

**WARNING REPORT FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103 ("NI 62-103")**

1. The name and address of the offeror.

Douglas Allan (the "Offeror")
250 Jarvis Bay Drive
Jarvis Bay, AB., T4S 1R8

2. The designation and number or principal amount of securities and the Offeror's security holding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

On or about February 17, 2017, the Offeror acquired \$100,000 of convertible debentures (the "Debentures"), convertible into 1,000,000 common shares (the "Underlying Shares") of Cielo Waste Solutions Corp. (the "Company") at a price of \$0.10 per Underlying Share.

3. The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release.

Prior to the date hereof, the Offeror had ownership of 10,075,189 common shares (the "Shares") of the Company.

The Offeror now owns 10.1% of the issued and outstanding shares of the Company on a non-diluted basis and 11% of the issued and outstanding shares of the Company on a diluted basis.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

- (i) **the offeror, either alone or together with any joint actors, has ownership and control,**

Please refer to paragraphs 2 and 3 above.

- (ii) **the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor, and**

Not applicable, noting that certain of the Offeror's shares are held jointly with a non-arm's length third party.

- (iii) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 5. The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

Not applicable.

- 5.1 The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

The Debentures were acquired pursuant to a private placement offering of the Debentures, with a minimum of \$10,000 per Debenture, for an aggregate subscription price of \$100,000.

- 6. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Offeror acquired the Debentures for investment purposes, and depending on market and other conditions, may from time to time in the future increase or decrease his ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise.

- 7. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

The Debentures were subscribed to pursuant to a private placement offering of Debentures, initially announced on April 28, 2016, with a first closing on June 30, 2016, and this second closing on February 17, 2017. The terms of the Offering were announced at such times and the terms of the Offering were agreed upon in a Subscription Agreement executed by the Offeror.

- 8. The names of any joint actors in connection with the disclosure required by this Form.**

Not Applicable (only a portion of the Shares are held jointly with a third party).

- 9. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value in Canadian dollars of the consideration paid by the offeror.**

See #5.1.

- 10. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of NI 62-103 in respect of the reporting issuer's securities.**

Not applicable.

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11. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting the reliance.

The Company relied on s. 2.3 of National Instrument 45.106 (Accredited Investor Exemption).

DATED this 17th day of February, 2017

“Douglas Allan”
Douglas Allan