

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

November 21, 2018

3. News Release

A news release was issued and disseminated on November 22, 2018 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 November 22, 2018 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 November 22, 2018 and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached as Schedule “A” hereto.

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

December 3, 2018

SCHEDULE "A"
NEWS RELEASE

[see attached]

CIELO WASTE SOLUTIONS ANNOUNCES MEMORANDUM OF UNDERSTANDING TO BUILD A RENEWABLE DIESEL REFINERY IN CALGARY AND ANNOUNCES PRODUCTION OF RENEWABLE FUELS

Vancouver, British Columbia, Canada / November 22, 2018 / Cielo Waste Solutions Corp. ("Cielo" or the "Company") (CSE:CMC) Cielo is pleased to announce that it has entered into a binding Memorandum of Understanding ("MOU") with Seymour Capital Incorporated ("Seymour Capital") that provides the framework for a joint venture agreement ("JV Agreement") pursuant to which Seymour Capital will provide 100% of the funding to build, commission and operate a Joint Venture Refinery ("JV Refinery") in Calgary, Alberta. The JV Refinery is projected to cost approximately \$20 million and the parties to the MOU hope to have negotiated and finalized the terms of the JV Agreement for the JV Refinery ("Project") by February 28th, 2019, but in any event no later than April 30, 2019. The parties intend to form a joint venture company, to be owned 50.1% by Cielo and 49.9% by Seymour Capital.

In consideration for the opportunity to enter into the JV Agreement with Cielo and undertake the Project, Seymour Capital has paid to Cielo a \$250,000.00 upfront fee ("Fee") to secure the territory of Calgary, Alberta. Pursuant to the terms of the MOU, Seymour Capital has been granted an option that can be exercised, on or before February 28th, 2019 to enter into a follow-on contractual arrangement with Cielo, on similar terms to the MOU, to build, commission and operate another joint venture refinery to be located in an Ontario municipality, of Seymour Capital's choice, other than one that is within the Greater Toronto Area ("Option"). In the event that Seymour Capital exercises its Option, Seymour Capital will pay to Cielo an additional one-time fee of \$250,000.

The general terms to be incorporated into the definitive agreement include the following:

- i. Seymour Capital will be solely responsible for financing 100% of the costs, associated with acquiring the land, building and commissioning of the JV Refinery ("Project Costs"), as well as for the initial refinery contemplated to be built in Ontario, if Seymour Capital exercises its Option.
- ii. Seymour Capital has a right of first refusal to enter into further agreements with Cielo to participate with Cielo on a 50.1%/49.9% basis, in favour of Cielo, to build, commission and place on production follow-on refineries in Calgary ("Follow-on JV Refineries"). Cielo will manage the Project overall, overseeing the planning, construction, commissioning and operation of the JV Refinery and Follow-on JV Refineries and will receive a management fee for the construction of the JV Refinery, equal to 7% of the Project Costs subject to certain exclusions, and will receive management fees, based on industry standards, once operations begin.
- iii. Profits will be split 30% in favour of Cielo and 70% in favour of Seymour Capital, until Seymour Capital has received profits equaling 100% of the Project Costs. Thereafter profits will be split on the basis of 50.1% for Cielo and 49.9% for Seymour Capital, reflecting the respective interests/ownership of the parties.

- iv. In the event that Cielo does not execute the definitive agreement for Calgary, Alberta, subject to an exclusion, by February 28, 2019, which date may be extended by either party to April 30th, 2019 (“the Execution Date”) Cielo has agreed, subject to applicable laws and policies, to issue Seymour Capital common shares of Cielo in lieu of returning the Fee, valued at the greater of \$0.25 per share and the average closing price of Cielo’s shares during the 5 trading days prior to the Execution Date.

Don Allan, President and CEO of Cielo, commented “We are very pleased to continue to advance our business model with a financially strong partner, Seymour Capital. We believe that this is another opportunity for Cielo to enter into a win/win arrangement, removing the financing and scale-up risk Cielo would otherwise face in building its next refineries.”

Jeff Seymour, CEO of Seymour Capital, commented “We have followed Cielo’s progress for over a year and now with the confirmation that their process is able to convert waste into high grade renewable fuels, we have elected to move forward with assisting Cielo financially to build a state-of-the-art green refinery in Calgary. Once our JV refinery is up and running Cielo will be able to showcase it to the rest of the country as well as to the world. We are looking forward to creating new jobs in Calgary while at the same time providing a solution that reduces the amount of waste that goes into Calgary’s landfill.”

UPDATE:

Cielo has successfully converted the raw distillate that it has produced to date, from wood waste, using its proprietary process at its Aldersyde Alberta Refinery (“Aldersyde Refinery”), into renewable fuels consisting of naphtha, kerosene and diesel. The Company had announced the initiation of this process on November 1, 2018.

The next step of the commissioning process will require the desulphurization of the renewable fuels. After reviewing multiple desulphurization solutions that are currently in commercial use, the Company has narrowed its decision to two companies. Over the upcoming weeks, Cielo is hoping to implement this equipment so that it can begin sales revenue.

For more information please contact:

Cielo Waste Solutions Corp.

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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 engineered to convert garbage-derived feedstocks to high grade renewable diesel, at a significantly lower cost than biofuel companies. With landfills being one of the world’s leading contributors to Green House Gas emissions and being projected to double in size over the next 7 years, Cielo can potentially resolve this crisis, on a cost-effective basis, by converting multiple different garbage-derived feedstocks, including sorted municipal solid waste (garbage), wood and agriculture waste, tires, blue-box waste, all plastics and virtually any other cellulosic 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.