

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 13, 2017

3. News Release

A news release was issued and disseminated on April 13, 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 13, 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 13, 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 \$250,000.00 (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 funding for the purchase of the High River Refinery and the High River Property as announced on and defined in a press released issued by the Company on April 13, 2017.

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

The Loan allows the for completion of the purchase of the High River Property and 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 \$250,000.

- 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 issuance of the Debentures and the issuance of the underlying common shares upon conversion thereof on or about April 13, 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

April 21, 2017

SCHEDULE "A"

NEWS RELEASE

CIELO ANNOUNCES A MEMORANDUM OF UNDERSTANDING WITH NXGEN GLOBAL INC., UPDATE ON PURCHASE OF LAND AND RELATED MATTERS

Vancouver, British Columbia, Canada / April 13, 2017 / CSE:CMC: Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce that it has entered into a Memorandum of Understanding ("MOU") with NxGen Global Inc. ("NxGEN"). Further to the Company's press release on March 31, 2017 ("March 31 PR") relating to working with strategic partner(s) to move forward on the construction of the first six refineries, Cielo is pleased to announce this MOU sets 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 ("Financing") at a price of \$0.10 per common share for gross maximum proceeds of \$10,000,000. All of the Shares will 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 purchase the High River Property and the High River Refinery, each as defined in the March 31 PR, to retrofit the High River Refinery, and to further develop the Company's proprietary renewable fuel technology. In addition, the Proceeds will be used for general working capital purposes. The Company anticipates completing the Financing on or about April 28th, 2017 but in any event no later than May 7th, 2017 on the terms set out in the MOU.

Asset Purchase:

The Company is now in the final process of completing the purchase of the idle High River Refinery and High River Property and anticipates that such acquisition will be completed on or before April 21st, 2017.

Joint Venture:

The MOU also provides for the Company and NxGEN to enter into a joint venture agreement ("JV Agreement") for further construction of new refineries. The MOU sets out the initial terms of the contemplated joint venture ("JV") between NxGEN and the Company. If completed, the Company will grant to NxGEN certain rights related to the building and owning of certain interests in and to refineries to be built and commissioned by the Company. While the terms of the JV are subject to further negotiations, if the JV Agreement is concluded, it would initially provide for the funding by NxGEN of 100% of the costs to build and commission a total of five refineries, anticipated to be built on a property in Edmonton, Alberta at an anticipated cost of approximately \$50,000,000, with NxGEN or its nominee having a 49.9% ownership of the such refineries. In addition, NxGEN would have a separate right of first refusal to finance, either on its own, or with third parties, on competitive terms, the balance of the costs to build and or commission refineries on future properties employing Cielo's proprietary technology.

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 \$250,000 (the "Loan") for the purposes of contributing to the purchase of the Higher River Property and the High River Refinery. 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.

Don Allan, President and CEO of Cielo, stated "We have worked incredibly hard to bring to the world our game changing technology that deals with reducing landfill waste and generating renewable fuels. Cielo is now poised to become a break out company in the waste to energy industry and to make a serious contribution to reducing greenhouse gas emissions."

Business Development Agreement:

Cielo is also pleased to announce that it has entered into a Business Development Agreement ("BD Agreement") with Merchant Equities Capital Corp. ("Merchant") for the purposes of assisting Cielo in facilitating the transactions contemplated in the MOU. The BD Agreement provides for both cash payment and the issuance of up to 6,000,000 warrants, each Warrant being exercisable for a period of three (3) years from the date of issuance, 4,000,000 at an exercise price of \$0.10 per share and 2,000,000 at an exercise price of \$0.25 per share.

Convertible Debenture Offering:

As announced 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. The Debentures would bear an interest rate of 12% per annum and mature in 36 months from the date of issuance. Each subscribed dollar would also result in the issuance of one full warrant, for an aggregate issuance of up to 7,000,000 warrants ("Warrants"), each Warrant allowing the holder ("Debenture Holder") to purchase a common share at \$0.25 per share within 24 months, unless the stock trades above \$0.50 for 5 consecutive days, in which event the Company will be entitled to provide a 30 day notice period to the Debenture Holders, after which the Warrants will expire if not exercised. Additional terms can be reviewed in the Nov 29 PR.

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, Cielo is able to achieve significant diversion from landfills while creating a feedstock specifically for renewable fuels. Cielo provides solutions for responsible waste management while also providing value added opportunities.

About NxGen Global Inc.

NxGen Global is a private Canadian corporation focused on delivering innovative solutions for the energy management and services industry. NxGen's experienced management team is dedicated to working with technology innovators to bring disruptive solutions to market by providing smart working capital, strategic thinking, value creation and an experienced management team.

For more information on Cielo, please contact

Cielo Waste Solutions Corp.
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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.