



Cielo Announces Fiscal Q3 2024 Financial Results and Provides Update on its Progress to Fuel Renewable Change

CALGARY, Alberta, Canada (March 28, 2024) – Cielo Waste Solutions Corp. (TSXV:CMC; OTC:CWSFF) (“Cielo” or the “Company”), a renewable fuel company leveraging market ready licensed technology to produce low-carbon fuel from wood by-products, today announced its financial results for the three and nine months ended January 31, 2024, along with an update on the Company’s progress as Cielo fuels renewable change. Copies of the unaudited interim financial statements and related management’s discussion and analysis can be found on the Financial Reports section of the Company’s website at <https://cielows.com> and under Cielo’s issuer profile at www.sedarplus.ca. All financial information in this news release is reported in Canadian dollars, unless otherwise indicated.

“We believe the closing of the asset purchase transaction with Expander Energy during Q3 2024 represents a pivotal moment on our journey, positioning Cielo with an economically sustainable and market-ready solution. Cielo has a clear line of sight to produce our net-zero carbon intensity Bio-SynDiesel®,” said Ryan Jackson, CEO of Cielo. “As a result of the Company’s achievements in Q3 2024, we are able to focus on accelerating construction of our first commercial facility at Carseland, Alberta, as well as a full-scale facility in Dunmore, Alberta, both of which will transform wood by-products, including railway ties, to low-carbon liquid fuels that are critical for the world’s energy transition.”

Jasdeep K. Dhaliwal, CFO of the Company, added, “I am proud of our team’s success both through the third quarter and to date in Q4 2024, as we have made great progress against key milestones. Over and above finalizing the Expander transaction, our five-year plan is to construct six facilities across North America. We are committed to generating a compelling return on investment for all stakeholders and having a positive impact on the planet.”

Q3 2024 HIGHLIGHTS

During the quarter ended January 31, 2024, Cielo achieved the following milestones:

- Closed the asset purchase transaction with Expander Energy Inc. (“Expander”) on November 9, 2023, gaining an exclusive license in Canada for all feedstock and in the U.S. for treated wood waste to deploy Expander’s innovative Enhanced Biomass to Liquids (EBTL™) and Biomass Gas to Liquids (BGTL™) technologies (the “Licensed Technologies”), which management believes will allow Cielo to accelerate its timeline to revenue.
- As a result of the transaction with Expander, secured several key agreements and approvals designed to accelerate the Company’s path to commercialization of *Bio-SynDiesel®* at the Carseland facility (the “Carseland Project”):
 - Secured a long-term contract that provides Cielo with a cost-effective and continuous supply of the requisite biomass feedstock for the Carseland Project from an established local biomass supply company, ECCO Recycling & Energy Corporation;
 - Signed a long-term syngas processing agreement with Rocky Mountain Clean Fuels Inc. (“RMCFI”) that will see Bio-Syngas produced at the Carseland Project converted into 8.2 million litres per year of renewable Bio-SynDiesel® fuel at the existing, operational and adjacent synthetic fuel facility; and

- Received approval for a long-term lease on a parcel of land totaling 25 acres, situated immediately adjacent to the existing and operational RMCFI facility at Carseland, which enables Cielo to leverage existing infrastructure and operational capabilities to accelerate commercial production of Bio-SynDiesel® fuel.
- Completed a share consolidation on the basis of 15:1, reducing outstanding shares to 113,302,703 from 1,699,540,548 effective January 29, 2024;
- Raised \$670,000 through a non-brokered private placement of flow-through shares in December 2023, with proceeds directed to advance the Carseland Project;
- Took critical steps to further progress the Carseland Project and the proposed project in Dunmore, Alberta (the “Dunmore Project”, together with the Carseland Project, collectively the “Projects”) by allocating approximately \$762,000 in capital expenditures to the Projects; and
- Repaid a \$60,000 Canadian Emergency Business Account (CEBA) loan.

Subsequent to the end of the quarter, Cielo continued to build on the momentum realized in Q3 2024 with the following achievements:

- Announced a private placement of convertible debenture units intending to raise up to \$5.0 million over several tranches for the ongoing advancement of Cielo’s renewable fuel projects, closing the first tranche for gross proceeds of \$560,000, primarily to be used for the advancement of the Carseland Project; and
- Confirmed its final credit facility draw, signaling an important shift in Cielo’s go-forward financing strategy to use convertible instruments versus traditional debt to better align with its current stage of development.

OUTLOOK

Through the final quarter of Cielo’s fiscal 2024 and into fiscal 2025, the Company is targeting the following milestones:

- Confirm final investment decisions for both the Carseland Project and the Dunmore Project, and continue to work towards financing the completion of construction for these two commercial facilities;
- Ongoing and proactive capital markets engagement activities, including participating in various industry and investment conferences, undertaking profile-building activities with both investors and media, as well as continuing to actively position Cielo as an upcoming leader in the waste-to-fuels industry; and
- Utilization of the Company’s R&D facility located in Aldersyde, Alberta, subject to receipt of approval from Alberta Environment and Projected Areas, to generate the data required to design and define the economics of a commercial facility using Cielo’s existing TCD technology and exploration of the possibility of integrating Cielo’s existing TCD technology with the Licensed Technologies.

Financial Highlights

As at (000's of dollars)	January 31, 2024	April 30, 2023
Total assets	59,627	29,366
Total liabilities	13,818	14,569
Total non-current liabilities	2,434	61
Working capital deficiency	(9,694)	(12,487)

Periods ended January 31 (000's of dollars, except per share amounts)	Three months		Nine months	
	2024	2023	2024	2023
Financing costs	72	620	709	1,838
General and administrative	546	1,137	2,111	3,021
Research and development	167	442	827	1,406
Share based compensation	(113)	143	205	270
Impairment of assets and assets held for sale	-	-	3,826	25,366
Net loss per share – basic & diluted	(0.02)	(0.04)	(0.12)	(0.62)

The Company recorded a net loss of \$1.9 million for the three months ended January 31, 2024, primarily comprised of (i) general and administrative costs of \$0.6 million; (ii) research & development costs of \$0.2 million; (iii) finance costs of \$0.08 million; (iv) share based compensation credit of (\$0.1 million) due to the expiry of unvested options, and amortization of \$1.3 million. Net loss for the nine months ended January 31, 2024 was \$9.2 million, \$22 million less than the period ended January 31, 2023, primarily due to an overall reduction of operating costs totaling approximately \$1.0 million, plus reduced impairment expense of \$21 million. During the third quarter ended January 31, 2024, there was an impairment loss upon the sale of the Company's Fort Saskatchewan property of \$3.8 million, compared to the impairment recognition related to property, plant and equipment of \$25.4 million in the period ended January 31, 2023.

Cielo's operating cash flow totaled \$0.02 million for the third quarter 2024, and the Company recorded negative cash flow of \$1.1 million in the nine-month period ended January 31, 2024. This level of cash flow aligns with prior periods and is to be expected in a pre-revenue business such as Cielo.

For further information please contact:

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ABOUT CIELO

Cielo Waste Solutions Corp. is fueling renewable change with a mission to be a leader in the wood by-product-to-fuels industry by using environmentally friendly, economically sustainable and market-ready technologies. The process and technology does not use food as feedstock as we are proudly advancing our non-food derived model based on our exclusive licence in Canada for patented Enhanced Biomass to Liquids (EBTL™) and Biomass Gas to Liquids (BGTL™) technologies and related intellectual property, along with an exclusive licence in the US for creosote and treated wood waste, including abundant railway tie feedstock. We have assembled a diverse portfolio of projects across geographic regions and secured

the ability to leverage the expertise of proven industry leaders. Cielo is committed to the goal of producing renewable fuels from wood by-products that contribute to a cleaner fuel source and generating positive returns for our shareholders. Cielo shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol “CMC,” as well as on the OTC Markets under the symbol “CWSFF.”

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.

Cielo is making forward looking statements, with respect to, but not limited to: timing, location, feedstocks and milestones for the Carseland Project and the Dunmore Project; the acceleration of the Company’s timeline to revenues; the purpose of the facilities the Company’s five-year plan to build six facilities using the Licensed Technologies; the use of proceeds from the Company’s convertible debenture unit offering; the Company’s intention to undertake capital markets engagement activities; utilization of the Company’s R&D facility in Aldersyde; and the use and integration of the TCD technology.

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.