



**THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO THE UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES.**

Cielo Announces Up to CAD \$5 Million Financing, Termination of Prior Proposed Financing and Agreement for Sale of Property, and Provides Operational Update

*New Proposed Financing to Replace Terminated Financing; and
Completion of the Sale of the Property will Result in the Repayment of \$11 million Mortgage Loan*

CALGARY, Alberta, Canada (July 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 a proposed financing and provide an update on a previously disclosed proposed financing, announce a purchase and sale agreement for its property in Fort Saskatchewan, Alberta, which upon completion will eliminate the Company’s \$11 million mortgage loan, and provide an operational update.

Financing

Up to CAD \$5 million Mortgage Loan

The Company has entered into a loan commitment letter (the “**Commitment Letter**”) with First Choice Financial Incorporated (“**FCF**”), as lender, for a mortgage loan (the “**Mortgage Loan**”) of up to an aggregate principal amount of CAD \$5 million. The Company will initially receive a principal amount of \$2 million, which is anticipated to be completed prior to the end of this week. The Mortgage Loan is subject to the approval of the TSX Venture Exchange (the “**Exchange**”).

The Mortgage Loan will bear simple interest of 7.5% per annum and FCF will withhold \$150,000 as an interest reserve to satisfy the first 12 months of interest payments. In addition, FCF will be entitled to receive a financing fee of 3.5% per advance (\$70,000 for the first advance of \$2 million). No securities will be issued in connection with the Mortgage Loan and no other fees or commissions will be payable.

The Mortgage Loan will be secured against the Company’s property in Aldersyde, Alberta, including a site-specific general security agreement against the assets on the property. The proceeds of the Mortgage Loan will be used for general working capital.

The Mortgage Loan will have a term of 24 months from the closing date with respect to each advance (each a “**Closing Date**”), however, at any point following the 12 month anniversary of a Closing Date, in the event that FCF is dissatisfied following an evaluation of Cielo’s financial condition, business and technological progress, FCF may require the Company to repay the Mortgage Loan, in whole or in part, within 90 days of the notice from FCF to the Company that such repayment is required. Cielo will have the right to repay the Mortgage Loan at any time, without penalty. In addition, once the structure and financing terms for the Company’s first commercial facility (the “**First Commercial Facility**”) have been determined, Cielo may make a proposal to FCF to exchange the

principal portion of the Mortgage Loan for participation in the First Commercial Facility, which FCF will be entitled to accept or reject. Management believes that this will result in minimizing the dilutive impact to Cielo while unlocking potential value for third parties, such as FCF, that may be interested in participating directly in the First Commercial Facility financing.

Vikas Sharma, CEO of FCF, commented: “We appreciate the actions of management over the last year to strengthen Cielo’s overall position and move the company further along the path to commercialization. We believe in Cielo’s long-term plans and that this credit facility and our purchase of the real estate help position Cielo to reach its upcoming milestones, including railway tie testing. We are pleased with the recent EPA re-submission and are hopeful for a positive response and quick turnaround. We have been long time supporters of Cielo and look forward to strengthening our relationship even further going forward.”

Termination of Crestmont Financing

Further to the Company’s news releases dated April 10, 2023 and May 1, 2023 regarding a debt financing to be completed with Crestmont Investments, LLC (“**Crestmont**”), despite continued efforts to finalize the terms and complete the proposed financing, and notwithstanding that Cielo and Crestmont have formed a professional relationship that Cielo anticipates to continue in the long term, the parties have agreed to terminate the binding letter of intent. Management believes that the terms of the proposed Mortgage Loan with FCF are more favourable to the Company and that Crestmont’s preference and strength is in the facilitation of larger financing transactions, and as such, the parties are continuing discussions with regard to the full financing of the Company’s First Commercial Facility rather than bridge financing for the Company’s research and development facility and working capital.

David Beach, Principal of Crestmont, commented: “After an exhaustive due diligence period with Cielo, Crestmont has come to appreciate that Cielo’s project pipeline is very compelling. It is with a deep understanding of Cielo’s future project finance needs as well as Crestmont’s desire to be involved in a more substantial way that we turn our attention to the larger project financing that Cielo requires.”

Proposed Sale of Land

The Company has entered into a purchase and sale agreement with FCF, as purchaser, for the sale (the “**Sale**”) of the Company’s property in Fort Saskatchewan, Alberta (the “**FS Property**”).

The purchase price for the FS Property is CAD \$13 million (the “**Purchase Price**”), subject to the terms of the Note (as defined below), to be paid as follows:

- FCF previously provided a mortgage loan of CAD \$11 million (the “**Existing Mortgage Loan**”) to the Company, which was secured in part by the FS Property. On completion of the Sale, the Existing Mortgage will be repaid in full;
- The remaining CAD \$2 million will be paid by way of a promissory note (the “**Note**”) from FCF in favour of Cielo, whereby FCF will be required to use commercially reasonable best efforts to enter into a purchase and sale agreement for the sale of the FS Property on or before September 30, 2024. Should FCF be unable to do so, the Purchase Price will be reduced by CAD \$2 million.

The Sale is subject to certain conditions, including the approval of the Exchange, and the waiver of the right of first refusal held by the tenant of the FS Property (the “**Tenant**”). The lease between Cielo and the Tenant was also amended to provide for an additional 19 acres to be leased by the Tenant. Other than customary fees, such as realtor commissions, no third-party finder fees are payable with respect to the Sale.

The closing of the Sale is anticipated to occur on or before July 31, 2023. The Mortgage Loan and the Sale are not conditional upon each other or otherwise connected.

Operational Update

The Company continues to work toward securing permit approval from Alberta Environment and Protected Areas (“**EPA**”) to begin railway tie testing, as previously disclosed. The Company’s amended application is under review with the EPA and once approval is granted, testing will commence.

Ryan Jackson, CEO of Cielo, commented: “These last several months we have been focused on achieving a number of initiatives for Cielo, including the commissioning of the R&D facility and our continuing efforts to secure a permit to commence railway tie testing. With this loan from FCF and the sale of the land, we believe we will have the resources we need at this time to continue to move forward with our commercialization plan.”

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 completion of the Mortgage Loan on the terms described herein; the first advance pursuant to the Mortgage Loan being CAD \$2 million; the timing of the completion of the Mortgage Loan; the use of proceeds of the Mortgage Loan; the Sale of the FS Property on the terms and described herein; the timing of the completion of the Sale of the FS Facility; the repayment of the Existing Mortgage Loan and all terms related to the Note; the proceeds of the Mortgage Loan and the Sale providing Cielo with sufficient resources to continue with the Company’s commercialization plan; the formation of an entity in connection with, and future financing of, the First Commercial Property; the continuing relationship between Cielo and Crestmont and the proposed involvement of Crestmont in or with the financing of the First Commercial Facility; and pending EPA permit approval and the commencement of railway tie testing following approval.

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.