

**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**

April 5, 2017

**3. News Release**

A news release was issued and disseminated on April 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 April 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 April 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:**

The Company announced the closing of the first tranche of an offering of convertible debentures (the “**Debentures**”) on April 8, 2015. The holders of the Debentures of that tranche have elected to convert the Debentures into common shares at \$0.10 per share for an aggregate price of \$125,000.00. Of this, \$93,750 was converted by a corporation owned and/or controlled, in whole or in part, by a director, Mel Angeltvedt, of the Company (the “**Insider Corporation**”).

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

The Insider Corporation was entitled to convert the Debenture in accordance with its terms, announced on or about April 8, 2015.

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

The conversion of the Debenture allows the Company to retain those funds that would become due and payable to the holders of the Debentures and use them for other corporate objectives and general expenses.

**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 Company, converted \$93,750 into 937,500 common shares (the "Share") of the Company through the Insider Corporation.

**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 Shares, Mel Angeltvedt will beneficially own, directly or indirectly, or exercise control or direction of 1,237,500 common shares of the Company, representing 1.2%, of the Company, and Convertible Debentures, convertible into an additional 1,000,000 common shares of the Company, representing, on a diluted basis, 2.2% of the issued and outstanding shares of the Company.

**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 issuance of the Debentures and the issuance of the underlying common shares upon conversion thereof on or about April 8, 2015.

**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 Shares 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 Shares 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 Shares 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 Shares 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 Company, (ii) the Company has one or more independent directors in respect of the issuance of the Shares who are not employees of the Company, and (iii) all of the independent directors have approved the issuance of the Shares underlying the Debentures.

As this material change report is being filed less than 21 days before the issuance of the Shares, 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 Mel Angeltvedt’s election to convert the Debentures 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**

April 5, 2017

## **SCHEDULE "A"**

### **NEWS RELEASE**

#### **Cielo Announces Conversion of Convertible Debentures**

Vancouver, British Columbia, Canada / April 5, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce that the holders of convertible debentures (the "Debentures"), the issuance of which was announced on April 8, 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 share.

Cielo's President, Don Allan, stated "We are very pleased that the lenders have recognized the upside of converting their Debentures into shares of our Company. The support of these lenders reduces our debt and eliminates the immediate repayment of funds that we will now be able to use to advance the construction of our first renewable diesel refinery".

The conversion of the one of the Debenture constitutes a "related party transactions" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions ("MI 61-101"). For this conversion, Cielo 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 is 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 that the fair market value of the transaction is not more than Twenty-Five Percent (25%) of the market capitalization of Cielo and \$2,500,000.

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

Cielo specializes in environmentally advanced technologies focused on materials recovery, renewable diesel and landfill reduction through responsible diversion practices. By incorporating the latest material recovery technologies, Cielo is able to achieve significant diversion from landfills while creating a feedstock specifically for renewable diesel. Cielo provides solutions for responsible waste management while also providing value added opportunities.

For more information on Cielo, please contact

Cielo Waste Solutions Corp.  
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[www.cielows.com](http://www.cielows.com)

### ***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.*