
Basic and diluted from continuing operations	(0.28)	nm[1]
Basic and diluted from discontinued operations	(0.00)	nm[1]
Basic and diluted	(0.28)	nm[1]

[1] Not meaningful (note 3h).

The accompanying notes are an integral part of these consolidated financial statements.

(Expressed in Canadian Dollars)

	Year ended December 31, 2015 ($)	Year ended December 31, 2014 ($)
Operating activities		
Net loss for the year from continuing operations	(**1,793,938**)	**(224,709)**
Items not involving cash		
Share-based payments	276,515	-
Unrealized foreign exchange	(140,153)	-
Amortization	276,755	16,911
Cash used in operating activities before changes in non-cash working capital	(1,380,821)	(207,798)
Changes in non-cash working capital		
Accounts receivable	(283,375)	-
Inventories	(167,132)	(149,896)
Prepaid expenses and advances	(361,261)	-
Accounts payable	623,105	64,444
Accrued liabilities	(170,690)	21,089
Cash used in operating activities	(1,740,174)	(272,161)
Investing activities		
Payments on land lease	(14,196)	-
Property, plant and equipment	(1,035,237)	(254,693)
Cash used in investing activities	(1,049,433)	(254,693)
Financing activities		
Advances from Columbus Exploration Corporation under reverse-takeover agreement	1,770,884	-
Cash from acquisition of Columbus Exploration Corporation	228,827	-
Loan from SG Strategic Income Limited	757,458	-
Contributions from Omega S.A.	-	176,497
Advances from Omega S.A.	36,632	391,938
Cash from financing activities	2,793,801	568,435
Effect of foreign exchange on cash	14,226	2,562
Increase in cash	18,420	44,143
Cash, beginning of year	44,791	648
Cash, end of year	**63,211**	**44,791**

The accompanying notes are an integral part of these consolidated financial statements.

Supplemental cash flow information

During the year ended December 31, 2014, the Company received property, plant and equipment valued at $3,204,457 from related parties, in exchange for shares to be issued.

During the year ended December 31, 2015, $149,303 of accounts receivable was assigned to a debtholder in partial settlement of debt (note 9).
There were no cash flows from discontinued operations for the years ended December 31, 2015 and 2014.

(Expressed in Canadian Dollars)

	Number of shares	Share capital ($)	Shares to be issued ($)	Reserves ($)	Deficit ($)	Total ($)
Balance at January 1, 2014	50	648	-	-	-	648
Acquisition of property, plant and equipment (note 12a)	-	-	3,204,457	-	-	3,204,457
Contributions from Omega S.A. (note 12a)	-	-	-	176,497	-	176,497
Comprehensive loss for the year	-	-	-	187,373	(224,709)	(37,336)
Balance at December 31, 2014	50	**648**	**3,204,457**	**363,870**	**(224,709)**	**3,344,266**
Shares issued for property, plant and equipment	230,435	3,204,457	(3,204,457)	-	-	-
Equity of Columbus Exploration Corporation	26,380,049	6,981,278	-	3,229,857	(8,715,476)	1,495,659
Elimination of Columbus Exploration Corporation's equity	-	(6,981,278)	-	(3,229,857)	8,715,476	(1,495,659)
Shares acquired of legal parent	(230,485)	-	-	-	-	-
Shares issued on reverse take-over (note 16)	46,228,882	1,629,263	-	-	-	1,629,263
Share-based payments (note 12b)	-	-	-	276,515	-	276,515
Comprehensive loss for the year	-	-	-	574,702	(1,801,553)	(1,226,851)
Balance at December 31, 2015	**72,608,931**	**4,834,368**	**-**	**1,215,087**	**(2,026,262)**	**4,023,193**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

On November 30, 2015, Agricola Nuova Terra Guatemala S.A. (“Agricola”) completed its reverse takeover (the “RTO”) of Columbus Exploration Corporation (“Columbus Exploration”), pursuant to which Columbus Exploration acquired all of the issued and outstanding common shares of Agricola in exchange for 46,228,882 common shares of Columbus Exploration, Columbus Exploration paying Agricola shareholders $100,088 (US$75,000) on or before September 11, 2015 (paid), a final payment of $256,040 (US$185,000) on or before December 31, 2016, and Columbus Exploration assuming $338,318 (US$242,844) in debt which bears interest at a rate of 8.5% per annum.

Upon completion of the RTO, Columbus Exploration changed its name to Organto Foods Inc. (“Organto”), and Agricola became a wholly-owned subsidiary of Organto. On March 21, 2016, Agricola changed its name to Organto Guatemala, Sociedad Anonima (“Organto Guatemala”). For the purposes of these consolidated financial statements, the “Company” is defined as the consolidated entity. The Company’s common shares are listed for trading on the TSX Venture Exchange (“TSXV”) and is traded under the stock symbol “OGO”.

The Company was incorporated on May 18, 2007 under the laws of the Province of British Columbia, Canada. The Company’s principal business activity is the sourcing, processing and packaging of natural, organic and specialty food products. Organto owns and operates greenhouses in Guatemala used for the production and growing of organic produce. Agricola commenced full operations in March 2014.

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. The operations of the Company were primarily funded by the issue of share capital and loans. At December 31, 2015, the Company had a working capital deficiency of $881,783 (2014 – working capital of $112,973) and an accumulated deficit of $2,026,262 (2014 - $224,709). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to obtain additional financing as needed, continued financial support from related parties, and ultimately on generating future profitable operations. The factors described may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

2. Basis of presentation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on April 29, 2016.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of presentation - *continued*

(c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Organto Guatemala, Sociedad Anonima, and Columbus Silver (U.S.) Corporation. All inter-company transactions and balances are eliminated on consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial report from the date control commences until the date control ceases.

(d) Use of estimates and judgments

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of useful lives of long-lived assets, the valuation of inventory which includes estimates with regards to the allocation of overhead and determining the net realizable value, assumptions used in determination of the fair value of share-based payments, the recoverability and measurement of deferred tax assets, and the allocation of the purchase price associated with the acquisition of a business.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern, classification of expenditures and the classification of financial instruments.

3. Significant accounting policies

(a) Revenue recognition

The Company recognizes revenue primarily from the sale of goods. Revenue on sales is recognized when the product is delivered to the customer and/or when the risks and rewards of ownership are otherwise transferred to the customer and when the price is fixed and determinable and collection is reasonably assured.

(b) Inventory

Inventory is valued at the lower of cost and net realizable value. The Company's inventory is comprised of packing materials fertilizers, seeds and fungicides.

(c) Foreign currency translation

The presentation currency is Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

Entity	Functional currency
Organto Foods Inc.	Canadian Dollar
Organto Guatemala, Sociedad Anonima	Guatemalan Quetzal ("Q")
Columbus Silver (U.S.) Corporation	US Dollar

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. At the end of each reporting period, assets and liabilities of the Company's subsidiaries are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

3. Significant accounting policies - *continued*

(d) Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”).

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the consolidated statement of comprehensive income (loss).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are recorded at cost, less accumulated depreciation and accumulated net impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and borrowing costs on qualifying assets. During their construction, items of property, plant and equipment are classified as construction in progress. When the asset is available for use, it is transferred from construction in progress to the appropriate category of property, plant and equipment and depreciation of the item commences.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the net carrying amount of property, plant and equipment, and are recognized in net earnings.

3. Significant accounting policies - *continued*

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in net earnings on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

	Years
Buildings	20
Machinery and equipment	10 to 20
Furniture and other	10

(f) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss). Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probably that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

3. Significant accounting policies - *continued*

(h) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

(i) Share-based payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers.

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. No expense is recognised for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

(j) Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade payables, loans payable and amounts due to related parties are classified as other financial liabilities.

(Expressed in Canadian Dollars)

3. Significant accounting policies - *continued*

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

4. New accounting standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these consolidated financial statements. Those that may have a significant future effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial Instruments* ("IFRS 9")

This new standard is a partial replacement of IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15")

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

(c) Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. Prepaid expenses and advances

	December 31, 2015 ($)	**December 31, 2014 ($)**
Prepaid expenses	232,875	-
Advances to farmers	130,896	-
	363,771	**-**

The Company has provided funding, fertilizers, seeds and other supplies to local farms in Guatemala for the growing of produce. The advances are non-refundable and are deducted against the purchase of produce from the local farms when the produce is harvested.

(Expressed in Canadian Dollars)

6. Assets held for sale

As part of the RTO transaction, the Company acquired exploration and evaluation assets from Columbus Exploration with carrying values at December 31, 2015 as follows:

	($)
Mogollon property	453,699
Clanton Hills property	27,680
	481,379

During the current year, the Company recorded an impairment charge of $7,615 (2014 - $nil) on the Mogollon property, and included in net loss from discontinued operations. Subsequent to year end, the Mogollon and Clanton Hill properties were transferred or sold to Columbus Gold Corp. ("Columbus Gold") (notes 14 and 20).

7. Property, plant and equipment

	Buildings ($)	Machinery & equipment ($)	Furniture and other ($)	Land ($)	Construction in progress ($)	Total ($)
Cost						
At January 1, 2014 and 2013	-	-	-	-	-	-
Additions	1,489,180	1,866,693	68,208	-	35,069	3,459,150
Foreign exchange	88,362	110,761	4,047	-	2,080	205,250
At December 31, 2014	1,577,542	1,977,454	72,255	-	37,149	3,664,400
Additions	214,040	360,620	23,730	111,975	324,872	1,035,237
Foreign exchange	318,399	406,859	15,752	9,393	34,328	784,731
At December 31, 2015	2,109,981	2,744,933	111,737	121,368	396,349	5,484,368
Accumulated amortization						
At January 1, 2014 and 2013	-	-	-	-	-	-
Amortization for the year	(6,205)	(10,138)	(568)	-	-	(16,911)
Foreign exchange	(368)	(601)	(34)	-	-	(1,003)
At December 31, 2014	(6,573)	(10,739)	(602)	-	-	(17,914)
Amortization for the year	(86,632)	(182,116)	(8,007)	-	-	(276,755)
Foreign exchange	(3,519)	(10,259)	(786)	-	-	(14,564)
At December 31, 2015	(96,724)	(203,114)	(9,395)	-	-	(309,233)
Net book value						
At December 31, 2014	**1,570,969**	**1,966,715**	**71,653**	**-**	**37,149**	**3,646,486**
At December 31, 2015	**2,013,257**	**2,541,819**	**102,342**	**121,368**	**396,349**	**5,175,135**

The Company's buildings are situated on land owned by a third party, which is subject to a lease agreement (note 19).

8. Other non-current assets

Other non-current assets consists of land payments of $14,196 (2014 - $nil) in advance in Guatemala.

(Expressed in Canadian Dollars)

9. Due to Omega S.A.

During the year ended December 31, 2014, Omega S.A. ("Omega"), a company owned by one of the founding shareholders of Agricola, loaned Agricola $415,913 (US$361,000) (the "Omega Loan"). The loan accrues interest at 8.5% per annum upon completion of the RTO and is due on October 31, 2016. On March 31, 2015, the Company assigned its receivables in the amount of $149,303 (US$118,156) to Omega, reducing the Omega Loan to $338,318 (US$242,844).

During 2015, Omega advanced an aggregate amount of $65,453 (Q370,000), with an interest rate of 8.5% per annum, for working capital purposes. An additional $37,876 (US$28,821) was loaned to the Company during 2015, interest free.

As at December 31, 2015, the Company has an aggregate interest payable to Omega of $10,178.

The table below summarizes amounts owing to Omega.

	($)
Loan from Omega (US$242,844), 8.5% interest	338,318
Advance from Omega (Q370,000) for working capital, 8.5% interest	65,453
Advance from Omega (US$28,821), interest free	37,876
Interest payable to Omega	10,178
	451,825

10. Short-term loans payable

As part of the RTO transaction (note 16), Agricola assumed two existing loan agreements between Columbus Exploration and CrediPresto SAPI de C.V., SOFOM, E.N.R. ("CrediPresto").

The first loan is for $48,440 (US$35,000) dated September 21, 2015, at 18% interest per annum, and was repayable on December 21, 2015. The loan has not been repaid on the due date, as the Company is currently restructuring the loan.

The second loan is for $62,280 (US$45,000) dated November 19, 2015, at 18% interest per annum, and is repayable on April 19, 2016. The loan has not been repaid on the due date, as the Company is currently restructuring the loan.

The table below summarizes amounts owing to CrediPresto.

	($)
Loan from CrediPresto (US$35,000), 18% interest	48,440
Loan from CrediPresto (US$45,000), 18% interest	62,280
Interest payable to CrediPresto (US$2,845)	3,937
	114,657

The principal of CrediPresto is also a director of the Company.

(Expressed in Canadian Dollars)

11. Long-term loan payable

The Company received $757,458 (US$558,000) from SG Strategic Income Limited ("SGSI"), as an advance on a planned loan and accrues interest at 5% per annum. The loan agreement was entered into subsequent to year end (see note 20).

The table below summarizes amounts owing to SGSI.

	($)
Loan from SGSI (US$558,000), 5% interest	757,458
Interest payable to SGSI (US$4,910)	6,629
	764,087

12. Share capital

(a) Common shares

Authorized – unlimited common shares without par value.

At December 31, 2015, the Company had 72,608,931 (2014 – 50) common shares issued and outstanding.

On November 30, 2015, Agricola completed the RTO, pursuant to which Columbus Exploration acquired all the issued and outstanding shares of Agricola in exchange for 46,228,882 common shares of Columbus Exploration. Prior to the RTO, Columbus Exploration had 26,380,049 common shares issued and outstanding.

During the year ended December 31, 2014, the Company received property, plant and equipment from Omega. The assets were valued at $3,204,457, in exchange for 230,435 common shares of the Company. Contributions from Omega of $176,497 represents the excess value of the buildings over the consideration paid by the Company.

(b) Share options

The Company has adopted a rolling stock option plan whereby the Board of Directors, may from time to time, grant options to directors, officers, employees or non-employee service providers to a maximum of 10% of the outstanding common shares of the Company at any point in time, less any share options already reserved for issuance under share options granted under previous stock option plans of the Company or granted under any other employee incentive purchase plan that the Company may adopt. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the TSXV on the last trading day preceding the grant date.

As of November 30, 2015, all former 100,000 Columbus Exploration share options continued to be stock options of the Company.

(Expressed in Canadian Dollars)

12. Share capital - *continued*

The continuity of the Company's share options is as follows:

	Number of options	Weighted average exercise price ($)
Balance, January 1, 2014 and December 31, 2014	-	-
Former Columbus Exploration share options at November 30, 2015	100,000	0.09
Granted	4,700,000	0.20
Balance, December 31, 2015	**4,800,000**	**0.20**

A summary of the Company's share options at December 31, 2015 is as follows:

	Options outstanding		Options exercisable	
Exercise price ($)	Number of options outstanding	Weighted average remaining contractual life (years)	Number of options exercisable	Weighted average remaining contractual life (years)
0.065	65,000	2.97	65,000	2.97
0.15	35,000	3.85	35,000	3.85
0.20	4,700,000	4.92	4,700,000	4.92
0.065-0.20	**4,800,000**	**4.89**	**4,800,000**	**4.89**

4,700,000 share options were granted during the year ended December 31, 2015 (2014 – nil), which all vested on the date of grant. The weighted average fair value of options granted during the year ended December 31, 2015 was $0.06 (2014 – nil), resulting in a total fair value of $276,515 (2014 – nil).

The following are the assumptions used in the Black-Scholes Options Pricing Model for share options granted during the years December 31, 2015 and 2014:

	Year ended	
	December 31, 2015	December 31, 2014
Expected price volatility	73%	n/a
Risk free interest rate	0.62%	n/a
Expected life of options	1 year	n/a
Expected dividend yield	nil	n/a

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table above. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate.

(Expressed in Canadian Dollars)

12. Share capital - *continued*

(c) Loss per share and diluted loss per share

	Year ended December 31, 2015 ($)	Year ended December 31, 2014 ($)
Basic and diluted loss per share from continuing operations	(0.28)	nm[1]
Basic and diluted loss per share from discontinued operations	(0.00)	nm[1]
Basic and diluted net loss per share	(0.28)	nm[1]
Loss from continuing operations	(1,793,938)	(224,709)
Loss from discontinued operations	(7,615)	-
Net loss for the year	(1,801,553)	(224,709)

[1] Not meaningful (note 3h).

	Year ended December 31, 2015	Year ended December 31, 2014
Shares outstanding, beginning of year	50	50
Reverse takeover transaction	6,365,710	-
Basic and diluted weighted average number of shares outstanding	**6,365,760**	**50**

The weighted number of shares outstanding for the year ended December 31, 2015 was calculated based on the number of Agricola shares outstanding up to the date of the RTO and the number of common shares of the Company outstanding from the date of the RTO to the end of the year.

For the year ended December 31, 2015 there were 4,800,000 (2014 – nil) share options that are potentially dilutive but not included in the diluted earnings per share calculation as the effect would be anti-dilutive.

(c) Escrow shares

As at December 31, 2015, 46,228,882 shares issued to Agricola shareholders remain in escrow.

13. Cost of sales

	Year ended December 31, 2015 ($)	Year ended December 31, 2014 ($)
Materials and transportation	436,493	54,324
Produce	935,493	157,050
Salaries and benefits	236,869	37,541
	1,608,855	**248,915**

(Expressed in Canadian Dollars)

14. Related party transactions

The Company has a "Services Agreement" with Columbus Gold, whereby Columbus Gold provides administration and management services for a fixed monthly fee. The Services Agreement is effective November 30, 2015, until December 31, 2016 and may be terminated with 30 days' notice by Columbus Gold. Columbus Gold has certain directors and officers in common with the Company.

The Services Agreement was amended subsequent to December 31, 2015, whereby the monthly fee is $20,000 for February 2016 and $10,000 per month thereafter.

The following related party transactions were in the normal course of operations:

	Year ended	
	December 31, 2015 ($)	**December 31, 2014 ($)**
Management fees paid or accrued to Peter L. Gianulis, President and CEO of the Company	60,000	-
Acquisition of property, plant and equipment from Omega S.A., a Company owned by one of the founding shareholders of Agricola, in exchange for common shares of Agricola	-	3,204,457
Contributions from Omega S.A.	-	176,497
Sales to Unifresh and Fresh Organics LLC, companies owned by a founding shareholder of Agricola	915,312	228,571
Management fees paid or accrued to Fresh Organics LLC (note 19)	8,000	-
Administration fees paid or accrued to Columbus Gold	18,000	93,810
Directors fees paid or accrued	6,000	-
	1,007,312	**3,703,335**

Contributions from Omega represents the excess value of the buildings over the consideration paid by the Company.

The following summarizes advances, amounts that remain payable or accrued to each related party:

	December 31, 2015 ($)	**December 31, 2014 ($)**
Advances to Fresh Organics LLC	129,085	-
Due to Omega S.A. (note 9)	(451,825)	(415,193)
Management fees payable and expenses reimbursable to Peter L. Gianulis	(44,707)	-
Directors fees payable included in accrued liabilities	(6,000)	-
Trade payable to Columbus Gold	(5,250)	-
Amounts due to Columbus Gold, to be settled in exchange for Mogollon	(453,698)	-
Loan payable to CrediPresto, a corporation of which a Javier Reyes, a director of the Company, is a principal	(114,657)	-
	(947,052)	**(415,193)**

(Expressed in Canadian Dollars)

15. Segmented information

The Company has one reportable business segment, being the sourcing, processing and packaging of natural, organic and specialty food products. Sales were made to 11 customers during 2015, and all sales were made to one customer during the year ended December 31, 2014 (note 14).

Information by geographical areas is as follows:

	December 31, 2015 ($)	December 31, 2014 ($)
Current assets		
Canada	84,034	-
Guatemala	960,221	203,582
USA	481,379	-
	1,525,634	203,582
Non-current assets		
Canada	479,732	-
Guatemala	5,189,331	3,646,486
	5,669,063	3,646,486
Total assets		
Canada	563,766	-
Guatemala	6,149,552	3,850,068
USA	481,379	-
	7,194,697	**3,850,068**

16. Reverse takeover

On November 30, 2015, Agricola completed its reverse takeover of Columbus Exploration, pursuant to which Columbus Exploration acquired all of the issued and outstanding common shares of Agricola in exchange for 46,228,882 common shares of Columbus Exploration, Columbus Exploration paying Agricola shareholders $100,088 (US$75,000) on or before September 11, 2015 (paid), a final payment of $256,040 (US$185,000) on or before December 31, 2016, and Columbus Exploration assuming $338,318 (US$242,844) in debt which bears interest at a rate of 8.5% per annum.

The RTO has been accounted for as a reverse takeover business acquisition whereby Agricola is the deemed acquirer of the Company. Subsequent consolidated financial statements will reflect the historical carrying values of the assets and liabilities of Agricola and the fair value of the assets and liabilities of Columbus Exploration. All intercompany loans and balances are eliminated on consolidation. The Company adopted December 31st as its new fiscal year end.

(Expressed in Canadian Dollars)

16. Reverse takeover *- continued*

The following table provides details of the fair value of the consideration given and the fair value of the assets and liabilities acquired:

	Number of shares	$
Consideration		
Outstanding common shares Columbus Exploration	46,228,882	1,629,263
Cash payments	-	356,128
		1,985,391

Net assets acquired:	
Cash	228,827
Advances to Agricola	1,770,884
Payments to shareholders of Agricola	100,088
Receivables	7,975
Prepaid expenses and deposits	2,510
Exploration and evaluation assets	471,871
Trade payables	(624,197)
Interest payable	(326,808)
Accrued liabilities	(18,667)
Loan payable	(106,824)
Goodwill	479,732
	1,985,391

17. Financial risk and capital management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at December 31, 2015 are summarized below. The Board of Directors reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

The credit risk exposure on cash is limited to their carrying amounts at the date of the statement of financial position. Cash is held as cash deposits with a creditworthy chartered banks in Canada and Guatemala. The risk is assessed as low.

(b) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at December 31, 2015, the Company has a working capital deficiency of $881,783 (December 31, 2014 – working capital of $112,973).

17. Financial risk and capital management - *continued*

(c) Market risks – interest rate

The Company does not have debt that is subject to interest rate risks as the rates are repayable at fixed rates of repayment.

Sensitivity analysis

A 1% change in interest rates does not have a material effect to the Company's profit or loss and equity.

As the Company's functional currency is the Canadian Dollar, where foreign currency transactions such as the US Dollar, European Euro, and Guatemalan Quetzal are converted into Canadian Dollars, changes in exchange rates between these currencies may have an effect on the Company's profit or loss and equity. A +/- 10% change in the exchange rate between those currencies and the Canadian Dollar can affect equity by approximately $150,000.

Capital management

The Company's objectives when managing capital are to ensure an optimal capital structure is maintained to reduce overall cost of capital and allowing flexibility to respond to changes in working capital requirements.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and receivables.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company monitors working capital and cash flows regularly. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Fair value

The fair value of the Company's financial instruments including cash, receivables, accounts payable, amounts due to related parties and loans approximates their carrying value due to the immediate or short term maturity of these financial instruments.

IFRS 7, *Financial Instruments: Disclosure* establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 –inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

(Expressed in Canadian Dollars)

18. Income taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	Year ended	
	December 31, 2015 ($)	**December 31, 2014 ($)**
Net loss for the year	(1,801,553)	(224,709)
Canadian federal and provincial income tax rates	26%	26%
Expected income tax recovery	468,404	58,424
Differences in statutory tax rates	1,232	-
Non-deductible items	(395,464)	-
Other	75,501	(58,424)
Change in valuation allowance	(149,673)	-
Income tax (recovery) expense	**-**	**-**

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	December 31, 2015 ($)	**December 31, 2014 ($)**
Non-capital loss carry-forwards	1,965,599	-
Mineral properties tax basis greater than book value	205,344	-
	2,170,943	

(Expressed in Canadian Dollars)

18. Income taxes - *continued*

The Company has accumulated tax losses and other tax pools which may be used to reduce future year's taxable income. These amounts expire as follows:

	Canada ($)	USA (US$)
2029	-	466,666
2030	471,411	1,086,782
2031	543,199	263,035
2032	591,672	228,668
2033	637,246	-
2034	419,952	274,295
2035	436,198	74,613
	3,099,678	**2,394,059**

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

19. Commitments

At December 31, 2015, the Company has the following commitments:

	Within 1 year	Between 1 and 5 years	After 5 years	Total
Lease payments for land use in Guatemala (note 7)	134,144	536,577	610,379	1,281,100
Management services from Fresh Organics LLC (note 14)	96,000	152,000	-	248,000
Services Agreement with Columbus Gold (note 14)	125,000	-	-	125,000
	355,144	**688,577**	**610,379**	**1,654,100**

20. Subsequent events

Convertible promissory note

Subsequent to December 31, 2015, the Company entered into a secured convertible promissory note with SGSI pursuant to which SGSI has agreed to lend the Company $816,560 (US$590,000) until March 30, 2017. Outstanding amounts will incur interest at a rate of 5% annually.

The loan and any interest accrued to date thereon will convert into common shares of the Company (i) at SGSI's election on delivering written notice to the Company; or (ii) automatically, if the Company completes a financing of at least $5 million, including the value of the SGSI's convertible note and any other debt convertible into equity securities of the Company as a result of such financing. Any conversion will be effected based on a price of $0.42 per share and conversion shares will be issued on the same terms and conditions that are applicable to the securities issued under the financing. Completion of the transaction remains subject to final approval from the TSXV.

Mogollon and Clanton Hills properties

Subsequent to December 31, 2015, the Company completed the transfer of the Mogollon property to Columbus Gold to settle $453,698 owed to Columbus Gold (note 14).

Subsequent to December 31, 2015, the Company received $27,680 (US$20,000) from Columbus Gold in exchange for the Clanton Hills property.