

FORM 51-102F3
Material Change Report

1. Name and Address of Company

Cielo Waste Solutions Corp. (the “**Company**” or “**Cielo**”)
101 – 1500 Howe Street,
Vancouver, BC V6Z 2N1

2 Date of Material Change

June 5, 2017

3. News Release

A news release was issued and disseminated on June 5, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

4. Summary of Material Change

A news release was issued and disseminated on June 5, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

5. Full Description of Material Change

A news release was issued and disseminated on June 5, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”):

a) a description of the transaction and its material terms:

Among other announcements, the Company announced a related party loan in the amount of \$50,000.00 (the “Loan”). The Company issued a demand promissory note to Doug Allan, an insider of the Company as a result of holding 10% or greater of the voting securities of the Company.

b) the purpose and business reasons for the transaction:

The purpose of the Loan was to contribute to the advancement of the construction of the High River Refinery (as defined in the press release issued on June 5th, 2017) and general operating expenses.

c) the anticipated effect of the transaction on the issuer’s business and affairs:

The Loan allows the for completion of construction of the High River Refinery, a significant step in the Company's progress to building its first commercial refinery, as that will be its location.

d) a description of:

- i. the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:**

The Company issued a non-convertible promissory note (the "Note") to Doug Allan in the amount of \$50,000.

- ii. the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

The issuance of the Note will not have an effect on those securities held by Mr. Allan that are or can be converted into voting securities.

- e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors of the Company authorized the Loan on or about June 5, 2017.

- f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

- i. that has been made in the 24 months before the date of the material change report:**

Not applicable.

- ii. the existence of which is known, after reasonable enquiry to the issuer or to any director or officer of the issuer:**

Not applicable.

g) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

A non-convertible, non-interest bearing, demand promissory note was issued to Mr. Allan.

h) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The issuance of the Note constitutes a “related party transaction” for the Company under MI 61-101. No formal valuation on the part of the Company is required under MI 61-101 in respect of the issuance of the Note to insiders of the Company. The Company is relying on the exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company is exempt from the formal valuation requirement of MI 61-101 based on sections 5.5(a) and (b) of MI 61-101 as the value of this transaction does not exceed more than 25% of the market capitalization of the Company and no securities of the Company are listed or quoted for trading on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ stock market or any other stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the Plus operated by Plus Markets Group plc. Additionally, the Company is exempt from obtaining minority shareholder approval in connection with the issuance of the Note by relying on section 5.7(1)(a) and (b) of MI 61-101 as, in addition to the foregoing, (i) neither the fair market value of the Note nor the consideration/Loan received in respect thereof from “interested parties” as defined by MI 61-101 would exceed \$2,500,000 or 25% of the Company, (ii) the Company has one or more independent directors in respect of the issuance of the Note who are not employees of the Company, and (iii) all of the independent directors have approved the issuance of the Note.

As this material change report is being filed less than 21 days before the issuance of the Note, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances as the Company was not aware of the Loan at such time.

6. Disclosure for Restructuring Transactions:

Not applicable.

7. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

8. Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

9. Executive Officer

Don Allan, President and CEO
T: 403.348-2972 Ext. 222

10. Date of Report

June 8, 2017

SCHEDULE "A"

NEWS RELEASE

CIELO APPOINTS STUART MCCORMICK, P.ENG, VP OF COMPLIANCE & REGULATORY AFFAIRS AND PROVIDES AN UPDATE ON CONSTRUCTION AND FINANCING

Vancouver, British Columbia, Canada / June 5, 2017 / CSE: CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce the appointment of Stuart McCormick, P.Eng. as Vice President of Compliance & Regulatory Affairs with respect to the construction and operation of its refineries. Mr. McCormick is a professional civil/environmental engineer with more than 30 years' of experience. Mr. McCormick is also an accomplished businessman with excellent working knowledge of multiple industries, including environmental services, waste management, consulting engineering, forest products, mining and energy. Mr. McCormick has extensive experience in engineering and science, technology and innovation, safe operations, business strategy and planning, project management, sales and marketing, financial analysis, people leadership, and capital allocation.

On April 19, 2017 Cielo announced the purchase of approximately 2.5 acres of land and an idle bio-diesel refinery ("High River Property"). The idle, multi-feedstock processing plant, built in 2009, for an approximate capex cost of \$10.2 million ("Existing Refinery") was capable of producing about 16 million liters/year of bio-diesel utilizing animal tallow as its feedstock. Cielo's flexibility to be able to use various low cost waste products as its feedstock will result in higher margins and a better quality renewable diesel. The end-product previously produced was deemed to not be economic for use in Canada and only suited for export to the U.S. Cielo's end-product will be suited to be used year-round in Canada to meet the 2% - 5% federal and provincial mandates for renewable fuels that are currently in place. The annual demand for renewable fuels in Canada is currently more than 600 million liters, almost all of which is currently imported.

Cielo is now advancing its plans to move its demonstration plant from Red Deer to the High River Property after which it will be integrated into the Existing Refinery to produce high grade renewable fuels on a continuous flow basis ("High River Refinery"). The High River Refinery will be the first of potentially dozens of Cielo refineries that will convert, on a cost-effective basis, multiple different feedstocks, including landfill waste, compost, wood waste, tires, all plastics and blue box waste, into high grade renewable fuels.

The Company has completed the process design engineering and is now working on the retrofit drawings for the construction of the High River Refinery. Cielo's engineering team has also now completed the plot plan and is working on the piping, electrical and civil design work. Cielo has had numerous contractors on site since April 20th, working on the retrofit and has already seen significant advancement on the removal of the existing technology to make way for Cielo's proprietary technology. Mr. McCormick has also completed and submitted the municipal building permit and has now completed approximately 80% of the provincial industrial permit application.

Financing:

On April 13, 2017 Cielo announced that it had entered into a Memorandum of Understanding (“MOU”) with NxGen Global Inc. (“NxGen”). Further to the Company’s March 31, 2017 Press Release (“March 31 PR”) relating to working with strategic partner(s) to move forward on the construction of the Company’s first six refineries, the MOU set out the initial terms pursuant to which NxGen proposes to subscribe, on a best efforts basis, for up to 100,000,000 common shares (“Shares”) of the Company, at a price of \$0.10 per common share, for gross maximum proceeds of \$10,000,000 (“Financing”). All of the Shares are to be subject to a voting trust agreement, whereby all of the voting rights attached to the Shares will be irrevocably granted to Don Allan, President and CEO of Cielo, such that the Financing will not result in a change of control of Cielo. If completed, the proceeds of the Financing (“Proceeds”) will be used to: complete the retrofit of the High River Refinery, further develop the Company’s proprietary renewable fuel technology and be applied to general working capital. The Company anticipated that the Financing would be closed in the month of May 2017, on the terms set out in the MOU. NxGen has advised Cielo that it requires additional time to organize their funding and continues to make such arrangements. In the meantime, Cielo is concurrently in discussions with alternative investors and considering alternatives that are most beneficial to the Company to further fund the Company’s initiatives.

As disclosed in the March 31 PR, the Company has agreed to continue to suspend securing participation into the private placement offering (“Debenture Offering”) of up to \$7,000,000 (“Loan Amount”) in convertible debentures (“Debentures”) initially announced on November 29th, 2016 (“Nov 29 PR”), however the Debenture Offering has not been cancelled and will resume in the event that the Financing is not completed.

Don Allan, President and CEO of Cielo, stated “We have begun construction and are optimistic that Cielo will be able to close our financing shortly. NXGEN requires more time to close, which is typical in these large financings. Meanwhile, we are making significant advancements in the retrofitting of the High River Refinery and Stuart McCormick, P.Eng. is a welcome addition to our team. Having Mr. McCormick on board has already allowed us to cut costs and reduce the previously contemplated amount of time it would take us to file for the necessary permits to place our High River Refinery on production.”

Related Party Loan:

A related party has delivered to the Company a loan in exchange for a demand promissory note (“Note”) in the amount of \$50,000 (the “Loan”) for the purposes of contributing to advancement of the construction of the High River Refinery and general operating expenses. The Loan constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions (“MI 61-101”). Cielo relies on the exemption from the formal valuation requirements of MI 61-101 contained in section 5.5(a) and (b) of MI 61-101 on

the basis that the fair market value of the Loan not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo and no securities of Cielo are listed on a specified market set out in such section, and Cielo relies on the exemption from the minority shareholder approval requirements of MI 61-101 contained in Section 5.7(1)(a) and 5.7(1)(b) of MI 61-101 on the basis of the fair market value of the Loan not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo and \$2,500,000. As contemplated by MI 61-101, Cielo did not file a material change report in respect of the related party transaction at least 21 days before the issuance of the Note as Cielo was not aware of the Loan at such time.

About Cielo Waste Solutions Corp.

Cielo specializes in environmentally advanced technologies focused on materials recovery, renewable fuels and landfill reduction through responsible diversion practices. By incorporating the latest material recovery technologies into building modular refineries to produce high grade renewable fuels, Cielo's goal is to achieve a significant diversion of waste from landfills. Cielo provides solutions for responsible waste management while also providing value added opportunities.

For more information on Cielo, please contact

Cielo Waste Solutions Corp.

Don Allan, President & CEO

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Cautionary Note Regarding Forward-looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements, including but not limited to: the use of proceeds of the offering, receipt of all necessary approvals of the offering, general business, economic, competitive, political and social uncertainties; negotiation uncertainties and other risks of the grocery industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking

statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.

CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.