



## **CIELO CONFIRMS CLOSING OF PRIVATE PLACEMENT OFFERING OF CONVERTIBLE DEBENTURE UNITS**

Vancouver, British Columbia, Canada / July 16, 2019 / CSE: CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") confirms the closing of \$1,530,000 in gross proceeds in the final tranche ("Final Tranche") of its previously announced private placement of convertible debenture units ("Offering"). A total of \$5,121,250 in gross proceeds was raised pursuant to the Offering.

### **OFFERING DETAILS**

On May 7, 2019, Cielo announced a private placement of convertible debentures units (the "Unit(s)") with each Unit consisting of one (1) \$10,000 unsecured convertible debenture (the "Debenture(s)") and 5,000 share purchase warrants (the "Warrant(s)"), (the "Offering").

The Debentures bear interest at a simple rate of 15% per annum with the initial two (2) years of interest being prepaid (the "Prepaid Interest") on the date of issuance of the Debentures (the "Issue Date") by the issuance of common shares (the "Prepaid Interest Shares") at a price of \$0.10 per Prepaid Interest Share. The principal of the Debentures (the "Principal") together with all accrued interest exceeding the Prepaid Interest (the "Interest Balance") will be repaid 48 months from the Issue Date unless repaid earlier by Cielo without penalty or converted by the holder(s) thereof any time after four months and a day following the Issue Date at a price of \$0.06 for the Principal and \$0.10 for the Interest Balance. Each Warrant can be exercised for 48 months from the Issue Date (the "Warrant Term") at an exercise price of \$0.25 per share, subject to acceleration in the event that the common shares of Cielo trade at \$0.50 or higher on a recognized stock exchange for at least five (5) consecutive trading days, in which case Cielo may provide a notice to holders that the Warrant Term will terminate 30 days from the date of notice.

Throughout the Offering, Cielo has issued 512.125 Units, consisting of \$5,121,250 in Convertible Debentures, 2,560,625 Warrants, and 15,363,750 Prepaid Interest Shares, for aggregate gross proceeds of \$5,121,250. Net proceeds of the Offering have been and will be used to complete the commissioning of the Company's refinery in Aldersyde, Alberta (the "Aldersyde Refinery"), as well as for general working capital and marketing expenses.

As disclosed on July 9, 2019 with respect to the final closing of the Offering, the gross proceeds of the Final Tranche consist of \$1,080,000 together with the conversion of \$450,000 in amounts owing by Cielo by way of shares for debt, including to certain insiders of the Company, including Don Allan, President and CEO. As such, the Offering is considered to be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relies on the exemption from valuation requirement pursuant to subsection 5.5(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange, and the Company relies on the exemption from minority approval under subsection 5.7(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange; neither consideration received, nor the fair value of the securities distributed exceeds \$2,500,000; and at least two thirds of independent directors of the Company voted in favour of the related party transaction. Further, pursuant to the terms of National Instrument 62-103 - The Early Warning System and Related Take Over Bids and Insider Reporting Issues, Mr. Allan had previously filed an Early Warning Report regarding his beneficial ownership of greater than 10% of the issued and outstanding securities of the Company. Although Mr. Allan has acquired securities



under the Offering, his beneficial ownership of securities of the Company has decreased to below 10% on both an undiluted and partially diluted basis.

The Company has paid customary commissions in connection with the completion of the Offering of 8 per cent of the gross proceeds raised by broker(s)/finder(s) and up to 8 per cent of the total number of common shares issued to subscribers introduced by broker(s)/finder(s) if 100% of the Principal under the Debentures is converted into common shares of the Company. With respect to the closing of the Final Tranche, Cielo paid commissions equal to \$86,400 and issued 1,093,333 warrants. The finder warrants from all tranches (the “Finder Warrant(s)”) may be exercised for a term of 48 months from the Issue Date (the “Finder Warrant Term”) at an exercise price of \$0.10 per share, subject to acceleration in the event that the common shares of Cielo listed on a recognized stock exchange trade at \$0.50 or higher for at least five (5) consecutive trading days, in which case Cielo may provide a notice to holders that the Finder Warrant Term will terminate 30 days from the date of notice. In aggregate throughout the Offering, \$205,940 was paid in finders fees and 2,939,000 Finder Warrants were issued.

#### SHARES FOR DEBT

In addition to the Offering, Cielo agreed to settle amounts owing to certain of its contractors for an aggregate of \$166,040 by the issuance of 1,660,400 common shares at a deemed price per share of \$0.10. The shares are subject to a statutory hold period of 4 months from the date of issue.

#### OPERATIONS UPDATE

Cielo is also pleased to announce the successful Grand Opening of the Aldersyde Refinery on July 11, 2019, with close to 400 people attending. Dozens of tours were conducted showcasing the Aldersyde Refinery running on a continuous-flow basis, producing renewable diesel and naphtha. 100% of the garbage left at the site was collected, including plastic utensils, paper plates, plastic beer cups and food waste, all of which will be used as part of the supply of feedstock to produce more renewable diesel. During the Grand Opening, Cielo was able to demonstrate the ability of the Aldersyde Refinery to process waste on a continuous flow basis following the successful modification to an electric heat system. Cielo will spend the next few weeks refining and honing the process and technology in preparation for consistent production anticipated to begin shortly thereafter.

Don Allan, President & CEO of Cielo, stated “We are extremely pleased with the turn-out at our Grand Opening and the amount of attention we have started to attract to both Cielo and to the world’s growing garbage crisis. The media coverage by television stations, newspaper and radio stations is a clear indication of the rapidly growing interest in better solutions to waste and ways to reduce greenhouse gas emissions. Now that we have proven that we are able to operate our Aldersyde Refinery on a continuous-flow basis, inquiries are pouring in from around the world from those wanting to learn more about our technology and how we can contribute to solving the world garbage crisis. These are very exciting times for Cielo and our shareholders.”

Join Cielo shareholders on 8020 Connect: <http://connects.digital/cielo1>



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**About Cielo Waste Solutions Corp.**

**Cielo Waste Solutions Corp.** is a publicly traded company with its shares listed to trade on the Canadian Securities Exchange ("CSE") under the symbol "CMC". Cielo holds the exclusive license for the global rights to a transformational, patent-pending, technology engineered to convert garbage-derived feedstocks to high grade renewable diesel, at a significantly lower cost than biofuel companies. With landfills being one of the world's leading contributors to Green House Gas emissions and being projected to double in size over the next 7 years, Cielo can potentially resolve this crisis, on a cost-effective basis, by converting multiple different garbage-derived feedstocks, including sorted municipal solid waste (garbage), wood and agriculture waste, tires, blue-box waste, all plastics and virtually any other cellulosic waste product into high grade renewable diesel.

***Cautionary Note Regarding Forward-looking Statements***

*This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.*

*Forward looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Cielo is making forward looking statements related to the completion of the construction of the Refinery use of proceeds, and the timing for beginning consistent production. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.*

*Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.*

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.*