

Organto Provides Corporate Update

Vancouver, BC, Canada, June 28, 2018– Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or “the Company”), an integrated provider of value-added organic vegetable and fruit products today provided an update on a number of matters including the planned closing of the previously announced private placement, the strengthening of its balance sheet through the elimination of \$3.27 million of debt and payables, the restructuring of the Loan due to Omega S.A, and the departure of Marcus Meurs as President and Chief Operating Officer.

The Company is also planning to reprice certain outstanding share purchase warrants and issue new stock options.

Planned Closing of Private Placement

Organto is targeting to close its previously announced non-brokered private placement on July 5, 2018. On June 7, 2018, the Company announced its intention to complete a non-brokered private placement of up to 20,000,000 units of Organto at a price of \$0.08 per unit for gross proceeds of up to \$1,600,000, with each unit consisting of one common share and one-half warrant, exercisable to purchase one additional Organto common share at a price of \$0.15 for a period of 12 months after the closing date. The exercise date of the warrants will be subject to acceleration in the event that the closing price of Organto’s common shares is greater than or equal to \$0.25 per share for a period of 10 consecutive trading days, subject to certain conditions.

Strengthening of Balance Sheet

Organto has entered into agreements which will result in the elimination of over \$3 million of debt and payables through the early conversion of convertible debentures, the settlement of a convertible loan and shares for debt settlements.

Early Conversion of Convertible Debentures

Organto has reached an agreement with the holders of outstanding convertible debentures with a face value of CDN \$2,035,000 (“the Debentures”) to convert the Debentures, plus accrued interest and related conversion fees, into common shares of Organto. (“the Agreement”). Under the terms of the Agreement, Organto has agreed to issue a total of 13,330,273 common shares to the holders of the Debentures, representing 11,000,000 common shares issued to convert the face value of the Debentures at a conversion price of CDN \$0.185 per common share, and 2,330,273 common shares to convert accrued interest and related conversion fees at a conversion price of CDN \$0.10 per common share.

The Debentures were issued on June 8, 2017 for a term of three years, and bearing interest of 8% per annum, payable in arrears starting one year after the date of issuance. Holders had the option



to convert the principal amount of their Debentures into common shares of Organto at a conversion price of CDN \$0.35 per share through June 20, 2020.

Settlement of Convertible Loan

Organto entered into a convertible loan agreement in March 2016 (the “Loan”) with a face value of USD \$590,000. Based on the automatic conversion terms of the Loan, the amount outstanding has been automatically converted to common shares of Organto.

The original Loan was dated March 30, 2016 and was subsequently amended to i) extend the due date of the Loan to June 30, 2018 and ii) to revise the conversion price of the Loan from CDN \$0.42 per common share to CDN \$0.33 per common share. The Loan provided for automatic conversion at a conversion price of \$0.33 per common share in the event the Company completed an equity financing resulting in gross proceeds of at least CDN \$5.0 million. The Company completed such an equity financing in September 2017 for gross proceeds of CDN \$5,163,531.

As a result of the automatic conversion of the Loan, 2,269,230 common shares were issued to the holder of the Loan.

Shares for Debt Settlements

As announced on February 22, 2018, Organto has entered into Debt Settlement Agreements with Columbus Gold Corp., a related party who provided services, and two of its directors to settle debts in the amount of CDN \$302,000 arising from services provided to Organto during the period December 2015 through December 2017. A total of 2,323,076 common shares will be issued upon acceptance by the TSX Venture Exchange.

In addition, Organto entered into a Shares for Services agreement dated January 1, 2018 between the Company and Columbus Gold Corp. who provided accounting, financial reporting and other administrative services to Organto for the period January through May 2018 for a total fee of CDN \$50,000. A total of 666,666 common shares will be issued based on the 20-day volume weighted average price as traded on the TSX Venture Exchange at May 31, 2018. Final issuance of these shares is subject to acceptance by the TSX Venture Exchange.

Organto has also entered into a Debt Settlement Agreement with a former officer as full and final settlement for amounts payable of USD \$78,691. As per the terms of the Debt Settlement Agreement a total of 1,066,666 common shares will be issued based on the 20-day volume weighted average price as traded on the TSX Venture Exchange at June 15, 2018. Final issuance of these shares is subject to acceptance by the TSX Venture Exchange.



Restructuring of Loan due to Omega S.A

Organto has entered into an amended agreement with Arturo Bickford, a former officer and Director, to restructure liabilities totaling USD \$298,248 owed to Mr. Bickford and/or his affiliated companies (the “Debtors”) under the terms of a previous Settlement Agreement. Under the terms of the amended agreement, monthly amounts payable have been amended, the payment term extended and certain outstanding interest costs waived. See Note 7 of Organto’s financial statements for the quarter ended March 31, 2018, available on SEDAR and on the Company’s website, for further details of the liabilities.

The proposed restructuring, which is subject to the approval of the TSX-V, consists of Organto making the following payments to the Debtors related to amounts outstanding: (1) a cash payment of USD \$55,000 upon the closing of the planned private placement; (2) monthly payments of USD \$15,000 commencing 30 days after closing of the planned private placement and continuing for four months (total payments of USD \$60,000); and (3) monthly payments of USD \$22,906 commencing 30 days after the completion of the payments noted in (2) above and continuing for eight months (total payments of \$183,248).

Repricing of Share Warrants

The Company issued share purchase warrants as part of a private placement in 2017 and is proposing to adjust the pricing of the following share purchase warrants:

- 12,699,634 share purchase warrants originally exercisable at a price of \$0.25 per warrant share until June 20, 2019. The new exercise price will be \$0.17 per warrant share.
- 2,165,208 share purchase warrants originally exercisable at a price of \$0.25 per warrant share until August 3, 2019. The new exercise price will be \$0.17 per warrant share.
- 19,565,000 share purchase warrants originally exercisable at a price of \$0.25 per warrant share until September 11, 2019. The new exercise price will be \$0.17 per warrant share.

Also, the Company will adjust the existing accelerated expiry provision of these warrants. Originally, if the closing price of the Company's shares was \$0.35 or greater for a period of 10 consecutive trading days, then the warrant holders had 30 days to exercise their warrants. The Company plans to change this to a closing price of \$0.22 or greater for 10 consecutive trading days and adjust the exercise period to 20 days.

Issuance of Stock Options

Organto has granted incentive stock options to certain officers who have recently joined the Company to purchase up to an aggregate of 600,000 common shares at an exercise price of \$0.15 per share. 125,000 of the options vest immediately with the remainder vesting 20% annually over the next four years. All of the foregoing options expire on October 10, 2022.



Departure of Marcus Meurs, President and Chief Operating Officer

The Board of Directors announces the departure of Marcus Meurs from his position as President and Chief Operating Officer, effective June 18, 2018. The Board of Directors thanks Marcus for this contribution, as well as his work in originally establishing Organto, and wishes him well in his future endeavours.

Steve Bromley, Chair and Interim CEO will assume the role of President effective immediately. There are no plans to fill the Chief Operating Officer role in the near term given the revised structure which has been implemented by the Company.

ON BEHALF OF THE BOARD,

Steve Bromley

Chair and Interim Chief Executive Officer

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

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ABOUT ORGANTO

Organto is an integrated provider of year-round value-added branded organic vegetables and seasonal organic and non-GMO fruit and vegetables 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, it operates an integrated business model with sourcing, logistical and processing capabilities, providing complete traceability from the table back to the field. Operations are currently located in Guatemala, The Netherlands and the USA, as well as third-party supply from a variety of regions, with plans to continue to expand supply capabilities via strategic third-party growers and processors in Africa, Mexico and other growing regions. 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.

