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

Trading Symbol: **CMC**

Number of Outstanding Listed Securities: 352,122,448

Date: January 5, 2021

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.

   *In November 2020, Cielo continued with the commissioning of its first commercial refinery in Aldersyde, Alberta (the “Aldersyde Facility”), including making preparations for the sale of its products, as well as continuing to work on its desulfurization progress and intended joint ventures (the “JVs”).*

   Also during the month, Cielo focused efforts on raising capital, completing a non-brokered private placement, and continued its efforts to secure financing by way of government grants and non-dilutive debt financing.

**UPDATE ON ALDERSYDE FACILITY AND OPERATIONS:**

*Cielo and its contractors worked during the month of December 2020 on installing the cooling equipment at the Aldersyde Facility. This added equipment is expected to make a large difference in the production as production will no longer have to stop every 18 hours to allow the waste to cool off.*

*In regard to desulfurization, Cielo has selected a cost-effective process to reduce the number of parts per million (ppm) of sulfur in its renewable fuels to less than 15 ppm to meet industry standard specifications. The required catalyst has been ordered and the engineers are working on the drawings for the equipment required.*
Cielo has been producing renewable naphtha and diesel and Cielo’s management is very pleased with the quality of the end product and is working to fill its existing orders.

In addition, Cielo has signed a consulting agreement pursuant to which an arm’s length consultant will provide services to Cielo intended to facilitate the financing, development and construction of a waste to high grade renewable fuel facility to be located in Edmonton, Alberta and to be owned solely by the Company. It is the intention of the Company to secure approximately CAD 75M for this purpose by way of debt financing. In anticipation of being able to secure the requisite financing, Cielo is working on feedstock agreements, off-take agreements and selecting the ideal location for the facility.

FINANCING EFFORTS:

Private Placement Offering:

On November 20, 2020, Cielo announced a non-brokered private placement offering (the “Offering”) of a targeted minimum of 12,500,000 and up to 25,000,000 million units (“Units”) at $0.08 per Unit for targeted minimum gross proceeds of $1,000,000 and up to $2,000,000.

Each Unit is comprised of one common share (“Common Share”) and one full warrant (“Warrant”), each Warrant having an exercise price of $0.12 and an expiration date of 36 months from the date of issuance. Notwithstanding the foregoing, in the event that Cielo’s Common Shares trade at $0.20 or above for 5 consecutive trading days, Cielo will have the right to issue a notice to the holders that the term of the Warrants has been reduced to 30 days from the date of such notice. Any Warrants that have not been exercised on or before such 30-day period will automatically expire. The Company may increase or decrease the size of the Offering in its sole discretion.

A total 25,691,000 Units were issued pursuant to the Offering for gross proceeds of $2,055,280. The Units are subject to a four month hold period from the date of issuance. The Offering was non-brokered, however the Company paid $154,886.40 in finder fees and issued 1,936,080 non-transferable finder warrants, exercisable at $0.12 for 36 months from the date of issuance.

The proceeds of the Offering will be used to continue commissioning and upgrades of Cielo’s first commercial renewable diesel facility, as well as for general working capital.

Potential Debt Financing:

Cielo is actively seeking to raise between CAD $12M - $15M by way of one or more non-convertible debt instruments. The proceeds will be used to further upgrade the Aldersyde Facility and double its production capability as well as to repay Cielo’s current secured lender.

Cielo is currently reviewing the terms and conditions of the competitive term sheets and anticipates entering into a binding agreement with a lender early in 2021.
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 regarding consulting agreement.*

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.
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 as payments as required pursuant to its $1,000,000 loan from 1823741 Alberta Ltd. Operating as Kwik-Fab Energy Services.*

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, except for jet fuel, management believes that this amount is increasing, worldwide.*

*The public health COVID-19 crisis has affected and may continue to affect Cielo and its business for the foreseeable future. In particular, Cielo had stopped all tours, which were garnering interest in the Company’s business in management’s opinion, from March 17 to September 8th, 2020, and while they were resumed, has again suspended them as of November 16th, 2020, given the increase in cases of COVID-19 in Alberta. Operators had also previously been laid off, however returned to work as previously announced and continue to work, with the Aldersyde Facility continuing production. It is unknown whether another shut-down will be required (though not currently anticipated).*
The impact of the health crisis on market conditions previously 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. However, Cielo has been fortunate to exceed its goals and successfully complete its financing and begin another.

With the changing landscape related to COVID 19, Cielo continues to monitor the situation on a daily basis and management intends to continue operating 24/7 with strict adherence to social distancing and other rules and recommendations by public health authorities related to COVID-19.
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: January 5, 2021

“Don Allan”
President & Chief Executive Officer

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<tr>
<th>Issuer Details</th>
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<th>Date of Report</th>
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<td><strong>December 2020</strong></td>
<td><strong>YY/MM/D 2021/01/05</strong></td>
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<tr>
<td><strong>CIELO WASTE SOLUTIONS CORP.</strong></td>
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<td><strong>Issuer Address</strong></td>
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<tr>
<td>610 – 475 West Georgia Street</td>
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<tr>
<td><strong>City/Province/Postal Code</strong></td>
<td><strong>Issuer Fax No.</strong></td>
<td><strong>Issuer Telephone No.</strong></td>
</tr>
<tr>
<td>Vancouver, BC, V6B 4M9</td>
<td>(403)343-3572</td>
<td>403-348-2972 Ext. 101</td>
</tr>
<tr>
<td><strong>Contact Name</strong></td>
<td><strong>Contact Position</strong></td>
<td><strong>Contact Telephone No.</strong></td>
</tr>
<tr>
<td>Don Allan</td>
<td>President &amp; CEO</td>
<td>403-348-2972 Ext 101</td>
</tr>
<tr>
<td><a href="mailto:info@cielows.com">info@cielows.com</a></td>
<td><a href="http://www.cielows.com">www.cielows.com</a></td>
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