



FORM 7

APRIL MONTHLY PROGRESS REPORT

Name of CSE Issuer: *CIELO WASTE SOLUTIONS CORP. (“Cielo” or the “Company”).*

Trading Symbol: *CMC*

Number of Outstanding Listed Securities: 242,282,618

Date: May 5, 2020

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

OPERATIONS UPDATE

During these challenging times of COVID-19, CIELO is continuing to make progress on advancing the completion of three major upgrades to the Aldersyde Facility. CIELO’s management is confident that as soon as the Company’s personnel can go back to work safely, the upgrades will be installed, facilitating operations to recommence converting waste feedstock into high-grade renewable transportation diesel and jet fuel. In order to preserve capital and dedicate as much money as possible toward fast tracking completion of the upgrades, CIELO’s President & CEO, Don Allan, has taken a 50% reduction in wages.

FINANCING UPDATE

On March 30, 2020, Cielo announced a new private placement offering of unsecured convertible debenture units (the “Offering”) and the closing on March 27, 2020 of the initial tranche of the Offering, raising gross proceeds of \$396,000 (“Initial Closing”).

Cielo announced the Offering for a targeted minimum of CAD \$500,000 in convertible debentures units (the “Unit(s)"). Each Unit consists of one (1) \$1,000 unsecured convertible debenture (the “Debenture(s)”) plus 7,500 share purchase warrants (the “Warrant(s)"). The Debentures bear interest at a simple rate of 15% per annum with the initial three (3) years of interest to be prepaid (the “Prepaid Interest”) on the date of

issuance of the Debentures (the "Issue Date") by the issuance of common shares (the "Prepaid Interest Shares") at a price of \$0.07 per Prepaid Interest Share. The principal of the Debentures (the "Principal") together with all accrued interest exceeding the Prepaid Interest (the "Interest Balance") will be repaid 48 months from the Issue Date unless repaid earlier by Cielo without penalty or converted by the holder(s) thereof, any time after four months and a day following the Issue Date at a price of \$0.05 for the Principal and at \$0.07 for the Interest Balance.

Each Warrant has a term of 48 months from the Issue Date (the "Warrant Term") and an exercise price of \$0.07 per common share, subject to acceleration in the event that the common shares of Cielo, listed on a recognized stock exchange, trade at \$0.15 or higher for at least five (5) consecutive trading days, in which event CIELO may provide a notice to holders that the Warrant Term will terminate 30 days from the date of notice.

Although the Offering is non-brokered, the Company may, as determined in its sole discretion, pay reasonable customary brokers' and/or finders' commissions in connection with the completion of the Offering of up to 8% in cash of the gross proceeds raised by such broker(s)/finder(s) and issue finder warrants (the "Finder Warrants") of up to 8% of the total number of common shares that would be issued to subscribers introduced to the Company by such broker(s)/finder(s), if 100% of the Principal under the subject Debentures is converted. The Finder Warrants have a 48-month term from the date of issue and an exercise price of \$0.07 per share.

The Offering is anticipated to close in multiple tranches on or prior to May 8, 2020. At the discretion of the Company, the Offering may be extended and/or increased, subject to approval from the Canadian Securities Exchange as applicable. Net proceeds of the Offering will be used to scale-up production of high-grade renewable fuel at the Company's green waste to renewable fuel facility in Aldersyde, Alberta (the "Aldersyde Facility"), as well as for general working capital purposes.

At the Initial Closing of the Offering, 396 Units were issued, raising gross proceeds of \$396,000, including 2,970,000 Warrants. In conjunction with the Initial Closing, the Company also issued 2,545,714 Prepaid Interest Shares and 457,600 Finder Warrants and paid \$22,880 in cash commissions. \$110,000 of the gross proceeds were a conversion of existing debt of the Company owing to certain insiders.

On April 17, 2020, a second tranche of the Offering was completed (the "Second Tranche"). A total 357.5 Units were issued pursuant to the Second Tranche for gross proceeds of \$357,500, including 2,681,250 Warrants and 2,298,214 Prepaid Interest Shares. Pursuant to the Second Tranche, the Company also issued 372,800 Finder Warrants and paid \$18,640 in cash commissions. To date, 753.5 Units have been issued for gross proceeds of \$753,500. \$124,500 of the gross proceeds of the Second Tranche were a conversion of existing debt of the Company.

As insiders of the Company participated in the Offering, the Offering is considered to be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relies on the

exemption from valuation requirement pursuant to subsection 5.5(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange, and the Company relies on the exemption from minority approval under subsection 5.7(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange; and neither consideration received, nor the fair value of the securities distributed exceeds \$2,500,000.

All securities issued pursuant to the Offering are subject to a statutory 4 month hold period.

DEBT SETTLEMENT

On April 20, 2020, Cielo announced that the Company had agreed to settle indebtedness with arm's length third parties in an aggregate amount equal to \$177,660.80 (the "Debt Settlement"). CIELO intends to issue common shares to such third parties at \$0.06 per share for an aggregate of 2,961,013 common shares. All common shares to be issued pursuant to the Debt Settlement will be subject to a statutory four month hold period.

LOAN FROM SUPPLIER

On April 30, 2020, CIELO issued a promissory note (the "Note") in favour of 1823741 Alberta Ltd., operating as Kwik-Fab Energy Services, a long-time supplier and contractor of the Company's (the "Lender" or "Kwik-Fab").

Kwik-Fab, as a result of its solid long term relationship with Cielo, has agreed to provide additional support to Cielo by converting \$1 million of its receivable from Cielo into a \$1 million term loan ("Loan"). As CIELO's prime contractor, management believes Kwik-Fab has illustrated its confidence in CIELO's proprietary waste-to-fuel technology. The Loan will allow Cielo to move one step closer to completing the upgrades at the Company's Aldersyde facility, which are being engineered to increase continuous flow production of renewable fuels from 100 liters an hour to 1,000 liters an hour.

The principal amount of the Loan is subject to simple interest at a rate of 7% per annum (increasing to 12% per annum following and in the event of a default). The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under the Note will be due and payable on April 30, 2022, unless extended by mutual agreement, however the Company may prepay the Loan in whole or in part at any time or from time to time without penalty or premium. The Loan is secured against all or substantially all of the assets of the Company, as outlined in a general security agreement corresponding to the Note, subordinated to all prior secured loans and secured convertible debentures.

2. Provide a general overview and discussion of the activities of management.

See No. 1

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs

and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See No. 1 (Loan from Supplier).

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

N/A

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Cielo continues to make interest payment(s) to BJK Lending, subject to one or more months which have been or may be delayed from time to time upon the consent of the lender.

As well, \$124,500 of the Second Tranche closing of the Offering was effected by way of settlement of debt (see No. 1.).

In addition, see No. 1 regarding a promissory note issued in favour of a supplier/contractor (Loan from Supplier)

14. Provide details of any loans to or by Related Persons.

N/A

15. Provide details of any changes in directors, officers or committee members.

N/A

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

In the event the Worlds Developed Countries or the Canadian federal or provincial governments were to increase or decrease the amount of renewable fuel currently mandated to be blended with all transportation diesel fuel, it would have either a positive or negative impact on the Company's business. At this point in time, management believes that this amount is increasing, worldwide.

The public health COVID-19 crisis has affected and is anticipated to continue to affect Cielo and its business for the foreseeable future. In particular, Cielo has stopped all tours for the time being, which have been to date garnering interest in the Company's business in management's opinion, and temporarily laid-off operators, requiring the shut-down of the Refinery for the time being. Cielo is able to continue to make improvements to the Aldersyde refinery during this time however cannot continue to produce fuels 24/7. Further, the impact of the health crisis on market conditions has had an impact on Cielo's ability to raising funds on favourable terms in order to complete the commissioning of and upgrades to Aldersyde refinery.

Cielo continues to monitor the situation on a daily basis and management intends to continue making progress with commissioning and upgrades despite being unable to operate 24/7.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 5, 2020

“Don Allan”

President & Chief Executive Officer

<i>Issuer Details</i> Name of Issuer <i>CIELO WASTE SOLUTIONS CORP.</i>	For Month <i>April 2020</i>	Date of Report YY/MM/D <i>2020/05/05</i>
Issuer Address <i>610 – 475 West Georgia Street</i>		
City/Province/Postal Code <i>Vancouver, BC, V6B 4M9</i>	Issuer Fax No. <i>(403)343-3572</i>	Issuer Telephone No. <i>403-348-2972 Ext. 101</i>
Contact Name <i>Don Allan</i>	Contact Position <i>President & CEO</i>	Contact Telephone No. <i>403-348-2972 Ext 101</i>
<i>info@cielows.com</i>	<i>www.cielows.com</i>	