MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE PERIOD ENDED

JANUARY 31, 2016

Notice to Reader

The following is management's discussion in respect of the results of operations and financial position of CIELO WASTE SOLUTIONS CORP. (formerly Cielo Gold Corp.) (the "Company" or "Cielo") for the period ended January 31, 2016 and should be read in conjunction with the Company's interim financial statements for the same period ("January 31, 2016 Interim Financial Statements") and the audited financial statements for the most recent year ended April 30, 2015. The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"), and presented in Canadian dollars, which is the Company's functional currency. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at www.sedar.com.

Forward Looking Statements

The information presented in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward–looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in the Private Securities Litigation Reform Act of 1995 and similar Canadian laws.

These forward-looking statements also include, but are not limited to, factors that may affect our ability to achieve our objectives and to successfully develop and commercialize our renewable diesel refineries.

Such forward–looking statements, including but not limited to those with respect to the price of renewable fuels, the timing and amount of estimated future economic and viability of refining projects, capital expenditures, costs and timing of refining projects, permitting timelines, title to refining projects, the timing and possible outcome of pending refining projects and other factors and events described in this MD&A involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements.

The reader should verify all claims and do their own due diligence before investing in any securities mentioned or implied in this document. Investing in securities is speculative and carries a high degree of risk.

These statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

Date of Report

The information in this report is presented as of March 31, 2016.

ABOUT CIELO

Cielo was incorporated on February 2, 2011 as a wholly-owned subsidiary of Arris Holdings Inc. ("AHI") for the purpose of mineral property acquisition and development. The Company was an exploration stage company whose principal business was the exploration and development of mining properties.

The Company spun out from AHI and became a reporting issuer after the corporate restructuring between AHI and Cielo became effective on June 9, 2011. Commencing August 3, 2011, the Company's common shares started trading on the Canadian National Stock Exchange under the Symbol CMC.

On August 23, 2013 Cielo Gold Corp. changed its name to Cielo Waste Solutions Corp. This was due to an anticipated change of business away from mining exploration and focusing on renewable diesel refining.

On April 15, 2014 Cielo announced that it had received approval from the Canadian Securities Exchange of its fundamental change of business, which had also been approved by a majority of the shareholders of the Company.

CORPORATE OVERVIEW AND OVERALL PERFORMANCE

On March 17, 2014, the Company announced that it had taken steps in changing its business, originally a gold mining Company, to renewable diesel refining. The Board of Directors and management of the Company believes that it has the technology that can allow it to quickly enter the fast and growing waste industry by refining landfill municipal and commercial waste as well as other waste industries, such as plastics, wood, sawdust and wood shavings, into a high quality renewable diesel. Cielo has identified opportunities throughout the world and is poised to capitalize on these and local opportunities very quickly after the successful start-up of the first commercial refinery. Some of these opportunities include:

1.) March 5, 2014, Cielo announced it had received a $3 million purchase order for the supply of one 200 liter per hour refinery from Ausdeer Pty Ltd in Applecross, Australia. Both parties are in agreement to increase the sale to 700 liter per hour plant to replace this original order. The new value is $13 million. The purchase order has not be replaced as of the date of this report and will be subject to the completion of a sucessful working commercial refinery.

2.) April 7, 2014, Cielo announced it had signed a letter of intent with the Red Deer County, to take over their newly built $6 million waste transfer site. This letter of intent has expired, but both parties expressed their mutal intention to proceed in the future.

3.) May 26, 2014, Cielo announced a $13 million purchase order from the Royal St. Kitts Beach Resort. Cielo is still in ongoing discussions with the owners and the government but is holding off signing a defintive agreement until after the sucessful start-up of the first commercial refinery in Edmonton

4.) June 24, 2014, Cielo announced that it had 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. Under the agreement, NFI acquired 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 include securing the above specified biomass feedstock, triggering offtake agreements, managing operations, marketing, sales, and providing financing for the different NFI projects

Cielo has stopped taking purchase orders for the time being and is deflecting any further discussions on purchase orders and such opportunities until after the successful start-up of the Edmonton commercial refinery.

Cielo is working hard with engineering professionals, consultants and third party service providers to approach construction of the first commercial refinery. Cielo has identified 9 steps to commercialization:

Step 1 – Feedstock Characterization Study. This step while originally completed in September, 2015, continues to be updated as new potential feedstocks are brought forward as possibilities for the refineries.

Step 2 – Validation of the process and proforma by third party engineers. This step has been concluded as of November, 2015, but like step 1, it continues to be updated as new information is updated and improved.

Step 3 – Carbon Capture Study. This is a detailed third party review of the carbon credits that Cielo will be able to recognize as a revenue stream. At the time of this MD&A, this study is approximately 60% complete.

Step 4 – A full and detailed study on the catalyst development. This is a very in-depth study of how the catalyst reacts and performs with a variety of individual feedstock or as they are combined. At the time of this MD&A, this step is approximately 30% complete.

Step 5 – Preparing a process design package. The engineering team along with third party service providers is well into the start of this step. At the time of this MD&A, this step is approximately 15% complete.

Step 6 – Patent Reviews. Until the process engineering is further along with the process design, a full and in-depth patent review cannot be completed at this time. It should be noted that in August 2014 Cielo hired a patent lawyer to review patents throughout the world and found no patents were similar at that time to the process that Cielo had developed.

Step 7 – Developing Capital Estimates. This step has begun and will continue throughout the completion of step four, the process design.

Step 8 – Filing of permits and applications. This work has now begun, since the securing of the site for the first commercial refinery. There is much work to be done before these can be filed. It is Cielo goal to have these filed by summer.

Step 9 – Developing of construction drawings. This step will be done at the same time as step four, the process design.

At the time of this MD&A, the best guess at completion of all 9 steps, is mid-August, 2016. When the engineering schedule was first put together, we expected to have this completed by January, 2016. As the testing was being completed, new information came forward from the engineering team, that we believed relevant to the successful start-up of the first refinery, patents reviews, process design, catalyst development and to the capex of the construction. Therefore more detail work was approved and the schedule reworked. Cielo will provide an update in the event that the new target date for completion is not able to be met.

Going concern

Renewable fuels are becoming big policy and big business as countries around the world look to decrease petroleum dependence and reduce greenhouse gas (GHG) emissions in the transportation sector. After more than a decade of healthy growth for conventional renewable fuels like ethanol and biodiesel, the next wave of advanced renewable fuels is currently on the cusp of commercial scale-up. Renewable fuels have already helped the world achieve a tangible reduction in emissions as global CO2 emissions are forecast to rise by as much as 50 per cent over the next 25 years.

The success of the Company is largely dependent upon factors beyond its control. These factors raise substantial doubt about the Company's ability to continue as a going-concern.

Management is actively monitoring all activities to ensure the Company has adequate liquidity and capital to meet its obligations and long term business objectives. The Company has a history of raising funding through equity financing when needed. However, there is no guarantee the Company can do so in the future. Cielo will continue to seek financing opportunities and/or arrangements with third parties to begin and complete its commercial refineries.

The Company's financial instruments consist of cash, other receivable, accounts payable and short-term loans payable; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation. The long-term loan payables and convertible debentures were accounted for at amortized cost using the effective interest rate method with the effective interest rate of 10% to 14.85% per annum.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Strategic and operational risks are risks that arise if the Company fails to develop a renewable fuel refinery and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors which might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. Therefore, the Company believes that there is minimal exposure to credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2016, the Company had cash balance of $964 and working capital deficit of $1,513,737. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company short term and long term cash requirement. During the 3mth quarter ending January 31, 2016, the Company reduced its debt by $1,629,740.92, which mitigates this risk.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. For every one % change in the prime borrowing rate in Canada, the impact to the Company's financial statements for the period ending January 31, 2016 is not significant.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar. Therefore, the Company's exposure to currency risk is minimal.

Asset Acquisition

On January 17, 2013, the Company entered into an interim agreement (BHBD Interim Agreement) with Blue Horizon Bio-Diesel Inc. ("BHBD"), whereby Cielo intended to purchase certain renewable-diesel processing and refinery assets, generally intellectual property (the "BHBD Assets"). The purchase price was CAD $4,250,000, payable in convertible debentures plus the assumption of certain liabilities in respect of the BHBD Assets (the "BHBD Liabilities").

Upon further negotiations related to value and price, on June 4, 2013 Cielo amended the BHBD Interim Agreement and announced that, pursuant to the Initial Agreement, it would acquire the BHBD Assets for CAD $4,500,00, payable in common shares of Cielo, plus assumption of the BHBD Liabilities.

On July 18, 2014 Cielo announced the execution of the asset purchase agreement (the "Agreement") relating to the previously announced proposed acquisition of the BHBD Assets. The Agreement allowed Cielo to acquire the assets including all right, title and interest in and to the intellectual property in the new technology for use in Cielo's business. The final agreed purchase price was CAD $5,250,000 and the total cost of the acquisition was paid for through the issuance of a total of 21 million common shares at a deemed value of $0.25 per share. A total of three instalments of 3 million shares had already transferred to BHBD pursuant to the initial interim agreements. The remaining 18 million shares were issued through a onetime stock issuance on July 18, 2014. Pursuant to the Agreement, Cielo also assumed the BHBD Liabilities equalling CAD $1,500,933.30. The purchase price was increased from the previous agreed price of CAD $4,500,000 as a result of the inclusion of the Alberta Bio-Diesel Producer Credit Program (BPCP), which was not included in the initial assessment in each of the two prior interim agreements.

RESULTS OF OPERATIONS

Nine Months Ended January 31, 2016 ("2016 Interim Financial Statements")

Loss for the nine month period ended January 31, 2016 was $514,044 (2015 - $896,999). The loss was mainly the combined result of incurring operating expenditures of $60,550 in consulting fees (2015 - $146,768), $414,521 in professional fees (2015 -$32,599), $28,630 in trust and filing fees (2015 - $75,973), and $71,810 for office administration (2015 - $641,659).

Consulting fees were paid to individuals who are not officers or directors of the company. The main components of the office and administration expenditure of $71,810 were rent charges for its office. The office and administration expenses and the total operating expenditures are considerably lower for the nine month period ended January 31, 2016 compared to those for the same period of 2015. Cielo focused on lowering its overhead by canceling its office rent and canceling service and management contracts. It is the Company's intention to continue to curtail expenses to preserve cash until the Company is able to obtain further financing to finance its long term business objectives.

On January 31, 2016, the Company's main assets and liabilities were:

Cash - $964 comparing to $1,032 at 2015;
Prepaid expenses - $4950 (2015 - $25,000);
Accounts payable and accrued liabilities - $525,246 (2015 $388,413);
Due to Shareholder $391,521 (2015 $254,226)
Due to Affiliated companies $382,342 (2015 $786,176)

The financial variations for the past three years is mostly due to the combined result at varying times of restructuring the company for its change of business and related asset acquisition from Blue Horizon Bio-Diesel Inc, the following advancement of the renewable diesel technology and the varying general operating expenses as the Company has tried to curtail non-essential expenses.

QUARTERLY FINANCIAL INFORMATION

The following table sets out selected financial information, presented in Canadian dollars. The information is prepared in accordance with IFRS.

Quarterly Financial Information	**Jan 31 2016**	**Oct 31 2015**	**July 31 2015**	**Apr 30 2015**	**Jan 31 2015**	**Oct 31 2014**	**July 31 2014**	**Apr 30 2014**
Operating data:	$	$	$	$	$	$	$	$
Total revenue	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Operating Expenses	105,510	314,606	155,390	382,434	202,423	360,925	333,651	338,483
Net Earnings (loss)	(105,510)	(314,606)	(155,390)	(382,434)	(202,423)	(360,925)	(333,651)	(338,483)
Balance sheet data:								
Total assets	5,731,864	5,847,649	5,867,313	5,776,172	5,510,123	5,545,261	5,543,748	957,064
Total current liabilities	1,523,469	3,455,654	3,128,252	3,142,433	1,635,764	1,468,479	1,185,697	1,037,712

Explanation of Quarterly Variances.

The loss of $(44,403) for the three months ended January 31, 2016 (2015 – loss of $202,423) consisted of $0 for consulting fees (2015 - $21,500), $15,072 office administration expenses (2015 - $125,098), $16,761 professional fees (2015 – $NIL), and $12,210 trust and filing fees (2015 - $55,825).

Revenue for the three months ending January 31, 2016 was $NIL, compared to $NIL for the three months ended January 31, 2015.

The variances in consulting fees are due to the advancement of the renewable diesel technology; office and admin expenses have been reduced due to cost savings initiative implemented; professional fees are due to maintaining compliance with regulatory bodies; trust and filing fees are lower as part of our cost saving initiatives.

Quarterly variances

Operating expense	1st qtr ending July 31, 2015	2nd qtr ending October 31, 2015	3rd qtr ending January 31, 2016	4th qtr ending April 30, 2016	Explanation 3rd qtr variance
Loss for period	$155,390	$314,606	$105,510		
Consulting fees	$8,550	-	$60,000		Fees to advance technology
Office & admin	$36,885	$18,381	$16,539		Cost savings initiatives
Professional fees	$102,969	$286,791	$16,761		Audit fees paid in second quarter and legal fees which had been deferred
Trust and filing fess	$6,986	$9,434	$12,210		Filing requirements for share issue

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2016, the Company had $964 cash, and working capital deficit of $1,513,737, compared with $3,087,164 at April 30, 2015. The Company is not subject to external working capital requirements.

During nine months ended January 31, 2016 the Company had $519,642 net cash inflow/outflow from its financing activities. Notes below describe the issuance of shares to receive cash for operations and to settle debt.

The Corporation has no history of earnings or the provision of a return on investment, and there is no assurance that its asset will provide a return on investment in the future. The Corporation may not realize on the future value of its primary asset, the intellectual property, and the value it may or may not be economic.

The Corporation relies solely upon the ability to raise additional capital in the short term, through the issuance of equity, debt instruments, or other such types of financing arrangements, in order to continue operations and meet its financial obligations related to promissory note repayment, management fees and continuous disclosure costs, as well as to advance the business. The Corporation's ability to generate sufficient amounts of cash and cash equivalents in the long term is dependent upon the Corporation's success in realizing on the value of its intellectual property, and then recovering its anticipated costs of any proposed transaction or transactions, and any anticipated return on capital.

There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Corporation. The Corporation will be competing with other companies for available financing sources, many of which will have far greater resources and experience than the Corporation. No assurance can be given that the Corporation will be successful in raising the funds required for the costs related to advancing the viability of the intellectual property, or any other potential business transaction.

As at the date of this MD&A, the Corporation is in need of sufficient working capital to exist as a going concern. There is no assurance that the Corporation will be able to meet those needs, and therefore may not be able to continue operations.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CONTINGENCIES / LEGAL PROCEEDINGS

The Company does not have any legal proceedings

FINANCIAL TRANSACTIONS

On June 6, 2014 Cielo announced a non-brokered private placement (the "Offering") up to $2,000,000 in units (the "Units"), at a price of $0.15 per Unit. Each Unit consisted of one common share of the Company (each the "Common Share") and one-half of one warrant (each the "Warrant"). Each full Warrant entitles the holder to purchase one Common Share for a period of twenty-four months at a price of $0.25 per Common Share. On June 27, 2014, Cielo closed the first tranche of 1,130,335 Units at an amount of $169,550.05. On July 23, 2014 Cielo closed the second tranche of 685,334 Units. An amount equal to $102,800.00 of the Second tranche was a shares for debt transaction. On August 29, 2014, Cielo closed the third tranche of 531,039 Units. An amount equal to $79,655.85 of the Third tranche was a shares for debt transaction. On July 16, 2015, Cielo closed its fourth and final tranche with an additional 431,333 units for gross proceeds of $64,700.00. In aggregate, the Company issued 2,878,040 Units for gross proceeds of $416,705.90. The money raised was used for paying down debt, the advancement of the renewable diesel technology, general operating expenses and professional fees (see below).

The Company announced on April 9, 2015, a concurrent non-brokered private placement offering (the "Convertible Debenture Offering") of up to CAD $250,000 in secured convertible debentures (the "Convertible Debentures"), with a minimum subscription of $25,000 per subscriber. The Convertible Debentures will mature two (2) years from the date of issuance, carry an interest rate of 12.5% per annum, and be convertible at the option of the holder at a price of $0.10 per common share of Cielo. The Convertible

Debenture Offering was expected to have multiple closings, with the initial closing having been announced on April 8, 2015 for an aggregated amount of $100,000.00. Cielo also announced on July 22, 2015, that it had closed the second tranche of this Private Placement for total proceeds of $100,000. On September 29, 2015 Cielo announced it has closed its third tranche of this Private Placement for total proceeds of $50,000. In aggregate, the Company raised gross proceeds of $250,000.00. The money raised was used for paying down debt, the advancement of the renewable diesel technology, general operating expenses and professional fees (see below).

On November 4, 2015 Cielo announced the settlement of indebtedness of the Company in the aggregate of CAD $239,729.27 through the issuance of 4,794,580 common shares in the capital stock of Cielo at a price of $0.05 per Common Share.

On November 27, 2015 Cielo announced the settlement of indebtedness of the Company in the aggregate of CAD $1,252,467.00 through the issuance of 25,049,353 common shares in the capital stock of Cielo, at a price of $0.05 per Common Share.

On December 18, 2015 Cielo announced the settlement of indebtedness of the Company in the aggregate of CAD $621,544.00 through the issuance of 12,430,880 common shares in the capital stock of Cielo, at a price of $0.05 per Common Share.

Date	Issue	Proceeds	Expenditure
July 16, 2015	Convertible Debt	$ 100,000.00	Operating expenses as intended
September 28, 2015	Convertible Debt	$ 50,000.00	Operating expenses as intended
July 16, 2015	Share issue 431,333	$ 64,700.00	Operating expenses as intended
November 4, 2015	Shares for debt issue 4,794,580	$ 239,729.27	Short term and long term debt as intended
November 27, 2015	Shares for debt issue 25,049,353	$ 1,252,467.65	Short term and long term debt as intended
December 18, 2015	Shares for debt issue 12,430,880	$ 621,544.00	$137,544.00 short term and long term debt; $484,000 operating expenses as intended

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been recorded at their exchange amounts, being the amounts agreed to and by the related parties. Related party transactions not disclosed elsewhere in the accompanying financial statements are as follows:

At January 31, 2016, other receivable from Blue Horizon Industries Inc ("BHI"), 1888711 Alberta Inc. companies related by Don Allan, a common director, was at $Nil (2015 - $247,490).

Accounts payable and accrued liabilities balances at January 31, 2016 outstanding to Don Allan and BHI, BHBD and 1888711 Alberta Inc. companies related by Don Allan, a common director, in the amount of $NIL (2015 - $92,282). Management fee payable, included in accounts payable and accrued liabilities balances, to a company related by a common director was at $Nil (2015 - $Nil).

Total salaries, management and director's fees of $91,286 (2015 - $289,085) were paid to Don Allan and reduced Shareholders' loan.

Office expense of $5,422 (2015 - $11,616), rent expense of $20,155 (2015 - $38,150), and telephone expense of $3,950 (2015 - $2,471) were paid and/or are payable to BHE and 1888711 Alberta Inc., companies related by a common director and officers and directors of the Company. Consulting expense of $60,550 (2015 - $146,768) and professional expense of $Nil (2015 - $Nil) were paid and or are payable to previous members of management of the Company working as consultants during the 9 months ending January 31, 2016.

The Company has identified its directors and senior officers as its key management personnel. Short-term compensation earned directly during 2016, other than stated above, by key management was $Nil. No post-employment benefits, other long-term benefits and termination benefits were made during 2016 and 2015.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OUSTANDING SHARE DATA

As at January 31, 2016, the Company had 91,849,225 common shares issued and outstanding.

As of the date of this MD&A, the Company has 91,849,225 common shares issued and outstanding.

CRITICAL ACCOUNTING ESTIMATES

This item does not apply; the Company is a venture issuer.

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Details are available in the 2015 year-end financial statements, which are available at www.sedar.com.

FINANCIAL INSTRUMENTS

Refer to Note 13 to the Company's financial statements for the period ended January 31, 2016.

RISK FACTORS

Risks of the Company's business include the following:

No History of Revenues or Dividends

As a newly formed company, Cielo has no history of earnings, and there is no assurance that the property, or any other future property that may be acquired by Cielo, will generate earnings, operate profitably, or provide a return on investment in the future. Cielo has no plans to pay dividends in the foreseeable future.

Reliance on Management's Expertise

Cielo strongly depends on the business acumen and investing expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Issuer. Cielo does not have any key person insurance in place for management.

Renewable Diesel Fuel Industry

The US, Canadian and most European governments require a minimum of 2% - 10% of diesel fuels to be comprised of renewable diesel. In Canada it is 2% minimum by the federal government and in most provinces and additional 2%, with Manitoba and Saskatchewan increasing their requirement to 5% minimum blend. In USA it is 2-5% depending on State, California is looking to increase to 10%. In Europe it is 5% for automotive and 10% for airlines.

- 2011 bio-diesel requirements for Western Canada were 423.5 million litres.
- 2011 bio-diesel production in Western Canada was reported to be 42-Million litres
- The remaining 89.9% had to be imported from abroad

The development of a renewable fuel refinery involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the renewable fuel production may result in substantial rewards, few renewable fuel refineries are developed into profitable businesses without significant help from government subsidies. Major expenses may be required to establish the refinery business. It is impossible to ensure that the current business plan by the Company will result in a profitable commercial refining operation.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Renewable fuel refining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the feedstock, process design, the fluctuation of fuel prices and possible damage to, or destruction of the producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, refining operations are subject to hazards such as equipment failure and fuel storage areas, which may result in environmental pollution and consequent liability.

The Company's refining activities are directed towards the search, evaluation and development of feedstock and its ability to convert it into renewable fuel. There is no certainty that the refinery as described herein will result in production of commercial quantities of renewable fuel. There is competition within the renewable fuel industry which is considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production.

Commodity Prices

The profitability of the Company's operations is significantly affected by changes in the market price of various renewable fuels. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in renewable fuel prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of diesel fuel has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable. Depending on the price of diesel fuels, cash flow from operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated production of fuel will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of renewable fuels, may render refining uneconomical. Short-term operating factors relating to the production of renewable fuels, such as the increased feed stock costs or drop in renewable fuel prices, could cause the refining operation to be unprofitable in any particular accounting period.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the period ended January 31, 2016, there has been no significant change in the Company's internal control over financial reporting since last year.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

DIRECTORS AND OFFICERS

Don Allan	Director, CEO, President
Jason Christensen	CFO
Robin Ray	Director
Doug MacKenzie	Director
Chris Dovbniak	Director
Mel Angeltvedt	Director

SUBSEQUENT EVENTS

On February 23, 2016 Cielo ("Cielo" or the "Company") announced that the Board Of Directors had appointed Mr. Mel Angeltvedt to the Board effective February 15, 2016. Mr. Angeltvedt has 30 years of experience in the oil and gas industry in process and production as well as in the service sector. Mr Angeltvedt has been the President of Bozco Enterprises since its conception in 1998. Mr Angeltvedt brings experience-based business knowledge and will be a valuable advisor on the financing, construction, operation and expansion of Cielo.

Cielo also announced on February 23, 2016, that the Board of Directors of Cielo appointed Mr. Jason Christensen as Chief Finance Officer. Mr. Robin Ray, who had held this position since August 9, 2013, had resigned from this position in order to spend more time on his other business interests. Mr. Ray has stayed on as a director of Cielo and a member of the Audit Committee. Mr. Christensen is a graduate of the Institute of Chartered Accountants of Alberta. Mr. Christensen has been in the accounting profession for 27 years. Mr. Christensen recently retired from a senior management role in the finance department of Teck Coal Limited after 19 years of dedication, commitment and service. As CFO, Mr. Christensen brings his skills in business strategy, financial insight and senior leadership.

On March 2, 2016 Cielo ("Cielo" or the "Company") announced that on February 3, 2016, Don Allan, President and CEO of Cielo acquired ownership of 7,875,212 common shares in the capital stock of Cielo (the "New Shares") at a deemed price of $0.05 per Share. The New Shares were acquired by Mr. Allan from a third party shareholder of Cielo pursuant to a private agreement as a settlement of debt owing from such third party to Mr. Allan (the "Transaction"). Prior to the Transaction, Mr. Allan had 5,788,427 common shares in the capital stock of Cielo. Together with the New Shares, Mr. Allan now has 13,663,639 common shares of Cielo registered in his name (the "Total Shares"), which represents approximately 14.9% of the total issued and outstanding shares of Cielo. As the New Shares were free trading on the closing of the Transaction, the New Shares are not subject to any holds, however, as certain of the Total Shares were acquired on or about the 27th day of November, 2015 subject to a four month hold period, such Total Shares continue to be subject to such hold period. In the future, Mr. Allan may acquire additional securities of Cielo, dispose of some or all of the securities it now owns or controls, or may continue to hold its current position.

On March 7, 2016 Cielo ("Cielo" or the "Company") announced that on March 4, 2016 Cielo signed a long-term lease for 2.09 acres and a Right Of First Refusal on an additional 8 acres, located in Edmonton, Alberta. This will allow the Company to construct the first unique commercial waste to renewable diesel refinery enabling a groundbreaking global landfill reduction phenomena coinciding with a novel high quality green renewable diesel product.

On March 16, 2016 Cielo ("Cielo" or the "Company") announced that on March 14, 2016 Cielo signed a multi-year feedstock agreement with Parkland Chips Products ("Parkland" or the "Supplier"). This contract allows Cielo to purchase enough sawdust and wood shavings to supply 50-100% of the feedstock requirements for the first unique commercial waste to renewable diesel refinery.

On March 21, 2016 Cielo ("Cielo" or the "Company") announced on March 17, 2016 Cielo signed a multi-year feedstock agreement with Dipper Oil Recycling, a division of Little Dipper Holdings Ltd. ("Dipper" or the "Supplier"). This contract allows Cielo to purchase enough used oil and plastics to supply the first unique commercial waste to renewable diesel refinery.

ADDITIONAL INFORMATION

Additional information regarding the Company may be found on SEDAR, www.sedar.com.
The common shares of Cielo are listed on the Canadian Securities Exchange under the trading symbol "CMC".