



NEWS RELEASE

CIELO ANNOUNCES SIGNING OF FINAL FINANCIAL TERM SHEET WITH SGC CANADA INC.

SURREY, British Columbia, Canada / July 16, 2013/ CNSX:CMC/ Cielo Gold Corp. ("Cielo Gold" or the "Company") has signed a term sheet for the previously announced financing (see corporation press release March 27, 2013) for aggregate gross proceeds of \$6.0 million (the "Project Financing").

The Project Financing will proceed through the issuance of convertible debentures. The material terms on the convertible debenture are 10.75% annual interest for a three year terms with a right of conversion in year 2 or 3 at a price equivalent to a 15% discount of the previous 20 day average closing price and in no case less than \$0.25 per common share. Also connection with the Financing, the Corporation will pay a selling commission, the Agent will receive 7% in cash calculated on the total amount of this Private Placement, and an additional 7% calculated on a price per share of the Issuer calculated at the average closing price for the preceding 20 trading days prior to the Closing Date.

The proceeds of the Financing will be used for the purposes of building Canada's first commercial 700 Litre per hour renewable diesel refinery, the Company anticipates doing this with the assistance of Northcore Technologies Inc. (TSX:NTI). The terms of the Financing differ from the description provided in the Corporation's news release dated March 27, 2013 in one material respect, the total amount of the Offering is \$6,000,000 whereas the prior term sheet contemplated a maximum offering of \$5,500,000. There are conditions precedents to be met on the term sheet for this best effort offering, consequently there is no guarantee this financing will close and trading in the shares of the Company remains speculative.

"This is a very important step in our business development", stated Don Allan, President & CEO of Cielo. "This will prove our technology's ability to work on a commercial level using municipal solid waste as a feedstock to produce high-grade renewable-diesel. We look forward to replicating this first refinery with a series of modular refineries to scale an exciting business model."

For further details of these two agreements please visit our profile on CNSX.ca or contact Don Allan, CEO where they are available for viewing.

ON BEHALF OF THE BOARD

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