



FORM 7

JANUARY MONTHLY PROGRESS REPORT

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

Trading Symbol: *CMC*

Number of Outstanding Listed Securities: 226,768,271

Date: February 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.

On January 7, 2020, Cielo announced that Cielo and Renewable U Grande Prairie Inc., Renewable U Medicine Hat Inc., Renewable U Brooks Inc., Renewable U Lethbridge Inc. and Seymour Capital Incorporated, (collectively “the JV Companies”) had agreed to extend the deadline by which they will enter into the previously announced joint venture agreements to March 31, 2020. These agreements will govern the building and operation of the first five follow-on refineries to be placed on production in the agreed territories in Alberta and Ontario (“Follow-on JV Refineries”). Over the past six months, Cielo had been implementing enhancements to the Company’s waste-to-energy refinery in Aldersyde, Alberta (“Aldersyde Refinery”), which has resulted in plans to scale up production of the Follow-On JV Refineries to produce 4,000 liters of renewable fuels per hour and operate 24 hours a day, 341 days per year, which is double the production originally contemplated. Each one of the Follow-On JV Refineries are projected to cost approximately CDN\$50 Million to build, commission and place on production, to be funded by the respective JV Companies. Collectively, the Follow-On JV Refineries are projected to convert 327,360 tonnes of garbage into 163,680,000 liters of renewable fuels annually.

Cielo and its contractors have worked diligently over the past 6 months to finish optimizing the design of the Aldersyde Refinery, which required extensive changes to the process as well as the installation of multiple new pieces of equipment that were required before being able to bring its waste to energy green refinery back into continuous-flow production. The Aldersyde Refinery is operating full-time on a continuous-flow basis producing renewable

naphtha and diesel from wood biomass. This is a major achievement for Cielo and its shareholders. The Aldersyde Refinery is operating at approximately 100 lph currently but, as Cielo's newly hired, full-time operational staff completes training and becomes comfortable over the coming days and weeks, production will be increased to process significantly more waste into high grade renewable fuels, beginning immediately with 200 lph.

Cielo is continuing to work on further enhancements and improvements to its process, as well as working with the Alberta Government to secure amendments to the Company's operating permit to allow additional waste feedstocks to be utilized. Although the final decision to choose the optimal desulfurization process has not yet been made, Cielo's management continues to be confident that the companies with which Cielo is working will be in a position to deliver a cost-effective solution based on the lab results that are being obtained. Cielo has recently engaged a third-party engineering company to start reviewing its current design drawings so that Cielo can move forward expeditiously with the building of the Follow-On JV Refineries with the JV Companies once the definitive agreements are concluded.

On January 9, 2020, Cielo announced the execution of a Memorandum of Understanding ("MOU") with Renewable U Halifax Inc. ("Renewable U Halifax") to build, at an estimated cost of \$50 Million, a renewable diesel refinery in, or within 150 kilometers of Halifax, Nova Scotia. Renewable U Halifax is one of multiple corporations under the "Renewable U" name ("Renewable U Companies"), with which Cielo has entered into memorandums of understanding on substantially the same terms as this MOU (the "Prior MOUs"), as previously announced. Renewable U Halifax and Cielo will be working towards entering into a joint venture agreement ("JV Agreement") contemporaneously with the joint venture agreements to be entered into with the other Renewable U Companies, which will provide the framework to build and operate a 4,000 liter per hour joint venture refinery ("JV Refinery") in Nova Scotia that will be engineered to operate 24 hours a day, 341 days per year. Cielo is expecting to convert 327,360 tonnes of garbage into 163,680,000 liters of renewable fuels annually from the 5 announced JV refineries. It is anticipated that this JV Refinery will create in Nova Scotia 50 full-time jobs during construction and employ 25 full-time people once operational. The JV Refinery will utilize Cielo's proprietary waste to high grade renewable fuel technology being commercialized at the Company's refinery in Aldersyde, Alberta (the "Aldersyde Refinery"), located just south of Calgary.

In order to gain direct access to a port to potentially import multiple different waste feedstocks, including the problematic single-use plastics, Cielo has agreed to reallocate the \$250,000 Joint Venture Fee ("Fee") previously paid to Cielo, by Renewable U Brooks Inc. ("Renewable U Brooks"), pursuant to a Memorandum of Understanding dated April 27, 2019 between Cielo and Renewable U Brooks ("the Brooks MOU") to Renewable U Halifax. In conjunction with the aforementioned reallocation of the Fee, as of January 8, 2020, the Brooks MOU has been terminated.

The general terms to be incorporated into the JV Agreement are substantially the same as those previously announced terms for the joint venture refineries to be located in Grande

Prairie, Medicine Hat, Lethbridge and Calgary, Alberta which include the following guidelines:

- 1. Renewable U Halifax will be solely responsible for financing 100% of the costs associated with the JV Refinery (“JV Costs”) including the acquisition of the land, building and commissioning of the JV Refinery.*
- 2. Cielo will manage the JV Refinery, overseeing its planning, construction, commissioning and operation and will receive a management fee equal to 7% of the JV Costs for the construction of the JV Refinery, subject to certain exclusions, and will continue to receive management fees based on industry standards once the JV Refinery commences producing high grade renewable fuels. Based on the estimated JV Costs of \$50 Million Cielo will receive management fees of \$3.5 Million over the next several years while the JV Refinery is being permitted, built and commissioned.*
- 3. Unless otherwise agreed, in the event that Cielo does not execute the definitive JV Agreement with Renewable U Halifax, by March 31, 2020, in lieu of returning the transferred Fee, Cielo has agreed, subject to applicable laws and policies, to issue Renewable U Halifax common shares of Cielo equal to the value of the Fee, which shares will be valued at the greater of \$0.25 per share and the average closing price of Cielo’s shares during the 5 trading days prior to the agreed upon execution date of the JV Agreement.*
- 4. Profits from the JV Refinery will be split 30% in favour of Cielo and 70% in favour of Renewable U Halifax, until Renewable U Halifax has received profits equaling 100% of the JV Costs plus the applicable management fees. Thereafter profits will be split on the basis of 50.1% in favour of Cielo and 49.9% in favour of Renewable U Halifax reflecting the respective interests/ownership of the parties.*

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 the extension of the deadline by which Cielo and the JV Companies will enter into their respective joint venture agreements.

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.

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.

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: February 5, 2020

“Don Allan”

President & Chief Executive Officer

<i>Issuer Details</i> Name of Issuer <i>CIELO WASTE SOLUTIONS CORP.</i>	For Month End <i>January 2020</i>	Date of Report YY/MM/D <i>2020/02/05</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>	