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Cielo Announces Proposed \$5 Million Convertible Note Financing and Confirms Sale of Distillate Previously Produced at Aldersyde

CALGARY, Alberta, Canada (December 19, 2022) – Cielo Waste Solutions Corp. (TSXV:CMC; OTCQB:CWSFF) (“Cielo” or the “Company”), a waste-to-fuel environmental technology company, is pleased to announce a proposed private placement of secured convertible notes (the “Notes”) for up to an aggregate principal amount of up to CAD \$5,000,000 (the “Financing”) to a designated affiliate or assignee of Crestmont Investments, LLC (in either case referred to as “Crestmont”), a New York-based investment firm focused on emerging opportunities in decarbonization, healthcare, technology, and special situations, and a non-arm’s length party to Cielo.

“We are extremely pleased to announce this proposed financing with an investment partner of the calibre represented by Crestmont, and to secure the requisite funding to enable Cielo to advance our R&D facility to commercialization where we can demonstrate the true potential of our proprietary technology,” said Ryan Jackson, CEO of Cielo. “We believe this investment provides Cielo the runway to support feedstock trials for our R&D facility beyond commissioning, and to facilitate corporate growth.”

“Crestmont, through this financing, is proud to demonstrate our belief in, and support of, Cielo and the long-term vision of the Company’s new management team,” said David Beach, Principal of Crestmont. “The progress shown since the new management team at Cielo took the helm is considerable and provides demonstration of the Company’s ability to utilize proprietary technology to advance its goal of becoming a leading waste solutions company while helping to solve the world’s growing waste problem. We are proud to partner with the Cielo team on this exciting journey to revolutionize the circular economy.”

Proposed Secured Convertible Note Financing

Cielo and Crestmont have entered into a binding letter of intent (the “LOI”), setting out the terms of the proposed Financing. Under the terms of the Financing, which is subject to due diligence by Crestmont (the “Due Diligence”) and acceptance by the TSX Venture Exchange (“TSXV”) and any other relevant regulatory or other consents and approvals, Cielo would receive funding of up to a total of \$5 million for the purpose of financing engineering, financial and administrative planning related to Cielo’s Aldersyde research and development facility being fabricated as at the date hereof (“R&D Facility”) and future commercial plants designed materially from Aldersyde specifications. Security of the Notes will be subordinated security interests in the R&D Facility assets and all intellectual property and rights owned by Cielo.

The Notes will bear simple interest (the “Interest”) at a rate of 12.0% per annum on outstanding principal amounts, and will accrue and be payable upon maturity or at conversion. Maturity shall occur 18 months from issuance of the Notes, subject to earlier conversion by Crestmont or redemption by Cielo (the “Maturity Date”). Crestmont will be entitled to convert the principal portion then-outstanding of the Notes into Units (as defined below) on or before the Maturity Date at CAD \$0.25 per share. Each Unit will consist of one common share of

Cielo and one common share purchase warrant (a “**Warrant**”), each Warrant exercisable for a period of three years from the date of issuance into one common share of Cielo at an exercise price of \$0.35 CAD per share.

Cielo will have the option to pay accrued and unpaid Interest when due in readily available funds or by issuing common shares of Cielo at Market Price (as defined in the policies of the TSXV) at the time of settlement and subject to the prior approval of the TSXV.

The LOI is binding, subject to termination upon the mutual approval of Cielo and Crestmont, by Cielo subject to forfeiture of the Due Diligence Fee (as defined below), or by Crestmont as a result of its due diligence review (the “**Due Diligence Review**”). Cielo has agreed to pay an amount equal to CAD \$100,000 to Crestmont for the purposes of completing the Due Diligence Review, to cover Crestmont’s associated, third party, out-of-pocket costs (the “**Due Diligence Fee**”). CAD \$20,000 of the Due Diligence Fee has been paid in readily available funds and Cielo has agreed to pay the remaining CAD \$80,000 by issuing 2,000,000 common shares (the “**DD Payment Shares**”) to Crestmont at \$0.04 per share, subject to the prior approval of the TSXV.

Crestmont is a non-arm’s length party under the policies of the TSXV as a director of Cielo is also an Associate, insider or Control Person of Crestmont. No fees or commissions will be payable by Cielo to Crestmont or any other party in connection with the Financing.

The net proceeds of the Offering are expected to be used for engineering and general working capital. The Financing is subject to customary closing conditions, including the approval of the TSXV and the listing of the Common Shares underlying the Notes and the Warrants by the TSXV. The Common Shares are currently listed on the TSXV under the symbol “CMC”. Neither the Notes nor the Warrants will be listed on the TSXV. The Financing is expected to close within 30 days from the satisfactory completion of the Due Diligence Review. The Due Diligence Review is expected to be completed by January 31, 2023.

All securities issued in connection with the Financing will be subject to statutory hold periods in accordance with applicable securities legislation.

Sale of Distillate

Cielo is also pleased to report that the Company sold approximately 80,000 litres of distillate that had been previously produced from operations at the Company’s now-decommissioned facility in Aldersyde, Alberta to a TSX-listed midstream refiner. The sale of the distillate was completed in December in preparation for the arrival of the new R&D Facility.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities of the Company in the United States nor shall there be any sale of securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States. Accordingly, any of the securities described herein may not be offered or sold in the United States or to U.S. persons unless an exemption from registration is available.

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 release.

ABOUT CRESTMONT

Crestmont Investments is a sponsor for private and public companies that seek direct investments from family offices and select private investment firms, with a primary focus on emerging stories in decarbonization, healthcare, technology, and special situations. As a secondary focus, Crestmont is opportunistic and driven by the investment interests of our network of private investors. Any securities transactions or financings are offered through Weild & Co, a member of FINRA and the SIPC.

Crestmont Investment's management and advisors have sourced, evaluated, and led hundreds of millions worth of investments across a variety of industries, with investment partners who collectively represent billions of dollars in sophisticated private capital from around the world. In addition to structured investments, the firm provides guidance to its deal partners, while drawing on deep industry and financial relationships in an attempt to contribute to the successful financing of strategic partnership plans - all within Crestmont's mandate of structuring and arranging direct investments with family offices and select private firms.

ABOUT CIELO

Cielo Waste Solutions Corp. was incorporated under the *Business Corporations Act* (British Columbia) on February 2, 2011. Cielo is a publicly traded company with its shares listed to trade on the TSX Venture Exchange ("TSXV") under the symbol "CMC," on the Frankfurt Exchange ("DAX") under the symbol "C36", as well as on the OTC Venture Market ("OTCQB"), under the symbol "CWSFF." The Company's strategic intent is to become a leading waste-to-fuel company using economically sustainable technology while minimizing the environmental impact. Cielo has a patented process that can convert waste feedstocks, including organic material and wood derivative waste, to fuel. Having demonstrated its ability to produce diesel and naphtha from waste, Cielo's business model is to construct additional processing facilities. Cielo's objective is to generate value by converting waste to fuel, while fueling the sustainable energy transition.

For further information please contact:

Cielo Investor Relations

Email: investors@cielows.com

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, with respect to, but not limited to: the proposed Financing, including without limitation the terms of the Notes, the amount of the Financing and the timing of

closing, the conversion terms and pricing, the Units, the Warrant and related terms and pricing, the Interest and the timing and method of repayment thereof, the lender(s) and the nature of the relationship of Crestmont with Cielo, the Due Diligence Fee and the timing and method of payment thereof, including terms related to the timing and pricing of the DD Payment Shares, the security terms of the Notes, the use of proceeds of the Financing, the impact of the Financing on Cielo and its business objectives and corporate growth, the binding nature of the LOI and the terms thereof regarding termination, there being no requirement to pay fees or commissions (other than the Due Diligence Fee), and the hold period with respect to all securities to be issued pursuant to the Financing.

Investors should continue to review and consider information disseminated through news releases and filed by the Company on SEDAR. 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, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV), nor OTCQB nor WKN, have reviewed, and do not accept responsibility for the adequacy or accuracy of, the content of this news release.