



**MEMO**

March 22<sup>nd</sup>, 2021

To: Don Allan, CEO Cielo Waste Solutions Corp.

From: Ryan Jackson, CEO Renewable U Energy Inc.

Re: Corporate Update

It's my pleasure on behalf of the board and executive of Renewable U Energy Inc., to provide an update on our operations with respect to business interests with your company.

**1. Executive Update**

As you are aware, both Lionel Robins and Raphael Bohlmann have resigned from their positions as officers of RUEI and as officers and directors of RUEI's affiliated subsidiary companies, with formal notice given at a board meeting of RUEI held on March 6, 2021. Robins and Bohlmann stated their plans to join Cielo's executive team in the near future. We wish them well in their endeavors and look forward to working closely with them on our mutual projects. As major shareholders of RUEI they will each retain their board seat, but no longer be involved in day-to-day operations of RUEI or our affiliated subsidiary companies.

I am pleased to announce that effective the same date, I have been hired as the new Chief Executive Officer for RUEI and will be assuming control of RUEI's day to day operations. I will report directly to RUEI's Board of Directors. As you are aware, I have been serving as the Chief Operating Officer for Renewable U Medicine Hat and tasked with getting that project started as our first Cielo Facility being built in joint venture with Cielo.

In addition to my position at RUEI, I am also pleased to announce that Murray Trollope has been hired as RUEI's Chief Financial officer. Murray has held several roles within Finance and the Energy Division with the City of Medicine Hat including Director of Natural Gas & Petroleum Resources where he was an integral part of strategy formulation and execution in the City's upstream business. Murray retired with the City in 2018. He has extensive experience with acquisitions and divestitures, business valuations, joint venture agreements, oil marketing contracts, oil and gas hedging, and improving operational and capital costs.





## **2. Subsidiary companies update**

Our Board and Executive compared the benefits of continuing to operate our side of the JV's, as individual companies or to doing a consolidation of all of our territories into RUEI under one management team. It was determined that a single company tasked with the JV Facility builds would be more efficient and as such we have determined that we would consolidate the ownership of all of our subsidiary companies into RUEI. (RU Medicine Hat, RU Grande Prairie, RU Lethbridge and RU Halifax). We are working to have all of this completed before the execution of the JV agreements, to save having to amend or modify them at a later date.

## **3. JV Agreements**

With Aldersyde demonstrating the commercial viability of the technology, we are pleased to announce that we will be working with Roy Hudson at DLA Piper Canada towards completion and execution of the master JV agreement and expect to have a draft for your consideration in the coming weeks. The installation of the desulfurization process is still a critical condition precedent to entering into the JV agreement, but we are confident to proceed while that is still underway.

## **4. Funding for Dunmore JV Facility**

Our intention is to pay the current engineering costs for the Dunmore facility to Cielo this week. Hereon, we will pay invoices from Cielo with the appropriate support on a timely basis to cover our commitments to fund the advancement of the Dunmore Facility as we will for all future facilities in our territories.

When Cielo has demonstrated commercial volumes of production and subsequent sales from the pilot facility in Aldersyde, and with a fully executed JV in hand, we will conclude our financial discussions and select our financial partner. I am very confident that with the aforementioned milestones being achieved, we will fulfill our commitment as initially stated in our MOU with Cielo. Our goal has always been and remains to be to secure the most appropriate level of funding for all the JV Facility projects keeping in mind the very complex nature of this business model being achieved.

## **5. Seymour Capital MOU**

As per the NR, RUEI has agreed to terms with Seymour Capital Incorporated ("SCI") with respect to the acquisition of the rights under SCI's MOU with Cielo, which results in the principals of Seymour Capital becoming shareholders in RUEI, and Jeff Seymour being appointed to RUEI's Board of Directors. This again lends to the efficiency of getting all of the facilities built and placed on production as quickly as possible and having one team to perform the task.