NOVEMBER MONTHLY PROGRESS REPORT

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

Trading Symbol: CMC

Number of Outstanding Listed Securities: 332,246,448

Date: December 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.

   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 making progress with its desulfurization progress and intended joint ventures (the “JVs”).

   Also during the month, Cielo focused efforts on raising capital, both in the form of equity as well as continued efforts with government funding.

   UPDATE ON ALDERSYDE FACILITY AND PRE-SALE ANNOUNCEMENT:

   At the Aldersyde Facility, Cielo is seeing increased production rates as a result of the design changes and improvements made to increase the distillate flow from the reactor. With the newly fabricated equipment installed late last week, Cielo was able to begin making renewable naphtha and diesel on a continuous-flow basis. The Aldersyde Facility is engineered to run 24 hours a day, 7 days a week. The Aldersyde Facility is continuing to produce approximately 800 litres per hour of distillate for 16 hours per day and then undergoing a cooling process for the remaining 8 hours per day. The newly purchased equipment designed to further cool down the waste is scheduled to be installed over the next 2 weeks, which is expected to eliminate this daily interruption of the production of the distillate. Updates regarding the naphtha and diesel volumes will be provided once they become available following the implementation of this equipment.
Cielo has been working closely with a project team at the University of Calgary (“U of C”) to complete a design of the customized desulfurization process. Cielo has been advised that the U of C team members are confident in the design modifications and Cielo’s engineers are working on finalizing the engineering of the desulfurization vessels with fabrication to begin over the next few weeks.

On November 23, 2020, Cielo announced that it had received pre-payment in full for 60,000 litres of renewable diesel, being produced at the Refinery. The renewable diesel will be shipped to a third party of the purchaser’s choice once Cielo reduces the sulphur content of its renewable fuel down to less than 15 PPM sulphur (see update below).

Cielo has sold small quantities of renewable diesel in the past, however this sale marks the first commercial pre-sale of 60,000 litres. Cielo received $1.25/litre from the purchaser, which is much higher than the cost to produce the renewable diesel, including the pending projected costs to lower the sulphur content to meet the diesel industry’s spec. Management believes this premium price per litre confirms the purchaser’s confidence in Cielo. The purchaser will be able to resell the renewable diesel they pre-purchased, at a significantly higher price, early in the new year once the desulfurization equipment is installed and commissioned at the Aldersyde Facility. It is the purchasers intent to have Cielo remove the sulfur from the renewable diesel and then allow Cielo to sell it as a ultralow sulfur diesel and the purchaser will receive the upside of the higher margin when sold.

**JOINT VENTURE UPDATE; ENGINEERING MEETING AND SCALE-UP**

On November 5, 2020, Cielo announced that, as a result of the performance of the Aldersyde Facility and an increase in anticipated quantity of available feedstock, Cielo and its intended JV partner, Renewable U Medicine Hat Inc. (“Renewable U Medicine Hat”), elected to scale-up the previously announced joint venture facility in Medicine Hat (Dunmore), Alberta (the “Dunmore Facility”) from 4,000 liters per hour (“lph”) output to 10,000 lph output of renewable fuels. Cielo will not incur any costs for this project per the Memorandums of Understanding of the JV Renewable Diesel Facilities.

As announced on November 28, 2019, Cielo currently has a supply agreement for enough used railway ties to supply an adequate amount of feedstock for a 4,000 liter per hour facility. Since that time, Cielo has been presented with many additional feedstock opportunities, including un-saleable recyclable materials on their way to landfills, such as plastics, glossy paper, cardboard and agricultural waste. Since Cielo’s unique technology converts multiple different waste feedstocks and the supply is likely to be higher than anticipated, management, with Renewable U Medicine Hat, have determined that a larger facility than originally planned is a logical and appropriate business decision. Renewable U Medicine Hat has conditionally secured an 80-acre site in Dunmore that is ideally located next to a major transcontinental rail transfer yard and the Trans-Canada highway. This leaves lots of options open for importing even more feedstocks, such as the abundant problematic plastic waste and will allow for the convenient logistics of transporting renewable fuels throughout all of North America or further through seaboard ports.
The Dunmore Facility is expected to create approximately 300 jobs in construction and fabrication as well as 35 to 40 full-time jobs and expected to use approximately 163,000 tonnes of waste each year while producing approximately 83 Million liters of high grade renewable fuels, such as highway grade renewable diesel. Management expects there will be many spinoff opportunities created, such as trucking and professional services. Cielo and Renewable U Medicine Hat expects the construction and operation of the Dunmore Facility will generate approximately $7.5M in provincial taxes and $30M in federal taxes.

On November 17th, 2020, Cielo and Renewable U Medicine Hat Inc. (“Renewable U Medicine Hat”) held the previously announced engineering kick-off meeting. This meeting was held onsite at the proposed facility just outside of Medicine Hat, Alberta, in Dunmore (“Dunmore Facility”) including the companies that have been awarded contracts to begin work on the Dunmore Facility, located between CP Rail’s main line and the Trans Canada Highway, just east of Highway 41. In attendance was Cielo’s management, representatives from Renewable U Medicine Hat, Cielo’s lead engineer company, civil and railroad engineers and Cielo’s primary rail contractor. It was decided to further scale-up the Dunmore Facility from 10,000 litres per hour to 12,000 litres per hour or 100 million litres per year. This will allow Cielo to maintain a 4,000 litre per hour module for the Dunmore Facility (as well as the other facilities intended to be built pursuant to Cielo’s previously announced joint ventures) such that one, two or three modules can be constructed to build a single facility. This provides an advantage by allowing the size of the facility in each respective territory to be tailored.

Cielo and the group of companies controlled by Renewable U Energy Inc., including Renewable U Medicine Hat, are in the review stages of the joint venture agreements that are anticipated to form the joint ventures resulting in the next five facilities to be built. Further updates will be provided as they become available.

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.

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.
The Offering will be non-brokered, but the Corporation may, as determined in its sole discretion, pay reasonable customary brokers’ and/or finders’ fees, as applicable, in connection with the completion of the Offering. Closing will occur in one or more stages in the sole discretion of the Company. All securities issued pursuant to the Offering will be subject to applicable resale restrictions.

Cielo closed the first tranche of the Offering (the “First Tranche”) in November 2020. A total 6,315,000 Units were issued pursuant to the First Tranche for gross proceeds of $505,200. $75,200 of such gross proceeds were settlement of indebtedness owing to an arm’s length third party. The Units are subject to a four month hold period from the date of issuance. Cielo also paid $34,400 in finder fees and issued 430,000 non-transferable finder warrants, exercisable at $0.12 for 36 months from the date of issuance.

Management believes it to be in the best interest of Cielo and its stakeholders to complete a smaller equity financing at this time to finance operations and construction while the Company actively pursues other forms of non-dilutive financing until revenues are achieved.

Debt Settlement:

The Company also settled indebtedness with arm’s length third parties in an aggregate amount equal to $197,850.00 (the “Debt Settlement”). Common Shares were issued to such third parties at $0.10 per share for an aggregate of 1,978,500 Common Shares. All Common Shares to be issued pursuant to the Debt Settlement will be subject to a statutory four month hold period.

Government Funding:

Management has determined that Cielo meets the requirements for newly extended environmental grants from the Provincial and Federal Governments and is currently in the final stages of review of one substantial grant from the Alberta Government. Additionally, Cielo has submitted federal grant applications and management expects to receive a response in the near future. Management’s intention is to continue to apply for all grants available to the Company.

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 regarding Joint Venture Update.

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 pre-sale of product.

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.

On November 10, Cielo terminated a relationship with one operator and is in the process of interviewing 3 new operators.

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.*

*See also No. 1 regarding “Debt Settlement”.*

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: December 5, 2020

"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>Name of Issuer</td>
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<td>YY/MM/DD 2020/12/05</td>
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<td>Issuer Address</td>
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<tr>
<td>610 – 475 West Georgia Street</td>
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<tr>
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