

## FORM 10

### **NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)<sup>1</sup>**

Name of Listed Issuer: Cielo Waste Solutions Corp. (“Cielo” or the “Issuer”).

Trading Symbol: CMC

Issued and Outstanding Securities of the Issuer Prior to Transaction: 244,046,545

Date of News Release Fully Disclosing the Transaction: May 5, 2020

#### **1. Transaction**

Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Issuer issued a promissory note (the “Note”) in favour of 1823741 Alberta Ltd., operating as Kwik-Fab Energy Services, a long-time supplier and contractor of the Issuer’s (the “Lender” or “Kwik-Fab”. Kwik-Fab, as a result of its solid long-term relationship with Cielo, agreed to provide additional support to Cielo by converting \$1 million of its receivable from Cielo into a \$1 million term loan (“Loan”). The Loan will allow Cielo to move one step closer to completing the upgrades at the Issuer’s Aldersyde facility, which are being engineered to increase continuous flow production of renewable fuels from 100 liters an hour to 1,000 liters an hour. The principal amount of the Loan is subject to simple interest at a rate of 7% per annum (increasing to 12% per annum following and in the event of a default). The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest and all other amounts payable under the Note will be due and payable on April 30, 2022, unless extended by mutual agreement, however the Issuer may prepay the Loan in whole or in part at any time or from time to time without penalty or premium. The Loan is secured against all or substantially all of the assets of the Issuer, as outlined in a general security agreement corresponding to the Note, subordinated to all prior secured loans and secured convertible debentures

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<sup>1</sup> If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: \$1,000,000 plus 7% interest .

(b) Cash: \$1,000,000 plus 7% interest .

(c) Other: N/A .

(d) Work commitments: N/A .

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Arm's length negotiation.

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: N/A

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: N/A

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

(a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A.

(b) Cash \_\_\_\_\_ .

(c) Other \_\_\_\_\_ .

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has

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SIGNIFICANT TRANSACTION**

any other relationship with the Issuer and provide details of the relationship. \_\_

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8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A
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## 2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Lender is a long-time supplier for the Issuer and the prime contractor working on the Issuer's first commercial refinery in Aldersyde, AB. The Lender has been supportive of the issuer with respect to the commercial and credit terms between the Issuer and the Lender. In order to provide further support, the Lender has agreed to convert the amount payable (which would otherwise become more immediately payable) to a longer-term loan.

## 3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated May 6, 2020.

Don Allan

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Name of Director or Senior  
Officer

*"Don Allan"*

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Signature

President and CEO

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Official Capacity