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Cielo Announces Closing of Second Tranche of Private Placement of Convertible Debenture Units

CALGARY, Alberta, Canada (April 5, 2024) – Cielo Waste Solutions Corp. (TSXV:CMC; OTCQB:CWSFF) (“**Cielo**” or the “**Company**”), a renewable fuel company leveraging market ready licensed technology to produce low carbon fuel from wood by-products, is pleased to announce the closing of the second tranche (“**Tranche 2**”), for gross proceeds of C \$1,480,000, of its previously announced non-brokered private placement offering of unsecured convertible debenture units of the Company (collectively, the “**Convertible Debenture Units**”) at a price of C \$1,000 per Convertible Debenture Unit for aggregate gross proceeds of up to C \$5,000,000 (the “**Private Placement**”). The Company intends to continue to offer the Convertible Debenture Units on the same terms and close one or more subsequent tranches during the month of April 2024.

Each Convertible Debenture Unit is comprised of: (i) one unsecured convertible debenture (each, a “**Convertible Debenture**”) in the principal amount of C \$1,000.00 (the “**Principal Amount**”) convertible into common shares of the Company (the “**Common Shares**” and each such Common Share, a “**Conversion Share**”); and (ii) 2,500 detachable share purchase warrants (each, a “**Warrant**”) exercisable into Common Shares (each such Common Share, a “**Warrant Share**”). The minimum subscription amount is C \$20,000. Pursuant to the closing of Tranche 2, the Company issued 1,480 Convertible Debenture Units for gross proceeds of C \$1,480,000, consisting of 1,480 Convertible Debentures and 3,700,000 Warrants.

The Principal Amount of the Debentures, together with any accrued and unpaid interest, will mature and become due and payable in cash on the date that is 24 months from the date of issue of the Convertible Debenture Units (“**Issue Date**”), subject to earlier conversion or redemption (the “**Maturity Date**”). The Principal Amount owing under the Debentures will accrue interest from the date of issuance at 12.0% per annum on a 30/360 calendar basis, payable every six (6) months in cash, except the first payment will be made in November 2024 and will consist of interest accrued from and including the Issue Date. As the Convertible Debentures will be unsecured debt obligations of the Company, each Convertible Debenture will rank subordinate to all secured debt obligations of the Company.

The Principal Amount may be converted, for no additional consideration, into Conversion Shares at the option of the holder of a Convertible Debenture (each, a “**Holder**”) at any time after the Issue Date at a conversion price (the “**Conversion Price**”) of \$0.40 per Conversion Share. However, the Company may force the conversion of the Convertible Debentures (the “**Forced Conversion**”), at the Conversion Price, in the event that the volume weighted average price of the Common Shares on the Exchange is greater than C \$1.00 for any ten (10) consecutive trading days. In the event of a Forced Conversion, the Company will provide notice to Holders by issuing a news release announcing the details of the Forced Conversion, including the date upon which the Forced Conversion will occur. In addition, the principal amount of the Convertible Debentures may be redeemed by the Company at any time without penalty.

Each Warrant will entitle the holder thereof to purchase one Warrant Share at a price of \$0.70 per Warrant Share for a period of 24 months from the Issue Date. However, the Company may accelerate the expiry of the Warrants (the “**Warrant Term Acceleration**”) in the event that the volume weighted average price of the Common Shares on the Exchange is greater than C \$1.00 for any ten (10) consecutive trading days. In the event of a Warrant Term Acceleration, the Company will provide notice to holders of the Warrants by issuing a news release announcing the details of the Warrant Term Acceleration, including the accelerated expiry date of the Warrants.

The Company anticipates using the net proceeds of the Private Placement for the continued advancement of its renewable fuel projects, namely the wood byproduct to Bio-SynDiesel® Project in Carseland, Alberta (the “**Carseland Project**”), which is currently undergoing front-end engineering and design, and the Company’s railway tie to Bio-Syndiesel® project in Dunmore, Alberta (the “**Dunmore Project**”), as well as general working capital and corporate growth purposes. The Carseland Project will be situated adjacent to an existing synthetic fuel facility owned and operated by Rocky Mountain Clean Fuels Inc. (“**RMCFI**”), which deploys patented technology developed by Expander Energy Inc. (“**Expander**”).

The Private Placement is subject to the receipt of all required regulatory approvals, as applicable, including the final approval of the Exchange. The Exchange has conditionally approved the Private Placement. Commissions of cash and/or non-transferrable warrants (each a “**Broker Warrant**”, collectively the “**Broker Warrants**”) may be paid in connection with the Private Placement in accordance with applicable laws. With respect to Tranche 2, the Company paid a cash commission of C \$2,100 and issued 5,250 Broker Warrants exercisable for 24 months at an exercise price of C \$0.70 per share.

The Debentures and Warrants, as well as Conversion Shares and Warrant Shares, will be subject to a statutory hold period expiring on the date that is four months and one day after the corresponding Issue Date, with respect to Tranche 2 expiring on April 4, 2024.

None of the securities offered in the Private Placement have been or will be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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**.”

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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. Cielo is making forward looking statements, with respect to, but not limited to: the Private Placement and the terms thereof, including the targeted gross proceeds, the use of proceeds, the minimum subscription amount, the timing of closing of subsequent tranches, the terms of the Convertible Debenture Units, including the Convertible Debentures and Warrants, the hold period applicable to the securities to be issued under the Private Placement, commissions to be paid in connection with the Private Placement and the terms of Broker Warrants, the Forced Conversion and the Warrant Expiry Acceleration, including the notice/announcements to be made in connection therewith; and the location of the Carseland Project.

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.