

Cielo Announces Initial Production of Renewable Fuels and Memorandum of Understanding With Renewable U Energy To Build a Renewable Diesel Refinery In Grande Prairie

Vancouver, British Columbia, Canada / November 1, 2018 / Cielo Waste Solutions Corp. ("Cielo" or the "Company") (CSE:CMC) is pleased to announce that it has successfully initiated the conversion of its raw distillate made from wood waste feedstock into renewable fuels including naphtha, kerosene and diesel in the second step of its Phase I commissioning process at Cielo's first commercial refinery in Aldersyde, Alberta ("**Aldersyde Refinery**"). This is further proof of the viability of the Company's proprietary process and technology that can convert multiple different waste products into high grade renewable diesel. Cielo is now in the final stage of commissioning its Aldersyde Refinery and anticipates sales will commence in the next 6 to 10 weeks.

Joint Venture:

Cielo is also pleased to announce that it has entered into a Binding Memorandum of Understanding ("**MOU**") with Renewable U Energy Inc. ("**Renewable U**"), a privately-owned Alberta corporation. The MOU provides the framework for Cielo to enter into a joint venture agreement ("**JV Agreement**") with Renewable U to build, commission and operate one refinery initially ("**JV Refinery**"), with a right of first refusal to enter into further agreements for potential follow-on refineries (together with the JV Refinery, collectively "**JV Refineries**") in Grande Prairie, Alberta. Pursuant to the terms of the MOU, Renewable U has an option to enter into a second Memorandum of Understanding with Cielo for Medicine Hat, Alberta. Each JV Refinery will utilize the technology ("**Technology**") to which Cielo holds an exclusive global license that is being employed at the Aldersyde Refinery, to convert wood waste into high grade renewable diesel, naphtha and kerosene. Each JV Refinery will be engineered to produce approximately 8 million liters per year of high grade, renewable diesel for which Cielo's research indicates there is an estimated mandated demand in Canada of approximately 650 million liters a year to be blended into highway grade diesel, most of which currently is imported. Each JV Refinery is projected to cost approximately \$20 million.

Cielo and Renewable U have agreed to negotiate and finalize the terms of the JV Agreement for the initial JV Refinery ("**Project**") over the next ninety days. The parties intend to form an incorporated joint venture, to be owned 50.1% by Cielo and 49.9% by Renewable U, unless otherwise agreed.

In consideration for the opportunity to enter into the JV Agreement with Cielo and undertake the Project, Renewable U has paid to Cielo a \$250,000.00 fee ("**Fee**") to secure the territory of Grande Prairie, Alberta and the surrounding area encompassing a 250 km radius. In the event that Renewable U exercises its option within 45 days to enter into a second Memorandum of Understanding for Medicine Hat, Alberta, Renewable U will pay Cielo an additional \$250,000.00, to secure the territory of Medicine Hat, Alberta and the surrounding area within a 50 km radius. In the event Cielo does not execute the JV Agreement for Grande Prairie, subject to an exclusion, by January 29, 2019, Cielo has agreed, subject to applicable laws and policies, to issue Renewable U common shares of Cielo in lieu of returning the Fee, valued at the greater of: \$0.25 and the average closing price of Cielo's shares during the 5 trading days prior to January 29, 2019.

The general terms to be incorporated into the JV Agreement include the following:

- a. Renewable U will be solely responsible for financing 100% of the costs associated with acquiring the land, building and commissioning the initial JV Refinery ("**Project Costs**"), as

- well as for the initial refinery contemplated to be built in Medicine Hat, Alberta, if Renewable U exercises its option.
- b. Cielo will manage the Project overall, overseeing the planning, construction, commissioning and operation of the JV Refineries and will receive a management fee for the construction of the JV Refinery equal to 7% of the Project Costs subject to certain exclusions, and will continue to receive management fees once operations begin based on industry standards.
 - c. Profits will be split 30% in favor of Cielo and 70% in favour of Renewable U, until Renewable U has received profits equaling 100% of the Project Costs. Thereafter profits will be split on the basis of 50.1% for Cielo, 49.9% for Renewable U, reflecting the respective interests/ownership of the parties.

Don Allan, President and CEO of Cielo, commented “We have now completed the next significant step of our Company’s history with the initiation of production of our renewable fuels (diesel, kerosene and naphtha) from the raw distillate that we produced last month from wood waste. We are nearing the sale of our first renewable fuels. In addition, we are thrilled that with the results achieved to date through the commercialization process, we have gathered substantial interest from multiple parties for potential joint ventures. As such we are excited to be working with Renewable U Energy to finalize the terms of our anticipated Joint Venture Agreement. We believe that the terms being negotiated for the anticipated joint venture will result in a truly win/win arrangement for both parties, as it removes the financing and scale-up risk associated with the next one or two of our refineries and allows us to earn profits as well as ongoing management fees during both the construction and operation of the anticipated joint venture refineries.”

Lionel Robins, CEO of Renewable U, stated “We have been following Cielo’s progress for some time now and are very excited to be working with Don Allan and his team at Cielo to bring their innovative and industry-leading technology to potentially two key areas of Alberta. We believe that Grande Prairie is quickly becoming recognized as the unofficial "epicenter" of the Oil and Gas Industry in Canada and that Medicine Hat has already proven itself to be one of the most progressive and innovative municipalities in Western Canada. We believe that to bring clean, green environmental refineries of this magnitude to these areas is a clear example of philanthropic capitalism, where we can bring jobs and economic growth to our communities, while also working towards creating a cleaner and healthier world for our families to live in.”

Related Party Loan:

A related party has delivered to the Company a loan in exchange for a demand promissory note (“**Note**”) in the amount of \$500,000 (“**Loan**”) as a bridge loan while the Company seeks the balance of financing required to complete the commissioning of the Aldersyde Refinery, in particular, primarily for the purchase of additional equipment, as announced on October 4, 2018.

The Loan constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions (“MI 61-101”). Cielo relies on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(a) and (b) of MI 61-101 on the basis that the fair market value of the Loan is not more than Twenty-Five Percent (25%) of the market capitalization of Cielo and no securities of Cielo are listed on a specified market set out in such section, and Cielo relies on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(a) and 5.7(1)(b) of MI 61-101 on the basis of the fair market value of the Loan not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo nor \$2,500,000. As

contemplated by MI 61-101, Cielo did not file a material change report in respect of the related party transaction at least 21 days before the issuance of the Note as Cielo was not aware of the Loan at such time.

Conference Call:

Cielo will be hosting a Conference Call on Fri, November 2, 2018 from 1:00 PM to 2:30 PM MDT. Please feel free to join the call from your computer, tablet or smartphone by clicking on the following link. <https://global.gotomeeting.com/join/287684301>

Interested parties can call in by dialing within Canada +1 (647) 497-9373 or in the United States +1 (312) 757-3117 and then entering the Access Code: 287-684-301.

Join Cielo shareholders on 8020 Connect: <http://bit.ly/Cielogroup>

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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 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 cellulous waste product into high grade renewable diesel.

About Renewable U Energy Inc.

Renewable U Energy Inc. is a private Alberta corporation. Renewable U was recently incorporated to bring local investors and strategic partners together to participate with Cielo Waste Solutions Corp., on a joint venture basis, to build and operate environmentally friendly high-grade renewable diesel refineries in specified territories.

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, including but not limited to: the use of proceeds of the offering, receipt of all necessary approvals of the offering, general business, economic, competitive, political and social uncertainties; negotiation uncertainties and other risks of its industry. 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.