



Cielo Announces Closing of Asset Purchase Transaction with Expander Energy Inc. and Results of Shareholder Meeting

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CALGARY, Alberta, Nov. 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 closed the asset purchase transaction (the "**Transaction**") with Expander Energy Inc. ("**Expander**") announced on September 20, 2023.

Pursuant to an asset purchase agreement dated September 15, 2023, as amended and restated on November 8, 2023 (the "**Asset Purchase Agreement**") between Cielo and Expander, Cielo has acquired assets and liabilities of Expander to operate the EBTL™ and BGTL™ technologies business being acquired from Expander (the "**Acquired Business**"). Management believes that the completion of the Transaction will allow Cielo to accelerate its timeline to revenue while enhancing Cielo's existing proprietary Thermal Catalytic Depolymerization (TCD) technology.

Concurrently with the closing of the Transaction, Cielo and Expander have executed a license agreement (the "**License Agreement**"), providing Cielo with an exclusive licence in Canada to use Expander's patented EBTL™ and BGTL™ technologies and related intellectual property for all feedstocks, as well as an exclusive licence in the United States for creosote and treated wood waste (the "**Licensed Technologies**"), which will be used in facilities that will process biomass (waste) to fuels (bio-synodiesel) (the "**Licensed Facilities**"). See the Company's news release dated September 20th, 2023 for additional terms of the License Agreement.

In addition, Cielo and Expander have executed master service agreements under which Expander will provide services for both the engineering, procurement and construction phases, as well as the operation/project management phase, of each of the Projects (as defined below).

Ryan Jackson, CEO of Cielo, commented, "The completion of this agreement is a significant achievement for Cielo and Expander shareholders. Not only are we able to collectively move forward with Expander's planned project in Carseland, Cielo is also able to progress with the development of our Dunmore facility to support our railway tie supply agreement with CP Rail. Upon successful completion of these projects, we believe the anticipated accelerated time to revenue positions Cielo for sustainable profitable growth."

James Ross, Executive Chairman of Expander, commented, "This exceptional partnership between Cielo and Expander will advance the production of advanced biofuels such as Bio-Synodiesel™ within Canada and the United States, bringing additional supply to the growing demand for sustainable renewable transportation fuels."

As the Transaction was considered a "Fundamental Acquisition" as defined by the policies of the TSX Venture Exchange (the "**TSXV**"), the Company's common shares have been halted from trading pending review by the TSXV of the Transaction. As the Transaction has been approved by the TSXV, and has closed, the Company's shares will resume trading early next week.

PROJECT AND TECHNOLOGICAL DEVELOPMENT

As previously disclosed, Cielo intends to undertake the three acquired projects in Alberta, the first located in Carseland, Alberta, as well as, initially, three projects proposed by Cielo, including the previously disclosed facility in Dunmore, Alberta (the "**Dunmore Facility**") and two in the United States, all using the Licensed Technologies (collectively, the "**Projects**").

In addition, management believes that an anticipated result of the relationship between Expander and Cielo, leveraging Expander's expertise and culture of innovation, will be an improvement to Cielo's proprietary technology, which is currently implemented at Cielo's research and development facility and for which the Company is currently awaiting = approval by *Alberta Environment and Protected Areas* ("EPA"). The Company has been advised by the EPA that the application is currently under review. In the meantime, Cielo's access to the Licensed Technologies and ability to commence the Projects is anticipated to accelerate the timeline to commercialization and therefore shorten the path to revenue.

GUIDED TOURS OF THE OPERATING CARSELAND FACILITY

Cielo's first proposed Project is a biomass to liquids facility that will incorporate an existing gas to liquids facility using technology also invented by Expander, located in Carseland, Alberta. One of the assets the Company has acquired from Expander is an agreement with the owner/operator of this gas to liquids facility. In cooperation and coordination with both parties, Cielo is pleased to provide access to guided tours of the operating gas to liquids facility on an advance registration basis. These tours are expected to commence later this month with more details to follow. Depending on interest, these tours will be available for registration for a period of 90 days initially. Interested shareholders or investors are welcome to indicate their interest by emailing investors@cielows.com.

BOARD AND MANAGEMENT

As agreed in the Asset Purchase Agreement, the Board has appointed James H. Ross, CFO and Chair of Expander, to its board of directors (the “**Board**”) and has agreed to nominate G. Steven Price and Larry Haggard, directors of Expander, for election at the Company’s next meeting of shareholders. The Board is now comprised of: Sheila Leggett, Larry Schafran, the Hon. Peter MacKay, James H. Ross, and CEO Ryan Jackson.

TRANSACTION DETAILS

Consideration

In consideration for the acquisition of the Acquired Business, Cielo has agreed to pay a purchase price of C\$45,323,785.30 by issuing 906,475,706 common shares of the Company (the “**Consideration Shares**”) at a price of \$0.05 per Consideration Share. Pursuant to the terms of the Asset Purchase Agreement:

- Cielo issued 85% of the Consideration Shares on closing to Expander, Expander’s directors and officers (the “**Expander Insiders**”) and Expander’s other shareholders;
- 25% of the issued Consideration Shares, which are held by Expander and the Expander Insiders, have been deposited into escrow for release as follows:
 - 25% on January 4, 2024;
 - 25% on April 1, 2024;
 - 25% on August 28, 2024; and
 - 25% on November 9, 2024
- The remaining 15% of the Consideration Shares will be issued upon the expiration of an indemnification period and subject to certain conditions, each as set out in the Asset Purchase Agreement.

If all of the Consideration Shares were issued on closing, this would represent 49.9% of the issued and outstanding common shares of Cielo, the existing shareholders of the Company retaining 50.1% of the issued and outstanding common shares of Cielo. As 85% of the Consideration Shares were issued as of closing, Expander, its shareholders and the Expander Insiders hold approximately 46% of the issued and outstanding shares of Cielo.

The Consideration Shares are also subject to a statutory hold period of four months and one day. This hold period will expire on March 10, 2024 for the 85% Consideration Shares issued on closing.

AMENDMENTS TO THE ASSET PURCHASE AGREEMENT

Cielo and Expander have agreed to make certain amendments to the Asset Purchase Agreement, including the removal of Cielo’s financing obligations. While the non-binding letter of intent is still in effect, the Company, together with Expander, are exploring various financing options, including grants that may be available. Certain additional changes were made to the Asset Purchase Agreement, a copy of which will be available on the Company’s profile on www.sedarplus.ca.

RESULTS OF SHAREHOLDER MEETING - SHARE CONSOLIDATION

At the Company’s annual general and special meeting held on October 26, 2023 (the “**Meeting**”), shareholders re-elected Cielo’s directors, re-appointed Cielo’s auditors, and re-approved Cielo’s rolling stock option plan.

In addition, as announced in the Company’s September 20th news release, Cielo proposed to its shareholders at the Meeting, to be completed as and when determined by the Board, a consolidation of Cielo’s securities (the “**Proposed Consolidation**”) on an up to 15:1 basis. The Proposed Consolidation was approved by a special majority of Cielo’s shareholders at the Meeting. The Company will provide additional information on the Proposed Consolidation, which remains subject to the approval of the TSXV, in the coming days.

DRAWDOWN ON LOAN FACILITY

On July 17, 2023, the Company announced the execution of a loan commitment letter for a mortgage loan (the “**Loan**”) of up to \$5 million with First Choice Financial Incorporated. On July 26, 2023, the Company announced a drawdown on the Loan of \$2 million. The Company announces that it has drawn down an additional \$500,000 on the Loan for general working capital. For additional details on the terms of the Loan, see the Company’s news release dated July 26, 2023 (as applicable to this portion of the Loan).

POST CLOSING WEBINAR

Cielo’s CEO, Ryan Jackson, and Executive Vice President, Operations, Ryan Carruthers, will host a webinar together with Expander President and COO, Gord Crawford, on **Monday, November 13, 2023, at 3pm ET** to discuss Cielo’s operational goals post-Transaction.

Date: Monday, November 13, 2023

Time: 3pm 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 linked above, 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 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 TSXV under the symbol "CMC," on the Frankfurt Exchange 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. Forward-looking statements and information are based on plans, expectations and estimates of management at the date the information is provided and are subject to certain factors and assumptions, including, among others: the ability of Cielo to undertake the Projects, including the ability to finance the Projects and its business generally; the ability for Cielo to integrate the Licensed Technologies with its own business; the ability of Expander to provide the requisite services for the development and operation of the Projects; the ability to achieve anticipated revenues and that the assumptions on which such projects are based are correct and accurate.

Cielo is making forward looking statements, with respect to, but not limited to: the acquisition of the Acquired Assets accelerating the timeline to revenues and commercialization; enhancements to the Company's TCD technology; the use of the Licensed Technologies in future facilities; the services to be provided by Expander; anticipated revenues from the Projects; the relationship between Cielo and Expander advancing production of advanced biofuels such as Bio-Syndiesel™ within Canada and the United States, and having a positive impact on Cielo's own technology, resulting in improvements thereto; the timing for the resumption of trading of Cielo's shares; the Projects to be undertaken by Cielo, including timing and locations; guided tours to be offered; future board nominations pursuant to the Asset Purchase Agreement; the escrow release dates for the Escrowed Shares; the issue of the remaining 15% of the Consideration Shares, including timing; the hold period applied to the Consideration Shares; financing; the Company provided further information on the Proposed Consolidation; the webinar, including timing and participants.

This news release also contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about prospective results of operations including, without limitation, expectations with respect to anticipated revenues arising from the Projects to be undertaken by Cielo in Carseland and Dunmore, Alberta (first full year of production), which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the

assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Cielo's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Cielo will derive therefrom. Cielo has included the FOFI in order to provide readers with a more complete perspective on Cielo's future operations, taking into consideration the integration of the Acquired Business and such information may not be appropriate for other purposes.

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.