



FORM 7

MAY MONTHLY PROGRESS REPORT

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

Trading Symbol: *CMC*

Number of Outstanding Listed Securities: 250,916,333

Date: June 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 completing the upgrades to the Company's proprietary waste to high grade renewable fuels process at the facility in Aldersyde, AB (the "Aldersyde Facility"). Third party engineers working with CIELO have proposed solutions to the 3 bottlenecks that were restricting continuous flow production. These solutions have now been engineered and are under fabrication. Once the fabrication is complete, the Aldersyde Facility is anticipated to produce commercial quantities of renewable fuel in line with previous projections.

In anticipation that the Company will soon have significant volumes of renewable fuels to sell, CIELO has signed a non-binding Memorandum of Understanding, with a private arm's length Western Canadian based company, to purchase CIELO's renewable kerosene, for use in the aviation industry as renewable jet fuel. The parties are working towards entering into a definitive purchase agreement in the coming weeks.

During the process of implementing the aforementioned design changes and finalizing the purchase agreement, CIELO has sold a portion of its inventory of renewable diesel, that was produced while the Aldersyde Facility was running on a continuous flow basis, to an Organic farmer in Saskatchewan. The purchaser paid a premium price of \$1.53 per liter as CIELO's renewable diesel solved his problem of not being able to use fossil derived diesel or biodiesel that might have GMO's in it. This highlights another advantage of the renewable fuels that CIELO can and has produced, in the form of renewable diesel,

naphtha and kerosene/jet fuel. CIELO was informed that the purchaser was very pleased with the renewable diesel.

FINANCING UPDATE

On March 30, 2020, Cielo announced a new private placement offering of unsecured convertible debenture units (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 June 25, 2020, with four (4) tranches having closed up to May 31, 2020. In aggregate to date, 1,200.3 Units have been issued for gross proceeds of \$1,200,300.

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.

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.

JOINT VENTURE UPDATE

On May 25, 2020, the Company announced its receipt of a Progress Report (“Report”) from Renewable U Energy Inc. and its 4 subsidiary companies (collectively the “Renewable U JV Cos”). As previously announced, CIELO had entered into Memorandums of Understanding with the respective Renewable U JV Cos (the “MOUs”), to be followed by joint venture agreements (the “JV Agreements”), which will provide the framework to build and operate 4,000 liter per hour facilities. A fifth similar Memorandum Of Understanding was entered into with Seymour Capital Inc. for a facility to be built in Calgary, Alberta (collectively with “JV Facilities”). The Report includes advancements in sourcing long-term supplies of various waste feedstocks, site selection and funding initiatives to build and commission 4 waste-to-renewable fuel facilities with CIELO.

CIELO is projecting to convert approximately 330,000 tonnes of garbage into approximately 164,000,000 liters of renewable fuels annually from the 5 JV Facilities. Each JV Facility is contemplated to create 30 full-time jobs as well as 260 jobs in construction and fabrication or approximately 600,000-man hours of work, contributing approximately \$80,000,000 during start-up and \$14,000,000 in federal and provincial taxes per year.

Highlights from the Report are as follows:

Territory I - Grande Prairie, AB - Renewable U Grande Prairie Inc. (“RUGP”) has narrowed its land search to 3 sites and is now determining which of the sites would be most suitable for the JV Facility. RUGP is also in early discussions with potential feedstock providers.

Territory II - Medicine Hat, AB - Renewable U Medicine Hat Inc. (“RUMH”) has appointed Ryan Jackson as Chief Operating Officer (“C.O.O.”). Mr. Jackson lives in Medicine Hat and is working closely with CIELO’s management to advance the building of the JV Facility. The 80 acres of land (the “Land”) that RUMH intends to acquire is strategically located between CP Rail’s main rail line and the Trans-Canada Highway. RUMH had received notice on May 5th, 2020, that the Cypress County Council had unanimously agreed to classify the Land as an approved waste disposal site under the Agricultural IDP District 1. With this milestone, RUMH is now moving forward to complete the purchase of the Land as quickly as possible to accelerate next steps that are required to apply for the necessary provincial permits. Management and RUMH believe the Land is optimally situated to be able to bring in waste feedstocks by both rail and by

ground and will provide CIELO with direct access to the South-Eastern Alberta Trade Corridor to the United States.

Territory III – Lethbridge, AB - Renewable U Lethbridge Inc. (“RUL”) is in discussions with multiple waste feedstock suppliers, who have expressed interest in providing enough feedstock for a renewable JV Facility. Once a long-term feedstock agreement is completed, the next step will be to secure the optimal site that has enough land to add future facilities.

Territory IV – Halifax, Nova Scotia - Renewable U Halifax Inc. (“RUH”) has appointed Kirby Putnam as C.O.O. Mr. Putnam is a native Nova Scotian with extensive experience in the field of construction and operations. Under Mr. Putnam’s guidance, RUH has begun the process of soliciting Expressions Of Interest from third parties to deliver waste feedstock. Once the source and long-term supply of waste feedstock is secured, the optimal location will be finalized.

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.

See No. 1

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 (update regarding proposed joint ventures)

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.

See No. 1 regarding sale of fuel to Organic farmer.

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.

Certain subscribers to the Offering (see No. 1) participated by way of debt settlement for an aggregate of \$311,300 settled.

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: June 5, 2020

“Don Allan”

President & Chief Executive Officer

<i>Issuer Details</i> Name of Issuer <i>CIELO WASTE SOLUTIONS CORP.</i>	For Month <i>May 2020</i>	Date of Report YY/MM/D <i>2020/06/05</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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