

## **Cielo Announces a Significant Transaction as it Closes its Previously Announced \$3.5 Million Credit Facility to Fund 1<sup>st</sup> Commercial Garbage to High Grade Renewable Diesel Refinery**

Vancouver, British Columbia, Canada / November 6, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce that it has completed its financing arrangement with a private Alberta based lender (the "Lender"). Cielo and the Lender have entered into a loan agreement (the "Loan Agreement"), whereby the Lender will make available up to \$3,500,000 (the "Credit Facility") until September 30, 2018, to be used by Cielo primarily for the conversion of its first commercial refinery (the "Commercial Refinery") on its property in High River, Alberta (the "Property").

Cielo's President and CEO, Don Allan, stated "Closing the Credit Facility is a significant milestone for Cielo as we now have full funding in place that allows us to build our first commercial waste to renewable diesel refinery using our proprietary technology. These are very exciting times as we can now focus on completing the construction and operations of our "game changing" technology into commercial status. We are ecstatic about the countless opportunities we have in front of us. We thank our new financial partner for recognizing the potential that our technology has to significantly impact solving the world crisis of dealing with landfill waste. Additionally, we'd like to thank our stakeholders for their continued support as we roll out our technology globally."

### **Credit Facility Details:**

The Credit Facility is structured as a non-revolving line of credit with security held by the Lender over all assets, including the Property and all other real property, of Cielo, subordinating other secured lenders of Cielo. The Credit Facility bears simple interest at 12% annually. Payments of interest only are payable until September 30<sup>th</sup>, 2018, after which time regular payments of principal together with interest will become payable until the loan matures in June 2022. Cielo is able to repay the loan without penalty any time after September 30<sup>th</sup>, 2018.

Cielo has obtained close to \$2,500,000 of the full available amount of the Credit Facility in order to repay and discharge its existing mortgage on the Property with XR Resources Inc., such mortgage previously announced on April 19, 2017, and also to exercise its option to purchase the demonstration plant (the "Demo Plant") it was previously leasing from FS Business Enterprises Inc., pursuant to a Purchase Option Agreement dated October 26, 2016, also previously announced on October 27, 2016. The Demo Plant is being converted into the Commercial Refinery on the Property

As partial consideration for the Credit Facility, Cielo has issued 25,000,000 bonus warrants (the "Warrant(s)") to the Lender, each Warrant exercisable to purchase one common share of Cielo at an exercise price of \$0.20 (the "Exercise Price"), subject to adjustments for any reorganizations or dilutive events during the term of the Warrants. In accordance with the terms of the Warrants, in the event that Cielo issues additional common shares at a price (or convertible securities with an exercise price) lower than the Exercise Price or the market price at the time, whichever is higher,

the Lender will be entitled to receive additional securities at a slightly decreased price, subject to the maximums and terms imposed by the Canadian Securities Exchange. In the event that an exercise of Warrants by the Lender results in the Lender holding at least 10% of the voting securities of Cielo, the Lender will be entitled to nominate a director pursuant to a Nomination Rights Agreement for so long as its holdings of voting securities remain at 10% or over. The Warrants expire on the earlier of (i) November 2, 2022 and (ii) the later of (A) November 2, 2019 and (B) 30 days following full repayment of the Loan, but not later than 5 years from the issuance date.

1888711 Alberta Inc. (“1888”), a private Alberta corporation related by certain officers and directors of the Company, who is party to a license agreement with Cielo dated June 14, 2016 (the “License Agreement”), previously announced on June 15, 2016, acts as guarantor for the Credit Facility. The parties have also agreed to a restated and amended version of the License Agreement, dated November 1, 2017, providing for clear terms on which Cielo is able to purchase the rights granted to 1888 at any time following the 14th day of operations of the Commercial Refinery based on the production of the Commercial Refinery and any other refineries in operation at the time, terminating the agreement.

Material agreements and full details of the foregoing will be available under Cielo's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Results of AGSM – Annual General and Special Meeting**

Cielo is also pleased to announce the results of its Annual General and Special Meeting (“AGSM”) held on October 26, 2017. All the resolutions presented to the shareholders were approved, including the re-election of auditors A. Chan & Company, LLC, fixing of the board of directors at five, approval of all director nominees, namely Don Allan, Robin Ray, Chris Dovbniak, Doug Mackenzie, and Mel Angeltvedt, and the approval of the amended fixed stock option plan (the “Stock Option Plan”) and the Restricted Share Unit Plan (the “RSU Plan”), which will together form the complete incentive plans for the Company. The Stock Option Plan allows for a maximum of 11,212,730 options to be granted and the RSU Plan allows for a maximum of 7,475,154 restricted share units to be granted, together representing 14.6% of the total issued and outstanding shares of Cielo as at today’s date.

### **Disclosure Under Early Warning Requirements**

The following additional information regarding the Lender's acquisition of the Warrants is disclosed for and on behalf of the Lender, BJK Holdings Ltd. of 238 - 22 Street North, Lethbridge, Alberta, T1H 3R7, pursuant to the early warning requirements of applicable Canadian securities legislation. The Lender acquired the Warrants for investment purposes in connection with the Credit Facility, and did not previously own or control any securities of Cielo. Upon acquiring ownership and control of the Warrants effective November 2, 2017 (with escrow release conditions satisfied the next day), the Lender was deemed for the purpose of the early warning requirements

to have acquired and to be the beneficial owner of the 25,000,000 Class A voting common shares of the Company underlying the Warrants, representing a security holding percentage therein of approximately 16.4% based on the number of Cielo common shares currently outstanding and assuming the issue of an additional 25,000,000 shares pursuant to the Warrants. A report under the early warning requirements will be filed by the Lender with applicable Canadian securities regulators, and a copy thereof will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or on request from Cielo at the contact number below.

For more information please contact:

**Cielo Waste Solutions Corp.**

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**About Cielo Waste Solutions Corp.**

**Cielo Waste Solutions Corp.** is a publicly traded company with its shares listed to trade on the Canadian Securities Exchange (“CSE”) under the symbol “CMC”. Cielo holds the exclusive license for the global rights to a transformational, patent-pending, technology that can convert garbage-derived feedstocks to renewable diesel, at a significantly lower cost than biofuel companies. The garbage-derived feedstocks include sorted municipal solid waste (garbage), wood and agriculture waste, tires, blue-box waste, all plastics and virtually any other cellulous waste product into high grade renewable diesel.

***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, including but not limited to: the use of proceeds of the offering, receipt of all necessary approvals of the offering, general business, economic, competitive, political and social uncertainties; negotiation uncertainties and other risks of its industry. 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.*



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*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, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.*

*The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.*