

FORM 51-102F3
Material Change Report

1. Name and Address of Company

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

2 Date of Material Change

July 17, 2017

3. News Release

A news release was issued and disseminated on July 17, 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 July 17, 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 July 17, 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:

The Company announced a non-brokered private placement offering (the “Offering”) of up to CAD \$3,000,000 in units (the “Units”), each Unit consisting of one common share and one half of one share purchase warrant, each full warrant entitling the holder to purchase one common share of the Issuer at an exercise price of \$0.20 for a period of 12 months, subject to the right retained by Cielo to reduce such term to a period of 30 days from the date of notice that may be delivered to a holder at any time after 14 weeks from the date of issuance of the Units in the event that the common shares of the Issuer maintain a market price of \$0.30 or higher for a period of five (5) consecutive days

Cielo announced that it has received CAD \$850,000 from closing of the first tranche on July 17, 2017. \$680,000 of this amount was a result of the settlement of indebtedness as a securities for debt transaction.

Cielo also announced the conversion of \$125,000 in convertible debentures, which had been issued on July 16, 2015 and which became mature on July 16, 2017, at an exercise price of \$0.10 per share in accordance with the terms of such convertible debentures.

b) the purpose and business reasons for the transaction:

The majority of the net proceeds will be used for the construction of Cielo's first commercial refinery that will be located on the Company's recently acquired property in High River, Alberta.

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

See #5(b) above. The construction of this plant will allow for the Company to take a significant step forward in commercializing its technology and beginning to earn revenues.

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:

Douglas Allan, an insider resulting from holding 10% or greater of the issued and outstanding shares of the Company, acquired 4,000,000 Units, consisting of 4,000,000 common shares and 2,000,000 share purchase warrants as a result of a settlement of debt.

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:

As a result of the issuance of the Units to Douglas Allan, Mr. Allan has ownership and control, directly, of 14,075,189 Class A common Shares, \$100,000 in convertible debentures (1,000,000 underlying Class A common shares), and 2,000,000 Warrants of the Issuer, representing approximately 12.5% of the issued and outstanding common shares of the Issuer on a non-diluted basis and 14.8% when assuming conversion of all convertible debentures and exercise of all warrants held by Mr. Allan.

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 Offering on or about June 14, 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:

Not applicable.

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 Units to Douglas Allan constitutes a “related party transaction” for the Issuer under MI 61-101. No formal valuation on the part of the Issuer is required under MI 61-101 in respect of the issuance of the Units to insiders of the Issuer. The Issuer is relying on the exemptions from the formal valuation and minority approval requirements under MI 61-101. The Issuer 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 Issuer and no securities of the Issuer 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 Issuer is exempt from obtaining minority shareholder approval in connection with the issuance of the Units 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 Units nor the consideration received in respect thereof from “interested parties” as defined by MI 61-101 would exceed \$2,500,000 or 25% of the Issuer, (ii) the Issuer has one or more independent directors in respect of the issuance of the Units who are not employees of the Company, and (iii) all of the independent directors have approved the issuance of the Units.

As this material change report is being filed less than 21 days before the issuance of the Units, 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 Issuer, such shorter period was reasonable and necessary in the circumstances as the Issuer was not aware of the participation of Douglas Allan 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

July 19, 2017

SCHEDULE "A"

NEWS RELEASE

Cielo Advances Construction Of First Garbage To High Grade Renewable Diesel Refinery Through First Tranche Gross Proceeds of \$850,000 and Debenture Conversion of \$125,000

Vancouver, British Columbia, Canada / July 17, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce the closing of the first tranche of the Company's private placement of up to \$3,000,000, announced on June 14, 2017 (the "Private Placement"). A total of \$850,000 was raised by way of the issuance of 8.5 million units ("Units") at \$0.10 per Unit. Each Unit is comprised of 1 common share and one ½ warrant, with each full warrant ("Warrant") having an exercise price of \$0.20 and an expiration date of twelve months from the date of issue of the Units. Notwithstanding the foregoing, in the event Cielo's Common Shares, trade at \$0.30, or above, for 5 consecutive days, any time after 14 weeks from the date of issue of the Units, Cielo will have the right to issue a notice to the holders of the Warrants that the term 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.

Cielo also announces that two holders of convertible debentures (the "Debentures"), the issuance of which was announced on July 16, 2015, have elected to convert an aggregate amount equal to \$125,000 due and payable to them into 1,250,000 common shares of the Company at \$0.10 per Common Share in accordance with the terms of the Debentures.

Cielo's President and CEO, Don Allan, stated "These are very exciting times for Cielo. With this latest round of funding now in place, we are confident that we will, tentatively before the end of this year, be in a position to showcase to the world our technology that is engineered to convert multiple different waste streams into renewable diesel on a continuous flow basis. Our demonstration plant that was capable of producing 50 liters of renewable diesel an hour, is now being moved to our property in High River, Alberta, where it will be retrofitted into a 350 liter an hour continuous flow refinery. Once our technology is validated that it is scalable, on a continuous flow basis, Cielo's strategic plan is to build multiple modular refineries that will produce millions of liters of high grade renewable diesel a year from thousands of tonnes of garbage."

Cielo's technology has been proven in its demonstration plant to be able to use multiple different cellulosic waste feedstock streams, including garbage, tires, plastics and wood waste converting all of them, on a cost-effective basis, into high grade renewable diesel fuel. In Canada alone, there is a mandated demand for renewable diesel of approximately 650 million liters a year that is required to be blended into all transportation diesel. Almost all of this mandated demand is currently having to be imported.

Subject to regulatory approval, the Company intends to close, one or more, additional tranches of the Private Placement by issuing additional Units on the terms described herein. No finders' commissions were paid in connection with the closing of the first tranche of the Private Placement. All securities issued pursuant to the Private Placement will be subject to a statutory four-month hold period.

Early Warning Report Filed Pursuant to National Instrument 62-103

This press release is also being disseminated as required by National Instrument 62-103 The Early Warning System and Related Take Over Bids and Insider Reporting Issues in connection with the filing of an early warning report (the "Early Warning Report") regarding the acquisition of securities of Cielo by Douglas Allan (the "Offeror"). The Offeror has acquired 4,000,000 Units under the Private Placement as payment for indebtedness owed by the Company to the Offeror (the "Acquired Securities"). After giving effect to the Acquired Securities, the Offeror beneficially owns and controls securities of Cielo representing 12.5% of the issued and outstanding shares of Cielo on a non-diluted basis and 14.8% on a diluted basis.

The Acquired Securities were acquired for investment purposes. The Offeror may, depending on market and other conditions, increase or change its beneficial ownership over the common shares or other securities of Cielo through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise. The Offeror's participation in the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions ("MI 61-101"). Cielo has relied 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 transaction was not 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 relied 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 transaction not being more than Twenty-Five Percent (25%) of the market capitalization of Cielo and \$2,500,000. Cielo did not file a material change report in respect of the related party transaction at least 21 days before the closing of this tranche of the Private Placement, as Cielo was not aware of the Offeror's participation in the Private Placement at such time.

A copy of the Early Warning Report filed under applicable securities laws is available under Cielo's profile on SEDAR (www.sedar.com).

About Cielo Waste Solutions Corp.:

Cielo Waste Solutions Corp. is an Alberta, Canada based public company with its shares listed to trade on the Canadian Securities Exchange ("CSE") under the symbol "CMC". Cielo is commercializing a game-changing technology that converts multiple different waste streams into renewable diesel, at a cost that is less than 50% of the

price currently being paid for biofuels in Canada. Landfills are one of the world's leading contributors to Green House Gas emissions and are projected to double in size over the next 7 years. Cielo's proprietary technology can resolve this crisis, on a cost-effective basis, by converting multiple different feedstocks, including municipal solid waste (garbage), wood waste, used tires, blue-box waste, all plastics and virtually any other cellulous waste product into high grade renewable diesel, which burns much cleaner than conventional diesel.

For more information on Cielo, please contact

Don Allan, President, at (403) 348-2972 ext 222, or visit Cielo's website at www.cielows.com

Further information regarding Cielo can be found on SEDAR at www.SEDAR.com or by visiting our profile on www.CSE.ca.

On Behalf of the Board of Directors

"Don Allan"

Chief Executive Officer

Tel: 403.348-2972 Ext. 222

Email: donallan@cielows.com

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.