

## **Cielo Closes Second Tranche of Convertible Debenture Offering and Entry into Asset Purchase Agreement**

Vancouver, British Columbia, Canada / February 17, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce the closing of the second tranche of its non-brokered private placement offering (the "Offering") of up to CAD \$1,000,000 in secured convertible debentures (the "Convertible Debentures"), as initially announced on April 28<sup>th</sup>, 2016, following by the announcement of the first closing on June 30, 2016. Cielo is happy to announce that it has received CAD \$110,000 from this second tranche.

The Debentures bear an interest rate of 15% per annum, mature 36 months from the date of issuance and are convertible at the option of the debenture holder at any time before maturity at an exercise price of \$0.10 per common share.

The proceeds of the Offering (the "Proceeds") will be used toward the further development of the renewable diesel technology as well as to purchase an idle bio-diesel plant in Aldersyde, Alberta, for the propose of constructing the first commercial renewable diesel refinery, as well as for general expenses.

Securities issued in connection with the Offering will be subject to a statutory four month hold period.

While management of Cielo had hoped that this Offering would be closed by May 31, 2016, Cielo has decided to extend the closing date to March 31, 2017. Cielo is anticipating an additional \$500,000 to be subscribed to the Offering for the closing of the next tranche, expected to occur in the near future.

Cielo is also pleased to announce that it has entered into an Asset Purchase Agreement with XR Resources Inc. ("XR"). The assets consist of a Case W20C front wheel loader and all of the associated complete bio-diesel analytic laboratory, equipment (gas chromatograph, Karl Fisher, automated Tiltrotor, flash point, etc.) and supplies (the "Assets"). In consideration for the Assets, Cielo has agreed to pay to XR 2,036,364 free-trading common shares of Cielo (the "Payment Shares"), which it will receive as loaned securities from Don Allan, President and CEO. Mr. Allan will enter into a securities lending agreement (the "Share Loan Agreement") with Cielo, whereby Mr. Allan will lend the Payment Shares to Cielo, which will in turn be paid to XR, and Cielo will immediately issue 2,036,364 common shares (the "Repayment Shares") to Mr. Allan, which will be subject to a four-month hold period. The Payment Shares and the Repayment Shares will have a deemed value of \$0.055 per shares, for an aggregate value of \$112,000.02 being paid for the Assets by Cielo.

As required by National Instrument 62-103 The Early Warning System and Related Take Over Bids and Insider Reporting Issues in connection with the filing of an early warning report (the "Early Warning Report") regarding the acquisition of securities of Cielo by Douglas Allan (the "Offeror").

The Offeror announces that the Offeror has acquired \$100,000 of the Convertible Debentures under the Offering. Together with the 10,075,189 common shares owned by the Offeror (the "Shares"), the Offeror beneficially owns and controls securities of Cielo representing 10.1% of the issued and outstanding shares of Cielo on a non-diluted basis and 11% on a diluted basis.

The Debentures (and Shares) were acquired for investment purposes. The Offeror may, depending on market and other conditions, increase or change its beneficial ownership over the common shares or other securities of Cielo through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. The transactions described in this news release constitute “related party transactions” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions (“MI 61-101”). For these transactions Cielo relied on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(a) and (b) of MI 61-101 on the basis that the fair market value of the transaction not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo and no securities of Cielo are listed on a specified market set out in such section, and Cielo relied on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(a) and 5.7(1)(b) of MI 61-101 on the basis of the fair market value of the transaction not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo and \$2,500,000.

Cielo did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Offering, as Cielo was not aware of the Offeror’s participation in the Offering at such time.

A copy of the Early Warning Report filed under applicable securities laws is available under Cielo’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **About Cielo Waste Solutions Corp.:**

Cielo specializes in environmentally advanced technologies focused on materials recovery, renewable diesel and landfill reduction through responsible diversion practices. By incorporating the latest material recovery technologies, Cielo is able to achieve significant diversion from landfills while creating a feedstock specifically for renewable diesel. Cielo provides solutions for responsible waste management while also providing value added opportunities.

For more information on Cielo, please contact

Don Allan, President, at (403) 348-2972 ext 222, or visit Cielo’s website at [www.cielows.com](http://www.cielows.com)

Further information regarding Cielo can be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com) or by visiting our profile on [www.CSE.ca](http://www.CSE.ca).

On Behalf of the Board of Directors

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**Cielo**

Waste Solutions Corp

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