

**Form 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

*Cielo Waste Solutions Corp.  
Second Floor, 8338-120th Street  
Surrey British Columbia V3W 3N4*

**Item 2 Date of Material Change.**

*June 26, 2014*

**Item 3 News Release**

*News Release dated June 26, 2014 was disseminated via FSCwire*

**Item 4 Summary of Material Change**

*See the news release issued on June 26, 2014, attached hereto as Schedule "A", with respect to a Financing & Signing of an Exclusive Technology License*

**Item 5 Full Description of Material Change**

*See the news release issued on June 26, 2014, attached hereto as Schedule "A", with respect to a Financing & Signing of an Exclusive Technology License*

**Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

*Not applicable*

**Item 7 Omitted Information**

*"The name of the other party to the Memorandum of Understanding has been omitted as such party will be incorporating a corporation with which the Company will be entering into the definitive agreement. The name of the corporation will be released in the definitive agreement."*

**Item 8 Executive Officer**

*Don Allan, President & Chief Executive Officer Telephone: (403) 348-2972 ext 224*

**Item 9 Date of Report**

*July 3, 2014*

## *Schedule "A"*

### **Cielo Secures Strategic Financing & Announces Signing of an Exclusive Technology License**

Surrey, British Columbia, Canada / June 26, 2014 / CSE:CMC / Cielo Waste Solutions Corp. ("Cielo" or the "Company") is pleased to announce that Cielo has signed a Memorandum of Understanding ("MOU") with a private investor on behalf of a special purpose corporation to be formed (the "SPC") to provide funding of up to CAD \$10 million (the "Funding") for the construction of the Companies first 700 liter per hour ("lph") commercial scale renewable diesel refinery (the "First Refinery"). The SPC will thereafter have the right of first refusal to provide additional funding of up to CAD \$1 Billion to build up to 100 additional 700 lph refineries throughout Canada (the "ROFR Refineries").

The SPC will fund upgrades and technical changes (Engineering, Catalyst and Equipment Replacements) to the existing demonstration plant located in Red Deer Alberta. Upon confirmation that the Company is able to produce renewable diesel meeting American Standard of Testing and Materials Standards for highway grade number 2 diesel, the SPC will provide funding for the First Refinery. Cielo intends to further advance the process in order to produce number 1 diesel for the aircraft industry.

In consideration for providing the Funding, the SPC will receive 50% ownership of the intellectual property associated with the refining technology, 90% of net revenues from the First Refinery until the Funding is repaid, and thereafter a 70% ownership of the New Refinery. Cielo will pay to SPC CAD \$500,000 on every Refinery sold. SPC will also receive a royalty equal to \$0.02 per litre from all refineries.

The parties intend to enter into a definitive agreement setting out the terms of the working relationship between Cielo and SPC as soon as practicable.

Don Allan, President of Cielo, stated "We now have secured an excellent strategic partner who understands the massive potential of our technology and the worldwide market we are looking to capture. This is an excellent opportunity for Cielo, as the announced financial arrangement is non-dilutive to our shareholders and does not carry the burden of debt. This financing provides Cielo with the opportunity to become a major renewable diesel producer using abundant Municipal Solid Wastes from landfills and waste transfer sites throughout Canada."

Cielo is also pleased to announce that it has entered into an agreement for exclusive rights of its Waste To Fuel refining technology to New Fuel International Inc. ("NFI") of Seattle, Washington U.S.A. The agreement is effective as of June 24<sup>th</sup>, 2014. NFI shall have the exclusive right to market and produce renewable biofuel derived from industrial biomass waste streams initially in the U.S. states of California, Oregon, Washington, Hawaii and Alaska, and the Canadian provinces of British Columbia and Ontario. New Fuel's responsibilities in the agreement will include securing the above specified biomass feedstock, triggering offtake agreements, managing operations, marketing, sales, and providing financing for the different NFI projects. Jerauld Bessette, CMO of NFI, stated "We are eager to start working with Cielo, we have spent years reviewing technologies around the world, and we believe Cielo has developed an industry changing technology that will help Washington State and other jurisdictions become carbon natural through the production of low carbon, high grade renewable diesel fuel".

Don Allan, President of Cielo, stated "NFI has a very experienced management team and together we can build a rewarding renewable diesel business from industrial biomass waste streams. NFI have already

made significant inroads in securing a large supply of feedstock and we look forward to building a very successful and prosperous relationship with NFI”.

**About Cielo Waste Solutions Corp.:**

Cielo specialize 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 the Company, please contact

Don Allan, President, at (403) 348-2972 ext 224, or visit the Company’s website at [www.cielows.com](http://www.cielows.com)

Or Jeff Walker, The Howard Group Inc. at 403-221-0915 or [jeff@howardgroupinc.com](mailto:jeff@howardgroupinc.com)

Further information regarding the Company can be found on SEDAR at [www.SEDAR.com](http://www.SEDAR.com) or by visiting our profile on [www.CNSX.ca](http://www.CNSX.ca).

On Behalf of the Board of Directors

**“Don Allan ”**

*Chief Executive Officer*

*Tel: 403.348-2972 Ext. 224*

*Email: [donallan@cielows.com](mailto:donallan@cielows.com)*

Certain statements contained in this release may constitute "forward-looking statements" or "forward-looking information" (collectively "forward-looking information") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated", "anticipates" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the business of the Company, the Property, financing and certain corporate changes. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

These securities have not and will not be registered under United States federal or state securities laws and may not be offered or sold in the United States or to a U.S. Person unless so registered, or an exemption from registration is relied upon. This news release does not constitute an offer of securities for sale in the United States.

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