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Cielo Provides Update on Previously Announced Private Placement and Announces Intended Securities for Debt Transaction

CALGARY, Alberta, Canada (February 13, 2023) – Cielo Waste Solutions Corp. (TSXV:CMC; OTCQB:CWSFF) (“**Cielo**” or the “**Company**”), a waste-to-fuel environmental technology company, is pleased to provide an update with respect to the Company’s previously announced proposed private placement of secured convertible notes for up to an aggregate principal amount of up to CAD \$5,000,000, which is being amended to a CAD \$5,000,000 private placement equity offering (the “**Financing**”) (details below) with 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.

In addition, the Company announces that it has negotiated an agreement in principle with First Choice Financial Incorporated (“**FCF**”) for the settlement of the \$4,500,000 principal outstanding on a secured mortgage loan initially obtained to acquire the Company’s Fort Saskatchewan property, held by FCF and KV Capital Inc. (“**KV**”), through the issuance of securities of the Company (the “**Secured Debt Repayment**”). The Company expects to finalize and execute a definitive agreement setting out the terms of the Secured Debt Repayment in the coming days and will announce the material terms at that time. Collectively, management believes the Financing and the Secured Debt Repayment will enhance the Company’s financial position and support Cielo’s continued progress in advancing the Company’s research and development facility (the “**R&D Facility**”), targeted for commissioning by calendar Q2 2023, and further aid the goal of providing investors with long-term economic sustainability.

David Beach, Principal of Crestmont, commented, “Our initial due diligence has led us to greater confidence in management and its plans for full-scale commercialization. Based on this initial review, we are pleased to amend our terms to allow for an earlier equity investment in the company.”

Ryan Jackson, CEO of Cielo, commented, “We are extremely pleased to share news of this proposed private placement with Crestmont, who Cielo views as an investment partner of the highest calibre with industry expertise and knowledge that we believe will prove invaluable as we continue to expand our operational capabilities. Strategically, this arrangement affords Cielo the necessary funds to advance further toward commercialization.”

Strategic Benefits of the Revised Financing Terms

Completing the proposed Financing on its amended terms, as well as the anticipated Secured Debt Repayment, are expected to provide Cielo with benefits to its long-term financial stability, including:

- Crestmont’s election to invest in equity rather than debt at close to an 80% premium to the current market price demonstrates in management’s view the desire for exposure to Cielo’s longer-term potential;

- As a result of the change to the Financing structure from secured debt to equity, Cielo will no longer be required to commit its assets, including its patents and properties, as security against the convertible notes that were to be issued to Crestmont;
- Retiring an outstanding loan for non-cash consideration is expected to significantly improve the Company's liquidity while conserving cash, supported by a meaningful monthly interest savings; and
- Future exercise of the Unit Warrants (as defined below) by Crestmont would result in improved cash position and demonstrate, in management's view, the desire of Crestmont to invest in management's long-term vision and strategy.

Proposed Financing

Background

On December 19, 2022, the Company had announced a proposed private placement of secured convertible notes for up to an aggregate principal amount of up to CAD \$5,000,000, to Crestmont, and a non-arm's length party to Cielo.

Cielo and Crestmont had 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.

As the Due Diligence process nears completion, Crestmont and Cielo have agreed to change the structure of the Financing from a convertible debt offering to an equity offering, and have entered into an Amended and Restated Letter of Intent (the "**Amended and Restated LOI**") setting out the amended proposed terms of the Financing. In addition to the amended terms set out below, it is a condition of closing of the Financing that the Secured Debt Repayment be completed.

Amended Terms

The Amended and Restated LOI provides for a private placement offering of units (each a "**Unit**", collectively the "**Units**"), for gross proceeds of up to CAD \$5,000,000, at \$0.125 per Unit, each Unit consisting of one common share of Cielo (each a "**Unit Share**" and collectively the "**Unit Shares**") and one common share purchase warrant (each a "**Unit Warrant**" and collectively the "**Unit Warrants**"), each Unit Warrant exercisable for a period of 3 years at CAD \$0.14 per common shares (each a "**Warrant Share**" and collectively the "**Warrant Shares**"). As a result of the change from a secured debt financing to an equity financing, the Company will not be required to further encumber any assets as collateral.

Due Diligence, Net Proceeds and Closing

The Due Diligence period has been extended and is now anticipated to be completed on or about February 14, 2023, with closing of the Financing to be completed within approximately 30 days of the date upon which Due

Diligence is completed. Cielo had previously 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**"). Initially, CAD \$20,000 of the Due Diligence Fee was to be paid in readily available funds and the remaining CAD \$80,000 was to be paid 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. The Amended and Restated LOI provides for the full amount of the Due Diligence Fee to be paid in readily available funds.

The net proceeds of the Financing are expected to be used for the R&D Facility and general working capital. The Financing is subject to customary closing conditions, including the approval of the TSXV and the listing of the Unit Shares and the Warrant Shares, upon exercise of the Unit Warrants, by the TSXV. The Common Shares are currently listed on the TSXV under the symbol "CMC". The Unit Warrants will not be listed on the TSXV. As a result of the amended terms of the Financing, the Financing is subject to the approval of the TSXV.

Crestmont is a non-arm's length party under the policies of the TSXV as 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.

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

SECURITIES FOR DEBT TRANSACTION

Cielo has negotiated an agreement in principle with FCF for the repayment of CAD 4,500,000, the balance of a secured mortgage loan (the "**Loan**") provided by FCF and KV in August 2021, by way of securities issuance.

As a condition of the Financing (as noted above), and in a continued effort to improve the Company's financial position, the Company has agreed in principle with FCF, subject to finalizing and executing a definitive agreement, and further subject to the approval of the TSXV, to repay the balance of the Loan in full, which is secured by the Company's properties in Fort Saskatchewan and Aldersyde, Alberta.

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 and placement agent 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.

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.

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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 Financing, and the material terms, including amount and type of securities to be issued and the terms thereof, timing thereof,

including the timing of closing and the completion of the Due Diligence Review, the parties thereto, the anticipated use of proceeds, and the hold periods on the securities to be issued; the anticipated Secured Debt Repayment, the method (by way of securities issuance), amount and timing thereof (including the timing of the anticipated definitive agreement and announcement thereof); the anticipated effect and benefits of the Financing and the Secured Debt Repayment on the Company, including its financial position and ability to advance the R&D Facility; the timing of the commissioning of the R&D Facility; and the future exercise of Unit Warrants by Crestmont.

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.