



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: 388,586,781

Date: February 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.

UPDATE ON ALDERSYDE FACILITY AND OPERATIONS:

On January 27, 2021, Cielo announced that Cielo and its contractors have completed the installation of the newly engineered proprietary cooling equipment at its waste-to-renewable fuel facility in Aldersyde, Alberta ("Aldersyde Facility") and were extremely pleased with the results. The waste process coming out of the reactor tower was at approximately 365 degrees Celsius, then reduced to less than 20 degrees Celsius in less than 11 minutes. This equipment has eliminated the need for Cielo's operators to shut down the production of distillate for 6 hours after every 18 hours and will allow Cielo to reach its goal for continuous flow of production.

Cielo also announced that the Aldersyde Facility is now working with a third-party engineering team to fine tune the temperatures and mass balance in order to achieve the Cielo's 24,000 litres per day (1,000lph) output goal. The complex process is expected to benefit the Aldersyde Facility and all future facilities, including the previously announced joint venture facilities to be built, with the intention of maximizing quality, output and profit.

Cielo has also been working on another facility upgrade, which is the installation of a submersible heater that will be used to preheat the used motor oil to help keep the reactor at the optimal operating temperature. This was is expected to be completed early in February, 2021.

DESULFURIZATION

Cielo has fast tracked the order of catalyst that will be used in the desulphurization process and its engineers have completed the fabrication drawings to build the necessary proprietary equipment. Cielo is now soliciting quotes for all the required equipment and once satisfied with the quotes, will immediately order the equipment for fabrication and installation. Desulfurization is something we always knew we needed to tackle and now that we have solved the cooling issue and several other major facility milestones it is proper timing to use our research and cooperation with the University of Calgary and lower our Sulphur to below highway industry standards and garner top prices for our renewable fuels.

DUNMORE FACILITY UPDATE:

Cielo and Renewable U Medicine Hat Inc. continued in January 2021 their engineering progress at the planned joint venture facility in Dunmore, Alberta. Site drawings have been completed, civil engineering is nearing completion and the rail design has been sent to the Company's railroad used tie provider for input.

DEBT FINANCING:

Cielo has been actively seeking to raise up to CAD \$15 Million 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 primary secured lender. This debt financing would allow Cielo to focus entirely on getting the Aldersyde Facility running smoothly, producing low sulphur renewable diesel and increasing the output to a capacity of more than 48,000 litres per day or over 16 million litres per year of renewable fuels. The intended result is to advance Cielo into positive cash flow and profitability as well as to validate the commercial scalability of Cielo's disruptive technology that is engineered to convert multiple different waste streams of garbage into high grade renewable fuels that Cielo believes are in high demand globally. Securing this additional financing is expected to allow Cielo to accomplish certain objects that are estimated to result in increasing profits four-fold while cutting costs of production in half.

Cielo has received multiple term sheets and is in the process of negotiating the terms to select the optimal funding partner(s) for Cielo's expansion of the Aldersyde Facility.

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.

N/A

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 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: February 5, 2021

“Don Allan”

President & Chief Executive Officer

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| <i>Issuer Details</i> Name of Issuer <i>CIELO WASTE SOLUTIONS CORP.</i> | For Month <i>January 2021</i> | Date of Report YY/MM/D <i>2021/02/05</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> |
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