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Cielo Initiates Construction Planning for First Commercial Facility, Provides Update on Previously Announced Financing and Announces Webinar

CALGARY, Alberta, Canada (April 10, 2023) – Cielo Waste Solutions Corp. (TSXV:CMC; OTCQB:CWSFF) (“**Cielo**” or the “**Company**”), a waste-to-fuel environmental technology company, is pleased to announce that it has initiated planning and third-party discussions with regard to its first commercial facility (the “**First Commercial Facility**”), anticipated to be located in Dunmore, Alberta. Cielo is also pleased to provide an update with respect to the Company’s previously announced proposed private placement financing, initially proposed as an offering of convertible debentures, and amended to units consisting of common shares and warrants, 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.

First Commercial Facility Planning Efforts

In recent months, Cielo has been working toward the construction and commissioning of its research and development facility in Aldersyde, Alberta (the “**R&D Facility**”), as previously announced. Management is pleased to confirm that the majority of the commissioning of the R&D Facility has been completed and a further operational update will be provided in the coming days.

As a part of the Company’s commitment to construct its First Commercial Facility, it has begun the process of structuring and financing the venture through which the First Commercial Facility will be held. Management has circulated a request for proposal for project management services, to assist in the initiation, design, and construction of the Facility. Cielo has also been engaged in discussions with third parties, such as Renewable U Energy Inc. (“**Renewable U**”), a private Alberta corporation with whom Cielo had previously entered into memorandums of understanding, (as previously disclosed), as well as Crestmont, regarding the participation of such third parties in the First Commercial Facility financing.

Following an intensive due diligence review of Cielo completed by Crestmont, including its technology and engineering plans, Crestmont has expressed an interest in participating in the First Commercial Facility. Discussions between Cielo and Crestmont have resulted in the amendment to the nature of the financing to be provided by Crestmont (the “**Financing**”) to one contemplating this participation. The terms of the Financing (as detailed below), involve the issuance by Cielo of a secured note (the “**Note**”) in the coming weeks, with the intention that the principal portion of the Note be exchanged for participation (on terms to be determined) (the “**Crestmont Participation Interest**”) in the First Commercial Facility, once the structure has been determined and formed. Management believes that this will result in minimizing the dilutive impact to Cielo while unlocking significant value for potential partners interested in participating directly in the First Commercial Facility financing and reflects their collective confidence and interest in supporting the Company’s path to commercialization.

David Beach, Principal of Crestmont, commented, “After comprehensive due diligence, including a full review of current proforma financial projections and related engineering assumptions for the first commercial facility, Crestmont believes that any immediate financing needs to coincide with the path to commercialization. Our review included all engineering and financial plans related to the plant and has resulted in our commitment to support the Company’s launch of its first commercial plant. These revised terms should be viewed as confidence in the first commercial plant viability by our management and investment partners.”

Ryan Jackson, CEO of Cielo, commented, “We are excited to continue the construction planning for our first full-scale facility with the addition of Crestmont as an investor and partner, as well as to expand our discussions with other potential investors. We are also appreciative of the extensive due diligence completed by Crestmont, which we believe confirms the potential of our technology and has allowed us to accelerate the development of our first commercial facility in Dunmore.”

Benefits of Financing Process and Revised Terms

Management believes that the revised structure of the Financing, and the extended due diligence review process with Crestmont that resulted in this revised structure, have been beneficial to Cielo in acting as a catalyst for the planning of the First Commercial Facility, including the establishment of a strategic relationship with Crestmont and its affiliates providing for a potential opportunity to access funding for the First Commercial Facility. The revised terms of the Financing will allow for immediate cash flow into Cielo, while facilitating Crestmont’s participation in the First Commercial Facility (on terms to be determined) as well as ultimately less dilution of Cielo at this time (other than resulting from the Bonus Warrants as defined below, if exercised).

Proposed Financing

Background

On December 19, 2022, the Company had announced a proposed private placement of secured convertible notes to Crestmont for an aggregate principal amount of up to CAD \$5 million. Cielo and Crestmont had entered into a binding letter of intent (the “**Initial LOI**”) setting out the terms of the proposed financing. During the due diligence process (the “**Due Diligence**”), Cielo and Crestmont had previously agreed to change the structure of the proposed financing from a convertible debt offering to an equity offering and had entered at that time into an Amended and Restated Letter of Intent (the “**Amended and Restated LOI**”) setting out the proposed amended terms, as announced on February 13, 2023.

Amended Terms

As noted above, Cielo and Crestmont have now agreed to amend the terms of the proposed financing (the “**Financing**”). The parties have executed a second amended and restated binding letter of intent (the “**Second Amended and Restated LOI**”), which provides for the issuance of the Note by Cielo in favour of Crestmont, for a minimum amount of CAD \$3 million and up to CAD \$5 million. The Note will mature 24 months from the date of issuance (the “**Maturity Date**”), however it’s the intention of the parties that the Note be exchanged for the Crestmont Participation Interest, on terms to be determined, on or prior to the Maturity Date. Once Cielo has determined the First Commercial Facility structure, and proposes the terms of the Crestmont Participation Interest, Crestmont will have the option to exchange the Note for the Crestmont Participation Interest. Although the parties anticipate the foregoing to occur, in the event that Crestmont does not agree to the proposed terms

of the Crestmont Participation Interest, the Note will be repayable by Cielo on the Maturity Date in cash, however Cielo will have the right to prepay the Note at any time prior to the Maturity Date, without penalty. Crestmont will also be granted a pre-emptive right to participate in Cielo's second commercial facility proportionate to the amount of the Crestmont Participation Interest.

The Company's property in Aldersyde, Alberta will be used to secure the Note for up to a maximum of CAD \$3 million, with any excess of up to CAD \$5 million to be secured against the Company's property in Fort Saskatchewan, Alberta.

Due Diligence, Net Proceeds and Closing

The Due Diligence period was extended and is now anticipated to be completed this week, with closing of the Financing to be completed during the month of April 2023. 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**"). As the Due Diligence review was more extensive than initially anticipated, Cielo has agreed to increase the Due Diligence Fee to USD \$100,000, and has paid said fees in full.

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 TSX Venture Exchange (the "**TSXV**"). The Note will also include customary terms and conditions, as well as any other conditions and covenants as agreed by Cielo and Crestmont.

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 (as those terms are defined in the policies of the TSXV). No fees or commissions will be payable by Cielo to Crestmont or any other party in connection with the Financing other than the Bonus Warrants, if approved.

Bonus Warrants

The Second Amended and Restated LOI also provides for the issuance of loan bonus warrants (the "**Bonus Warrants**"), subject to the approval of the TSXV. The number of the Bonus Warrants to be issued will be calculated by dividing the amount of the Note by the Exercise Price, which is hereby defined as the greater of: a) \$0.14 per common shares; and b) the lowest price approved by the TSXV.

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

Webinar

The Company's CEO, Ryan Jackson, and CFO, Jasdeep K. Dhaliwal, along with EVP of Operations, Ryan Carruthers, will be presenting an overview of current operations and an update on upcoming milestones, while sharing excerpts of the Company's most recent investor presentation. We invite all investors and other interested parties to register for the webinar at the link below.

Date: Wednesday, April 26, 2023

Time: 1pm ET

Register: [Webinar Registration](#)

HAVE QUESTIONS? Management will be available to answer your questions following the presentation on the webinar platform. You may submit your question(s) beforehand in the registration form or by email at: cielo@rbmilestone.com.

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: planning of the First Commercial Facility; the location of the First Commercial Facility; the ability of the Company to provide an operational update and the timing thereof; the structure, terms and timing of the Financing, including the use of the Company’s properties in Aldersyde and Fort Saskatchewan to be used as security thereof, the timing of the completion of the Due Diligence review, and the issuance of the Bonus Warrants, including the terms thereof and the hold period thereon, and the terms to be included in the Note; the intended exchange of the Note for the Crestmont Participation Interest and the timing thereof, including the intention of Cielo to propose the terms thereof to Crestmont, and the anticipated result if Crestmont does not wish to exchange the Note; the continuation of discussions with third parties regarding the participation by third parties, including Crestmont and Renewable U, in the First Commercial Facility, including the financing thereof; the anticipated benefits and impact of the amended structure of the Financing and the Crestmont Participation Interest, including the minimization of the dilutive impact to Cielo while unlocking significant value for potential partners, immediate cash flow for Cielo, the acceleration on the development of the First Commercial Facility, and the potential opportunity to access funding for the First Commercial Facility; the use of the net proceeds of the Financing; the non-payment of fees related to the Financing, other than the Bonus Warrants, if approved; the webinar and the timing, content and speakers thereof as well as log-in/call-in details.

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.