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 30, 2018

3. News Release

A news release was issued and disseminated on November 30, 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 30, 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 30, 2018 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 shares for debt transactions with certain creditors of the Company, including two (2) insiders. The shares for debt arrangements provide for the settlement of $508,684.40 in funds owing to contractors by the issuance of 2,826,025 common shares at a deemed price of $0.18 per share and $605,833.33 in loans owing to insiders of the Company by the issuance of 3,029,167 common shares at a deemed price of $0.20 per share, being a 20% and 33% premium, respectively, to the Company's closing price on November 29, 2018.

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

The purpose of the debt settlements was to reduce the indebtedness of the Company.

c) **the anticipated effect of the transaction on the issuer's business**

and affairs:

Reduction of indebtedness has a favourable impact on the financial position of the Company. In particular, the early settlement of the indebtedness owing to Doug Allan reduces the amount of interest that would otherwise have been paid to Doug Allan.

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:**

   2,529,167 shares were issued to Doug Allan, an insider by virtue of holding 10% or greater of the issued and outstanding shares of the Company, eliminating a short term, related party loan that was made by Doug Allan to the Company.

   500,000 share were issued to Don Allan, President, CEO and director of the Company, eliminating indebtedness owing by the Company to Don Allan.

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:**

   Prior to the issuance of the shares, Doug Allan had 18,325,189 shares and $100,000 in a convertible debenture, convertible into approximately 1,267,000 shares as at the date of the debt settlement, representing 12.8% of the issued and outstanding shares of the Company on an undiluted basis and 13.6% on a partially diluted basis. After giving effect to the shares for debt transaction, Doug Allan has 20,854,356 shares (in addition to the convertible debenture), representing 12.8% of the issued and outstanding shares of the Company on an undiluted basis and 13.5% on a partially diluted basis.
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   Prior to the issuance of the shares, Don Allan had 13,950,712 shares, 2,250,000 options to acquire shares, ad 3,000,000 RSUs, only 1,000,000 of which are convertible into shares in the next 60 days, together representing under 10% of the issued and outstanding shares of the Company on an undiluted basis and 11.46% on a partially diluted basis. After giving effect to the shares for debt transaction, Don Allan has 14,450,712 shares (in addition to the options and RSUs), representing 8.9% of the issued and outstanding shares of the

Company on an undiluted basis and 10.7% on a partially diluted basis.

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 unanimous resolution of the board of directors of the Company authorized the shares for debt transactions.

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:**

See section 5(a).

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 shares (for debt) 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 shares who are not employees of the Company, and (iii) all of the independent directors have approved the issuance of the shares.

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 shares for debt settlements 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. 101

10. Date of Report

December 10, 2018

SCHEDULE “A”

NEWS RELEASE

CIELO WASTE SOLUTIONS PROVIDES OPERATIONS UPDATE AND ANNOUNCES SHARES FOR DEBT SETTLEMENTS

Vancouver, British Columbia, Canada / November 30, 2018 / Cielo Waste Solutions Corp. ("Cielo" or the "Company") (CSE:CMC) would like to provide an operations update on the Company’s Aldersyde renewable diesel refinery (the “Refinery”) and announce the settlement of $1,114,517.73 of debt in order to conserve capital while completing the commissioning process for the Refinery.

Operations Update

The Refinery continues to operate under a two-step process, step 1 being the conversion of the biomass (waste/sawdust) into a distillate and step 2 being conversion of the distillate into renewable naphtha, kerosene and diesel. The fuels produced to date are being held in tanks until the Company is able to install the desulphurization unit to remove the sulphur from the fuels.

As previously announced, in order to operate both steps described above simultaneously, Cielo requires a larger heater system to be installed, which involves the purchase of a second boiler and re-engineering of the first. Management had previously determined that moving forward with the rest of the commissioning process while addressing financing needs would be the most prudent approach. Cielo reached the final stage, desulphurization, and is currently choosing between two alternative processes that will result in the ability to sell its high-grade renewable fuels at the highest possible price. As the implementation of the desulphurization equipment will take longer than anticipated due to third party laboratory testing and the proximity of the holiday season, management estimates the commissioning process to be complete, and achieving first sales, in Q1 2019.

In the meantime, management has determined that the best way to continue to move the process and timeline forward is to focus on acquiring the second boiler and re-engineering the first, which is currently in progress. This will allow both steps described above to run concurrently and facilitate the continuous flow operation of the Refinery. Management anticipates completing the purchase, manufacturing, installation and commissioning of the second boiler system 6 to 10 weeks after securing financing.

Financing Activities/Shares for Debt Settlements:

Cielo continues to receive support from its stakeholders. Contractors have agreed to convert over $500,000 of their trade receivables and two of the Company’s insiders have agreed to convert over $600,000 of their outstanding loans to the Company into common shares of Cielo.

The shares for debt arrangements provide for the settlement of $508,684.40 in funds owing to contractors by the issuance of 2,826,025 common shares at a deemed price of $0.18 per share and $605,833.33 in loans owing to insiders of the Company by the issuance of 3,029,167 common shares at a deemed price of $0.20 per share, being a 20% and 33% premium, respectively, to the Company's closing price on November 29, 2018. As management has decided to proceed with the improvement of the heater system and the purchase and installation of the second boiler, the Company is considering a potential private placement offering of securities. If the Company proceeds, management expects to determine and announce the terms of the offering in the next week.

As certain insiders participated in the shares for debt transactions, it is considered to be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company relies on the exemption from valuation requirement pursuant to subsection 5.5(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange, and the Company relies on the exemption from minority approval under subsection 5.7(b) of MI 61-101, as the securities of the Company are not listed or quoted on an enumerated stock exchange; neither consideration received, nor the fair value of the securities distributed exceeds $2,500,000; and at least two thirds of independent directors of the Company, voted in favour of the related party transaction.
Don Allan, President and CEO, stated that "Although we have encountered a number of challenges in our commissioning process, we have been able to figure out solutions, which are taking time and money to resolve. As is the case with the commissioning of many technologies, as they are scaled up, there are unforeseen and uncontrollable factors that are encountered. Despite the challenges that have arisen, we have continued to advance our technology. We have produced our renewable fuels and are working towards removing the sulphur as quickly as possible but also ensuring that we continue to make the best choices for the technology and Company in the long run, not just with a focus on achieving initial sales. At the same time, we are being proactive in taking the needed next steps to get our Aldersyde refinery operating on a continuous-flow basis, to keep the momentum going and working to enhance shareholder value. Management thanks the trades and insiders for their continued support, their conversion of debt at a premium to market prices demonstrating their belief in and commitment to Cielo and our technology."

Conference Call:

Cielo will be hosting a Conference Call on Wednesday, December 5, 2018 from 1:00 PM to 2:00 PM MDT. Please join our meeting from your computer, tablet or smartphone.

https://global.gotomeeting.com/join/858718085

You can also dial in using your phone.

Canada: +1 (647) 497-9391
Access Code: 858-718-085

Join Cielo shareholders on 8020 Connect: http://bit.ly/Cielogroup

For more information please contact:

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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 cellulous 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.