



Cielo Announces Execution of Definitive Agreements Regarding Termination of Memorandums of Understanding

CALGARY, Alberta, Canada (May 17, 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 executed the definitive agreements as required under the binding letter of intent between Cielo and Renewable U Energy Inc., on its own behalf and on behalf of its affiliates (jointly, severally and collectively “**Renewable U**”), regarding the termination of the memorandums of understanding (each an “**MOU**” and collectively the “**MOUs**”) entered into between Cielo and Renewable U between 2018 and 2021.

As disclosed in the Company’s news release on May 1st, 2023, the LOI provided for the intention of Cielo and Renewable U to enter into definitive agreements regarding the restructuring of Renewable U’s proposed investment in Cielo’s first commercial facility, the transactions to result in the participation of Renewable U in the Dunmore Entity (as defined below) (or other form of repayment as described below) and consequent termination of the MOUs, and the concurrent acquisition of the land owned by Renewable U in Dunmore, Alberta (the “**Land**”), on which Cielo intends to build its first full-scale facility (the “**Dunmore Facility**”).

For details on the background of the MOUs and terms of the LOI and proposed transactions, please review the May 1st news release.

2021 MOUs - Termination and Debt Conversion Agreement

Regarding the MOUs for four (4) of nine (9) territories, defined in the May 1st news release as the 2021 MOUs, Cielo and Renewable U have entered into a Termination and Debt Conversion Agreement (the “**Termination and Debt Conversion Agreement**”) that provides for the repayment of \$1 million in fees corresponding to the 2021 MOUs by issuing 16,666,667 common shares of Cielo (the “**2021 MOUs Repayment Shares**”) at a price of \$0.06 per share, subject to the approval of the TSX Venture Exchange (the “**Exchange**”).

The four (4) 2021 MOUs will terminate upon the issuance of the 2021 MOUs Repayment Shares, which is anticipated to occur in the coming days.

2018 - 2020 MOUs and Med Hat MOUs - Termination Agreement

Regarding the MOUs for the remaining five (5) of nine (9) territories, defined in the May 1st news release as the 2018 - 2020 MOUs and Med Hat MOU, Cielo and Renewable U have entered into a separate termination agreement (the “**Termination Agreement**”, together with the Termination and Debt Conversion Agreement each an “**Agreement**” and collectively the “**Agreements**”).

As previously disclosed, Renewable U delivered fees of \$1 million (\$250,000 per Territory for four (4) Territories) for the 2018 - 2020 MOUs and, with respect to the Med Hat MOU, although Renewable U delivered \$250,000 for the one (1) Territory, Cielo and Renewable U agreed that the value attributed by the parties to the Med Hat MOU

has increased to CAD \$1 million in total as a result of steps already taken, and costs incurred, by Renewable U related to the Med Hat MOU and the Land.

The Termination Agreement provides for the CAD \$2 million to be paid by Cielo as follows:

- On or before October 28, 2023 (the “**Proposal Deadline**”), Cielo is required to submit a proposal (the “**Proposal**”) to Renewable U setting out the terms on which the \$2 million owing to Renewable U would be exchanged for a participation interest in the Dunmore Facility (the “**Participation Interest**”), by issuing securities in the Dunmore Entity once formed.
- In the event that Cielo fails to submit the Proposal to Renewable U by the Proposal Deadline, Cielo will be required to repay the \$2 million in cash within 60 days.
- In the event that Cielo does submit the Proposal to Renewable U, Renewable U can either: a) accept the terms of the Proposal, in which case the \$2 million will be exchanged for the Participation Interest (securities of the Dunmore Entity) on the terms to be proposed; or b) reject the terms of the Proposal, in which case:
 - With respect to the four (4) 2018 - 2020 MOUs, Cielo would repay the \$1 million as initially agreed in the 2018 - 2020 MOUs, by issuing common shares of Cielo (the “**2018 - 2020 MOUs Repayment Shares**”, together with the “**2021 MOU Repayment Shares**”, collectively the “**Repayment Shares**”) at the greater of \$0.25 per share and the average of the closing price on the five most recent trading dates, subject to the approval of the Exchange; and
 - With respect to the Med Hat MOU, Cielo would repay:
 - The corresponding fee of \$250,000 as initially agreed in the Med Hat MOU, by issuing common shares of Cielo at the greater of \$0.25 per share and the average of the closing price on the five most recent trading dates, and
 - the verifiable costs incurred by Renewable U in connection with the Med Hat MOU in cash.

The 2018 - 2020 MOUs and the Med Hat MOU will terminate at the time that the Participation Interest is issued to Renewable U (or the funds otherwise repaid as described above).

The transactions contemplated in the Agreements as well as the Offer to Purchase as defined in the Company’s May 1st news release regarding the acquisition of the Land, are subject to the approval of the Exchange.

All securities to be issued pursuant to the Agreements, as applicable, including but not limited to the Repayment Shares, shall be subject to a minimum hold period of four months and one day from the date of issuance.

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 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

Phone: (403) 348-2972

Email: investors@cielows.com

RB Milestone Group LLC

Email: cielo@rbmilestone.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 issuance of the 2021 MOU Repayment Shares, and the issuance price and timing thereof, pursuant to the Termination and Debt Conversion Agreement, and the hold period thereon; the required approval of the Exchange with respect to the transactions contemplated in the Agreements; the amount(s) and method(s) of repayment pursuant to the 2018-2020 MOUs and the Med Hat MOU, including but not limited to the requirement to deliver a Proposal, all terms related thereto, the issuance of the 2018-2020 Repayment Shares and the issuance price thereof, and the hold period thereon.

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.