

Cielo is Turning Garbage into Liquid Gold

Yesterday, **Cielo Waste Solutions Corp.** (CSE: CMC | OTCQB: CWSFF | FSE: C36), a waste to renewable fuel company, announced a C\$4 million increase to a previously announced C\$10 million convertible loan facility to fund the Company's expansion plans. The amended agreement brings the total convertible loan to C\$14 million.

Cielo's patent-pending technology converts landfill garbage into renewable high-grade diesel used in transport trucks and kerosene used for aviation jet and marine fuel.

After 16 years and C\$75 million in research and development, and now a fully functional plant, Cielo is currently riding the "green wave" of investor interest in environmental tech, and the stock price has responded accordingly, up over 1,100% year-to-date.

Convertible Loan Fuels Expansion Plans

On March 3, Cielo announced it has entered into a binding letter of intent to obtain a non-interest bearing, unsecured convertible loan of C\$10 Million.

The initial C\$10 million would be used to purchase a site near Edmonton, Alberta for the Company's new, 100%-owned, waste to renewable fuel facility, and repay Cielo's largest secured lender, which is currently owed approximately C\$3.8 million.

The Edmonton plant marks the beginning of Cielo's expansion plans. Don Allan, President and CEO of Cielo, commented, "We are truly happy to be able to announce that we are commencing a 100% owned Cielo facility ahead of schedule. We have selected the area for the new facility and will start immediately on negotiating the purchase."

The technology is currently operational at its Aldersyde facility, 25 km south of Calgary, Alberta, where wood waste is converted into renewable fuels. The net proceeds of the additional C\$4 million are earmarked to double the production at the Aldersyde facility from 1,000 litres-per-hour (lph) to 2,000 lph and for engineering work on the new Edmonton facility.

Once the land deal is closed, Cielo will focus on its options to raise the C\$50 million required to complete the construction of the new Edmonton facility. Cielo is also continuing to work on the Dunmore facility, near Medicine Hat, Alberta, where it is in the process of building a facility with its joint-venture (JV) partner Renewable U Energy Inc. (RUEI).

High-Margin Facility Now Producing Fuel

Each plant costs approximately C\$50 million to build and could produce around 33 million litres of high-grade renewable diesel annually, which at a price of C\$1.67 per litre, is approximately C\$55.1 million in annual revenues and C\$30 million in EBITDA per plant at the current costs. (See table below.)

Advantageous Economics Over Traditional Diesel

	Traditional Biodiesel	Cielo's Renewable Diesel
Production Cost/L	\$0.36 - \$0.50 (Avg \$0.43)	\$0.39 - \$0.64
Feedstock Cost/L	\$0.85 - \$1.32 (Avg \$0.97)	\$0.06 - \$0.11
Total Cost	\$1.21 - \$1.82 (Avg \$1.40)	\$0.45 - \$0.75
Price in Edmonton	\$1.25/liter	\$1.63/liter*

Source: Estimates by Cielo Waste Solutions.

Source

The margins are high as Cielo's technology utilizes waste feedstocks that are highly available and inexpensive, including household and commercial garbage, agricultural waste, and used tires, as well as all types of plastic and other materials that currently cannot be recycled.

On February 23, Cielo announced its first significant fuel sale with a purchase commitment for 900,000 litres (238,000 gallons) of renewable diesel at C\$1.67/litre for a total price of C\$1.5 million. The purchaser also obtained the option to purchase another 600,000 litres (159,000 gallons) at the same price for a period of 6 months.

The fuel will be supplied from the Aldersyde facility and is anticipated to be produced over the next three to five months.

Expansion Continues in Canada and Now into the United States

Cielo is currently focusing on expansion plans across North America before looking at other opportunities globally.

Cielo's management believes there is enough waste feed in

Canada for 400 facilities and, since the United States produces almost six times the waste that Canada produces, that would equate to almost another 2,500 facilities there.

Cielo has already signed a Memorandum of Understanding (MOU) with RUEI to build JV facilities in Medicine Hat, Grande Prairie, Calgary, and Lethbridge, Alberta as well as in Nova Scotia.

In addition, on March 9, the Company announced that it entered into MOU with RUEI to build three new facilities, in Winnipeg, Manitoba, Kamloops, British Columbia, and a location to be determined in the United States.

Non-Dilutive Facility Funding with Cielo Eventually Owning 50.1% of the Each Plant

Under the terms of the agreement, RUEI would be responsible for funding the facility in each of the eight territories.

Cielo will be the general contractor and operator of all the proposed JV facilities. RUEI would pay Cielo a 7% management fee on all capital expenditures and a 30% markup on the chemical catalyst used in the conversion process.

Until RUEI recovers 100% of the project cost, Cielo will be entitled to receive 30% of the profits from the JV facility in each territory. Once RUEI recovers 100% of the project costs, Cielo will be entitled to receive 50.1% of the profits.

Final Thoughts

Countries around the world are finally waking up to the garbage crisis and the oceans of plastic literally filling up the planet. In addition, government policies in many countries mandate a certain percentage of biofuels or renewable fuels be blended with fossil transport fuels so the demand is there.

Cielo holds the exclusive licence to a patent-pending, proprietary technology that converts most waste streams into

renewable fuel, at a lower cost than most biofuel companies do, putting it at a competitive advantage.

Once the current 10 planned facilities are fully operational, Cielo could be generating C\$170 million in EBITDA and, at a 15x EBITDA multiple, would translate into a market cap of \$2.5 billion, almost five times where it is today.

Cielo closed yesterday at C\$1.19 with a market cap of C\$520.8 million.