

Cielo Announces the Closing of the Purchase of the Fort Saskatchewan Industrial Site and CDN\$12m Loan

written by Raj Shah | August 24, 2021

August 24, 2021 ([Source](#)) – Cielo Waste Solutions (TSXV:CMC)(OTCQB:CWSFF), (WKN:C36), (“Cielo” or the “Company”) is pleased to announce it has closed on the acquisition of a 60 acre industrial site with a 31,750 square foot industrial building in Fort Saskatchewan, Alberta (the “Property”). The Company also announces that, immediately prior to the closing of the acquisition of the Property and completion of the Loan, it repaid an existing loan with a principal amount of CND\$1M.

Cielo management believes it has received substantial savings on this asset. The previous owner developed the Property in 2014/2015 and spent approximately CDN\$22M on site development, compaction and gravelling of the entire yard, which is also fenced and lighted, and the erection of a sizable building that Cielo can utilize for its purposes. Cielo was able to purchase the Property for CDN\$13M, a net realized savings of approximately CND\$9M as well as construction costs. In addition to the cost savings, the site has been more than adequately prepared for Cielo to begin planning its waste to fuel facility and therefore save substantial time in development.

Don Allan, President and CEO of Cielo, stated: “We believe this location will quickly advance Cielo’s commercial development in Canada’s largest hydrocarbon industrial park. We have Canada’s two largest rail companies with their rail yards in direct sight, offtake customers for our waste to fuel products, feed

stock suppliers and all required subtrades and service vendors in close proximity.”

The Company, as borrower, concurrently closed a CDN\$12M mortgage loan (the “Loan”) from First Choice Financial Incorporated (“FCF”) and KV Capital Inc. (“KV”), as lenders. The Company used the net proceeds from the Loan towards the purchase price of the Property. The Loan is subject to an annual interest rate of 6% and is secured with the assets of the Fort Saskatchewan and the Aldersyde facilities. The Loan has a 12 month term, which is subject to automatic renewal at the end of the original term for further six month periods in consideration for a renewal fee equal to 1.5% of the then outstanding balance, subject to the lenders’ rights to terminate the automatic renewal at their discretion.

The Company has issued 12,000,000 non-transferable share purchase warrants (the “Bonus Warrants”) as inducement for the Loan. Each Loan Bonus Warrant will entitle the holder to purchase one common share of the Company at an exercise price of CDN\$1.00 for a period of 36 months, however, in the event that the Loan is repaid in whole or in part during its term, a pro rata number of the total Bonus Warrants will have their term reduced to the date that is 90 days from such repayment.

The TSX Venture Exchange (the “TSX-V”) has conditionally approved the terms of the Loan and the Bonus Warrants, noting the terms thereof had substantially been agreed upon prior to the listing of the Company’s shares on the TSX-V.

Don Allan further states: “We also appreciate FCF’s continued support of Cielo and belief in our vision for the Company to become a leader and dominant player in the renewable energy sector. We want to thank FCF as their investment in Cielo over the last year has firmly positioned Cielo with the capital

needed to complete several ongoing initiatives. FCF also introduced us to KV, who has shown strong interest in supporting Cielo with future financing opportunities.”

Vikas Sharma, President of FCF, stated “First Choice Financial is proud to be a funding partner of Cielo Waste Solutions. FCF always looks for companies with unique business models to assist them in achieving their goals. FCF is proud to support Cielo which, we believe, through their hard work and propriatery technology, has the potential to change the world as we know it. Plastics, landfill waste, and emissions are all global problems and we believe Cielo has the ability to transform the way the world deals with these issues, which have real life impacts to our environment and health. We are pleased to be supporting Cielo’s decision in acquiring this new land as they have proven their technology through their existing Aldersyde facility, and expansion seems to be the next logical step. FCF has been a long time supporter of Cielo and its global mission and looks forward to further supporting Cielo in its future endeavours and being a trusted ally in building a sustainable future.”

Aleem Virani, KV Capital’s CEO, stated “This financing is another example of KV Capital’s commitment to the success of its clients through our focus on making complex financial transactions as simple and efficient as possible. We are proud of our team’s flexibility, creativity, and speed of execution in completing this deal and our role in supporting the growth of an innovative and dynamic company like Cielo.”

On behalf of the Board of Directors

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About Cielo Waste Solutions Corp.

Cielo is a publicly traded company with a proprietary technology and business plan to transform certain types of landfill garbage into high-grade diesel, kerosene (aviation jet and marine fuel) and naphtha. Cielo's patented process technology is currently being deployed in the Company's Aldersyde, AB facility, where wood waste is currently being converted into waste derived fuels. Cielo's experienced management team is well positioned with strategic partners in place to expand aggressively across Canada, into the US and then globally. The waste/feedstock that will be used in the Company's green facilities is the world's widely available and inexpensive feedstock, including household, commercial, construction garbage, used tires, railway ties, telephone poles, as well as all types of plastic, some of which currently cannot be recycled and/or deposited into landfills. **Cielo's goal is to manufacture waste to fuel while ridding the world of unwanted and problematic garbage.**

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 including but not limited to the terms of and matters related to the Loan and the Bonus Warrants and the intended use of the Property. 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, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise. The TSXV, OTCQB and, WKN, have not reviewed and do not accept

responsibility for the adequacy or accuracy of the content of this News Release.

SOURCE: Cielo Waste Solutions Corp.