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## **NEWS RELEASE**

# **Organto Announces \$2 Million Financing is Fully Subscribed and Provides Corporate Update**

**Vancouver, BC, Canada, April 25, 2017 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto”)** is pleased to provide a general corporate update on various financial and operational matters. The completion of these items further positions Organto in the execution of its business plan to become the leading vertically integrated year-round provider of premium, organic vegetables from multiple sources throughout the world.

### **Operating Update**

Organto recently announced a number of key leadership changes including the appointment of Arnoud Maas as Chief Executive Officer, effective May 1, 2017, succeeding Peter Gianulis who will transition into the role of Executive Vice President, Corporate Development, and continue as a Director of the Board. In addition, Steve Bromley has been appointed as Strategic Advisor to the CEO and Board of Directors, focused on strategic development, business execution, risk management and governance matters. Mr. Maas and Mr. Bromley each bring over 30 years of progressive foods and related industry experience to Organto, and their appointments align with Organto’s aim of transitioning executive leadership and the Board to exceptionally experienced and dynamic food related backgrounds. The Board of Directors intends to nominate Mr. Maas and Mr. Bromley to Organto’s Board of Directors at the upcoming AGM. In hand with these appointments, Organto also recently announced the appointment of Marcus Meurs, an industry veteran with over 25 years of related experience, as President and COO, responsible for all operating aspects of Organto’s “table to field” organic produce business model.

Organto continues to build-out and commercialize its year-round integrated supply capabilities. The initial commercial push, focused on the European market, continues to expand with new listings recently announced with the Ahold Delhaize Group, the 10th largest supermarket retailer in the world, and COOP Denmark, the largest retailer of consumer goods in Denmark. As product supply increases from Organto’s global sourcing locations, Organto expects to further expand its customer base, initially in Europe, followed by North America.

In order to meet market demand, Organto continues to expand production of organic green beans, organic sugar snaps and organic snow peas from its operations in Guatemala and Argentina, and third party growing relationships in Uganda and Argentina. Organto is currently harvesting approximately 6,000 kgs. of product per week, and this continues to expand. In the coming months it is expected that additional strategic third party growers will come on line in Mexico, Peru and Egypt, further expanding supply.

### **Ownership of Organto Argentina**

Organto has reached terms in principle with two minority shareholders of its Argentinian subsidiary, Organto Argentina S.A. to acquire their aggregate 49% ownership interests. Upon completion of these transactions, Organto expects to own 100% of Organto Argentina.

## **Financing Initiatives**

A number of recent financing initiatives have been undertaken in order to meet ongoing working capital requirements:

### **Convertible Debenture Financing**

The previously announced convertible debenture private placement financing of CDN\$2,035,000 has been fully subscribed. Organto has received conditional approval and has been granted an extension by the TSX Venture Exchange (the “**TSX-V**”) as it coordinates with the subscribers, all of whom are located overseas, to facilitate electronic settlement, the final step to effect closing. For more information regarding the convertible debt private placement, please refer to Organto’s news release dated February 23, 2017.

### **Bridge Loan**

Organto has secured a short-term bridge loan of US\$200,000 to be advanced by two existing creditors under bridge loan agreements. The bridge financing will be used to fund existing accounts payable, to meet general working capital requirements, and to secure additional supplier relationships. The creditors had previously provided a \$100,000 bridge loan on September 23, 2016. The combined loans will be unsecured, bear interest at a rate of 8% per annum and have a one year repayment term, subject to the option of the lenders to demand early repayment at any time after Organto has announced the completion of an equity financing for aggregate proceeds of at least US\$1,000,000. A total of 1,000,000 non-transferable warrants will be issued to the lenders, exercisable for a term of 1 year from the effective date, at CDN\$0.20 per share. The bridge loan agreements are subject to the approval of the TSX-V.

### **Extension of Convertible Promissory Note**

SG Strategic Income Limited has agreed to extend the due date of a US\$590,000 secured convertible promissory note (the “**Note**”) entered into with Organto dated March 30, 2016. The due date has been extended to March 30, 2018 from the original due date of March 30, 2017. Additionally, the price at which the outstanding balance of the Note can be converted into common shares of Organto at any time prior to the date of maturity has been reduced from CDN\$0.42 per share to CDN\$0.33 per share. The amendments to the Note are subject to TSX-V approval.

## **Shares for Services Arrangements**

Two shares for services arrangements totalling CDN\$8,000 per month have been terminated. See news releases dated October 19, 2016 and September 2, 2016 for further details of these arrangements. A shares for services compensation arrangement, which is now Organto’s only existing shares for services compensation arrangement, has been entered into with Columbus Gold Corp. in connection with its provision of management, accounting, legal and back-office services to Organto in consideration of CAN\$25,000 per month, of which \$10,000 is payable in common shares of Organto on a quarterly basis, at the 20 day volume-weighted-average closing price on the TSX-V immediately prior to issuance. The shares for services arrangement with Columbus is subject to the approval of the TSX-V and expires at the end of fiscal 2017, at which time it is expected that there will be no shares for services agreements.

## **Debt Settlement**

Organto has entered into a debt settlement agreement with Superrebel.com B.V. with respect to the provision of certain past services in the amount of €45,000 (CDN\$62,500 on conversion, as agreed by the parties). Organto will issue an aggregate of 250,000 common shares (the “**Settlement Shares**”) to Superrebel.com at a settlement price of CDN\$0.25 per Settlement Share. The Settlement Shares are subject to a four month hold period and the approval of the TSX-V.

### **Restructuring of Debt**

Organto has entered into an agreement with Arturo Bickford, a former officer and Director, to restructure certain liabilities owed to Mr. Bickford and/or his affiliated companies pursuant to a prior settlement arrangement with him. See Note 8 of Organto’s financial statements for the quarter ended September 30, 2016 available on SEDAR for further details of the original liabilities.

The proposed restructuring, which is subject to the approval of the TSX-V, consists of the following commitments by Organto: (1) an immediate cash payment of US\$60,000 to Mr. Bickford (paid); (2) the proposed issuance of a US\$70,000 promissory note due May 9, 2017; (3) the proposed issuance of a non-interest bearing US\$200,000 convertible promissory note due September 14, 2017, subject to early repayment on closing of any equity financing completed by Organto for aggregate proceeds of US\$1,000,000 or more, and conversion at the holder’s election any time prior to maturity or repayment into common shares of Organto at a price of CDN\$0.20 per share (provided that such convertible note and, if converted, any issuance of underlying common shares would be subject to a four month hold period from the date of grant of the convertible note); (4) a proposed non-interest bearing term loan evidenced by a promissory note of US\$180,000 due September 14, 2017, subject to early repayment on closing of any equity financing completed by Organto for aggregate proceeds of US\$1,500,000 or more; and (5) Organto has agreed to assume certain tax liabilities in Guatemala on behalf of Mr. Bickford and his affiliates, which are not expected to exceed CDN\$50,000. Furthermore, if any of items (2), (3) or (4) above remain unpaid, in full or in part, for 5 business days after their due date, then the unpaid balance shall be subject to interest at a rate of 2% per month compounded semi-annually and payable on payment of the outstanding balance.

In consideration for the foregoing, Mr. Bickford has agreed to forgive certain outstanding liabilities owed to him by Organto totalling approximately US\$720,000; and to indemnify Organto for certain liabilities owed by it to third parties associated with Mr. Bickford totalling approximately US\$23,000.

### **About Organto**

Organto Foods Inc. is a leading vertically integrated provider of value added fresh-cut, branded organic produce serving a growing socially responsible and health conscious consumer around the globe. Organto employs a business model that is integrated from the “table to the field”. Driven by consumer demand for healthy and organic food products, Organto operates an integrated business model with extensive logistical, processing and growing capabilities, providing complete traceability from the table back to the field. Operations are currently located in Guatemala, Argentina, the Netherlands and the USA, with plans to continue to expand year-round supply capabilities. Organto’s business model is rooted in its commitment to sustainable business practices focused on environmental responsibility and a commitment to the communities where it operates, its people and its shareholders.

ON BEHALF OF THE BOARD,

*Peter L Gianulis*  
CEO & Director

*Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this news release.*

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*This release may include certain forward-looking information and statements, as defined by law including without limitation Canadian securities laws and the “safe harbor” provisions of the US Private Securities Litigation Reform Act of 1995 (“forward-looking statements”). In particular, and without limitation this news release contains forward-looking statements respecting the expected benefits of recent leadership changes, management’s future plans to commercialize its year-round supply capabilities, plans to expand supply of organic green beans, organic sugar snaps and organic snow peas via both internally managed operations and third party relationships; the expected closure of the convertible debenture, the expectation that at the expiry of the current shares for services agreement there will be no further such agreements; the expected closing of the bridge loan, the expected extension of the convertible promissory note, the expected debt settlement agreement with Superreble.com; proposed restructuring of debt with Arturo Bickford; future prospects for Organto generally; management’s beliefs, assumptions and expectations; and general business and economic conditions. Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including without limitation assumptions about the following: cost increases; dependence on suppliers, partners and contractual counterparties; changes in the business or prospects of Organto; unforeseen circumstances; risks associated with the organic produce business generally, including inclement weather, unfavourable growing conditions, low crop yields, variations in crop quality, spoilage and similar risks; transportation costs and risks; general business and economic conditions; and ongoing relations with distributors, customers, employees, suppliers, consultants, contractors, partners and joint venturers. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.*