

**FORM 51-102F3**  
**Amended 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**

November 2, 2017 and  
November 8, 2017

**3. News Release**

A news release announcing the completion of a credit facility (the “Credit Facility”) financing was issued and disseminated on November 3, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

A news release announcing the closing of the fourth and final tranche of a private placement offering of Units (as defined below) (the “Offering”) was issued and disseminated on November 9, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “B” hereto.

**4. Summary of Material Change**

A news release announcing the completion of a credit facility (the “Credit Facility”) financing was issued and disseminated on November 3, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

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**5. Full Description of Material Change**

A news release announcing the completion of a credit facility (the “Credit Facility”) financing was issued and disseminated on November 3, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

A news release announcing the closing of the fourth and final tranche of a private placement offering of Units (as defined in the news release) (the “Offering”) was issued and disseminated on November 9, 2017 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “B” 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”) in connection with the Offering:

**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

On November 9, 2017, Cielo announced that it had closed the fourth and final tranche of the Offering, issuing a total 9,900,000 Units for gross proceeds of \$990,000 in the fourth tranche, for gross proceeds over four tranches of \$3,273,236, resulting in the issuance of 32,732,360 Units.

**b) the purpose and business reasons for the transaction:**

The net proceeds from the Offering 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, and for general working capital.

**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 Issuer to take a significant step forward in commercializing its technology and beginning to earn revenues. The completion of both the Credit Facility financing and the Offering, the Issuer believes it has sufficient funds to construct the refinery as well as for general working capital, so that it may focus efforts on the construction and commercialization of the refinery.

**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:**

Mel Angeltvedt, a director of the Issuer, acquired 200,000 Units, consisting of 200,000 Class A common shares and 100,000 share purchase warrants.

- 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 Mel Angeltvedt, Mr. Angeltvedt has ownership and control of 1,203,438 Class A common Shares, 500,000 options to purchase Class A common shares, a \$10,000 debenture convertible 100,000 Class A common shares (including principal and interest, which, up to the date that is 60 days from the date hereof represents the right to convert to 118,875 Class A common shares) and 100,000 share purchase warrants to purchase Class A common shares of the Issuer, representing approximately 0.88% of the issued and outstanding common shares of the Issuer on a non-diluted basis and 1.38% when assuming exercise of all warrants and options and that portion of the debenture that is convertible in the next 60 days, held by Mr. Angeltvedt.

- 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 Mel Angeltvedt 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 Mel Angeltvedt 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. 101

**10. Date of Report**

Amended November 13, 2017

## **SCHEDULE "A"**

### **CREDIT FACILITY NEWS RELEASE**

#### **Cielo Announces a Significant Transaction as it Closes its Previously Announced \$3.5 Million Credit Facility to Fund 1st Commercial Garbage to High Grade Renewable Diesel Refinery**

Vancouver, British Columbia, Canada / November 6, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce that it has completed its financing arrangement with a private Alberta based lender (the "Lender"). Cielo and the Lender have entered into a loan agreement (the "Loan Agreement"), whereby the Lender will make available up to \$3,500,000 (the "Credit Facility") until September 30, 2018, to be used by Cielo primarily for the conversion of its first commercial refinery (the "Commercial Refinery") on its property in High River, Alberta (the "Property").

Cielo's President and CEO, Don Allan, stated "Closing the Credit Facility is a significant milestone for Cielo as we now have full funding in place that allows us to build our first commercial waste to renewable diesel refinery using our proprietary technology. These are very exciting times as we can now focus on completing the construction and operations of our "game changing" technology into commercial status. We are ecstatic about the countless opportunities we have in front of us. We thank our new financial partner for recognizing the potential that our technology has to significantly impact solving the world crisis of dealing with landfill waste. Additionally, we'd like to thank our stakeholders for their continued support as we roll out our technology globally."

#### **Credit Facility Details:**

The Credit Facility is structured as a non-revolving line of credit with security held by the Lender over all assets, including the Property and all other real property, of Cielo, subordinating other secured lenders of Cielo. The Credit Facility bears simple interest at 12% annually. Payments of interest only are payable until September 30th, 2018, after which time regular payments of principal together with interest will become payable until the loan matures in June 2022. Cielo is able to repay the loan without penalty any time after September 30th, 2018.

Cielo has obtained close to \$2,500,000 of the full available amount of the Credit Facility in order to repay and discharge its existing mortgage on the Property with XR Resources Inc., such mortgage previously announced on April 19, 2017, and also to exercise its option to purchase the demonstration plant (the "Demo Plant") it was previously leasing from FS Business Enterprises Inc., pursuant to a Purchase Option Agreement dated October 26, 2016, also previously announced on October 27, 2016. The Demo Plant is being converted into the Commercial Refinery on the Property. As partial consideration for the Credit Facility, Cielo has issued 25,000,000 bonus warrants (the "Warrant(s)") to the Lender, each Warrant exercisable to purchase one

common share of Cielo at an exercise price of \$0.20 (the “Exercise Price”), subject to adjustments for any reorganizations or dilutive events during the term of the Warrants. In accordance with the terms of the Warrants, in the event that Cielo issues additional common shares at a price (or convertible securities with an exercise price) lower than the Exercise Price or the market price at the time, whichever is higher, the Lender will be entitled to receive additional securities at a slightly decreased price, subject to the maximums and terms imposed by the Canadian Securities Exchange. In the event that an exercise of Warrants by the Lender results in the Lender holding at least 10% of the voting securities of Cielo, the Lender will be entitled to nominate a director pursuant to a Nomination Rights Agreement for so long as its holdings of voting securities remain at 10% or over. The Warrants expire on the earlier of (i) November 2, 2022 and (ii) the later of (A) November 2, 2019 and (B) 30 days following full repayment of the Loan, but not later than 5 years from the issuance date.

1888711 Alberta Inc. (“1888”), a private Alberta corporation related by certain officers and directors of the Company, who is party to a license agreement with Cielo dated June 14, 2016 (the “License Agreement”), previously announced on June 15, 2016, acts as guarantor for the Credit Facility. The parties have also agreed to a restated and amended version of the License Agreement, dated November 1, 2017, providing for clear terms on which Cielo is able to purchase the rights granted to 1888 at any time following the 14th day of operations of the Commercial Refinery based on the production of the Commercial Refinery and any other refineries in operation at the time, terminating the agreement.

Material agreements and full details of the foregoing will be available under Cielo's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Results of AGSM – Annual General and Special Meeting**

Cielo is also pleased to announce the results of its Annual General and Special Meeting (“AGSM”) held on October 26, 2017. All the resolutions presented to the shareholders were approved, including the re-election of auditors A. Chan & Company, LLC, fixing of the board of directors at five, approval of all director nominees, namely Don Allan, Robin Ray, Chris Dovbniak, Doug Mackenzie, and Mel Angeltvedt, and the approval of the amended fixed stock option plan (the “Stock Option Plan”) and the Restricted Share Unit Plan (the “RSU Plan”), which will together form the complete incentive plans for the Company. The Stock Option Plan allows for a maximum of 11,212,730 options to be granted and the RSU Plan allows for a maximum of 7,475,154 restricted share units to be granted, together representing 14.6% of the total issued and outstanding shares of Cielo as at today's date.

### **Disclosure Under Early Warning Requirements**

The following additional information regarding the Lender's acquisition of the Warrants is disclosed for and on behalf of the Lender, BJK Holdings Ltd. of 238 - 22 Street North, Lethbridge, Alberta, T1H 3R7, pursuant to the early warning requirements of applicable

Canadian securities legislation. The Lender acquired the Warrants for investment purposes in connection with the Credit Facility, and did not previously own or control any securities of Cielo. Upon acquiring ownership and control of the Warrants effective November 2, 2017 (with escrow release conditions satisfied the next day), the Lender was deemed for the purpose of the early warning requirements to have acquired and to be the beneficial owner of the 25,000,000 Class A voting common shares of the Company underlying the Warrants, representing a security holding percentage therein of approximately 16.4% based on the number of Cielo common shares currently outstanding and assuming the issue of an additional 25,000,000 shares pursuant to the Warrants. A report under the early warning requirements will be filed by the Lender with applicable Canadian securities regulators, and a copy thereof will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or on request from Cielo at the contact number below.

For more information please contact:

**Cielo Waste Solutions Corp.** Don Allan, President & CEO (403) 348-2972 Ext. 101  
[donallan@cielows.com](mailto:donallan@cielows.com) [www.cielows.com](http://www.cielows.com)

### **About Cielo Waste Solutions Corp.**

**Cielo Waste Solutions Corp.** is a publicly traded company with its shares listed to trade on the Canadian Securities Exchange ("CSE") under the symbol "CMC". Cielo holds the exclusive license for the global rights to a transformational, patent-pending, technology that can convert garbage-derived feedstocks to renewable diesel, at a significantly lower cost than biofuel companies. The garbage-derived feedstocks include sorted municipal solid waste (garbage), wood and agriculture waste, tires, blue-box waste, all plastics and virtually any other cellulous waste product into high grade renewable diesel.

### **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 its 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.*

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

## **SCHEDULE “B”**

### **OFFERING NEWS RELEASE**

#### **Cielo Closes Final Tranche of \$3,273,236 Private Placement Offering and Provides Operational Update**

Vancouver, British Columbia, Canada / November 9, 2017 / CSE:CMC Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce the closing of the final tranche of the Company's \$3 million private placement offering (the "Offering") of units ("Unit(s)"), raising gross proceeds of \$990,000 in this tranche. A total of \$3,273,236 was raised through the Offering, exceeding the original maximum target of \$3,000,000 by \$273,236.

The Offering consisted of \$0.10 Units, each Unit being comprised of 1 common share and one half of one warrant. Each full warrant ("Warrant") has an exercise price of \$0.20 and an expiration date of twelve months from the date of issuance of the Units. In the event that Cielo's common shares, trade at \$0.30 or higher for 5 consecutive days at any time after 14 weeks from the date of issuance of the Units, Cielo will have the right to issue a notice to the Warrant 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 net proceeds of the Offering, together with the funds from the recently announced credit facility (November 6, 2017), will be used to complete the construction and commissioning of the Company's first commercial, continuous flow, waste (derived from garbage) to high grade renewable diesel refinery (the "Refinery"), and for working capital purposes.

Cielo's President and CEO, Don Allan, stated "We are very appreciative of the strong support from our shareholders. The fact that we exceeded our maximum target reflects confidence in both our team and our game changing technology. With the closing of our Offering and our \$3.5 million credit facility, we are not only fully financed for construction but have working capital in place until we begin to receive revenues. We are confident that this refinery, which will validate the scalability and commercial viability of our technology, will be up and running in the near future. We are excited about finally being well capitalized as well as being able to see a clear path toward generating significant revenues and deploying our technology globally."

In connection with this final tranche of the Offering, Cielo paid \$30,400 in cash commissions. All securities issued pursuant to the Offering will be subject to a statutory four-month hold period.

As a director of the Company participated in the Offering, the participation 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 Offering, as Cielo was not aware of the director's participation in the Offering at such time.

## **Operational Update**

Cielo's technology has been proven to work in the Company's demonstration refinery ("Demo Refinery") utilizing multiple different waste feedstock streams, including municipal solid waste, tires, plastics and wood waste converting all of them, on a cost-effective basis, into high grade renewable diesel fuel, in batches of up to 50 liters an hour. Cielo is now in the process of converting its Demo Refinery into a 350 liter per hour (2.9 million liter per year) continuous flow refinery. Once Cielo validates that the retrofitted Demo Refinery can operate, on a continuous flow basis, Cielo plans to scale-up the size of its refineries to produce about 2,000 liters an hour (16 million liters a year) of high grade renewable diesel. Thereafter, Cielo intends to build multiple modular refineries around the world, offsetting landfills and other feedstock supplies.

After having been granted a development permit from the MD of Foothills #31 municipal district in July 2017, which is subject to customary conditions, Cielo had applied to the Alberta provincial regulator for a permit to build and operate the Refinery and continues to work closely with the provincial regulator to ensure that the operating permit can be obtained as quickly as possible.

Cielo continues to work with vendors of new and used equipment so as to finalize the acquisition of the major pieces of equipment needed to complete the construction of the Refinery. All unnecessary equipment that was on the Company's property in High River, Alberta, which was acquired and previously announced in April 2017, has been removed and the utilities have been turned on. The fabrication has begun, with major pieces of equipment in the process of either being modified or fabricated.

For more information please contact:

### **Cielo Waste Solutions Corp.**

Don Allan, President & CEO

(403) 348-2972 Ext. 101

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*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 its 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.*

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