MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

FOR THE NINE MONTHS ENED JANUARY 31, 2019

Notice to Reader

The following is management's discussion and analysis – quarterly highlights ("MD&A") in respect of the results of operations and financial position of CIELO WASTE SOLUTIONS CORP. (the "Company" or "Cielo") for the nine months ended January 31, 2019 and 2018. 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.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51- 102F1, in accordance with National Instrument 51- 102 – Continuous Disclosure Obligations. It should be read in conjunction with the Company's audited annual financial statements for the year ended April 30, 2018, together with the notes thereto, and the accompanying unaudited interim condensed financial statements and related notes for the nine months ended January 31, 2019.

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 securities laws applicable in Canada.

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 27 2019.

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. Following a spin-out transaction, the Company became a reporting issuer on June 9, 2011 and its common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "CMC" on August 3, 2011. A change of name from Cielo Gold Corp. to Cielo Waste Solutions Corp. on August 23, 2013 was followed on April 15, 2014 by a change of fundamental business from mining exploration to renewable diesel refining.

The registered and records office of the Company is located at #101 – 1500 Howe Street, Vancouver, BC V6Z 2N1 and its operations office is located at Bridgeview Place II, Suite 115, 5114-58 St., Red Deer, AB T4N 2L8.

CORPORATE OVERVIEW AND OVERALL PERFORMANCE

Since the Company's fundamental change of business to renewable diesel refining, the Board of Directors and management of the Company has been working toward commercializing its proprietary technology to allow it to enter the fast and growing waste industry by refining landfill and municipal and commercial waste into a high quality renewable diesel. Cielo has identified opportunities throughout the world and is poised to capitalize on these and local opportunities. While Cielo has generally not been taking purchase orders while focusing on the construction of its first commercial refinery, the Company has continued to communicate with those who had previously submitted purchase orders or expressed interest to facilitate revenues upon the completion of the commissioning phase.

Cielo has also started acting on interest expressed by third parties with respect to potential joint venture opportunities, which management believes will allow for easier financing of additional refineries. Management believes that entering into such agreements effectively removes the financing and scale-up risk associated with those refineries (in particular the next couple to be built) and allows the Company to earn profits as well as ongoing management fees during both the construction and operation of such joint venture refineries. See below for additional detail on existing memorandums of understanding for potential joint ventures.

Cielo has planned two phases (Phases I and II) for reaching optimal production output in creating a blueprint for its refineries. Cielo's initial plan for Phase I was to build a refinery targeting a nominal production rate of 356 litres per hour and, for Phase II, Cielo had considered building a second refinery, targeting a production rate of 1824 litres per hour. During the year ended April 30, 2018, Cielo focused on the construction if its first commercial refinery and, following the end of the year ended April 30, 2018, Cielo completed construction for Phase I and began the Phase I commissioning stage. As Cielo progresses through this Phase I commissioning stage, modifications to both design and construction intended to improve the processes continue to be made. Continued improvements have increased targeted outputs from 356 litres per hour to between 500 and 1,000 litres per hour. With respect to Phase II, management has determined that it would be more efficient to upgrade the current refinery to a greater capacity, targeting outputs of between 1,800 and 2,000 litres per hour, such that all Cielo refineries would produce at least at this rate at a minimum.

In order to run the its refineries on a continuous flow basis, and not in a two-step process, Cielo needs to be able to generate and maintain more heat throughout the reactor and distillation towers and ancillary equipment, which Cielo originally planned would be achieved by purchasing and installing a second boiler and re-engineering the existing boiler, which was indicated in the Management's Discussion and Analysis for the six-month period ended October 31, 2018. However, Cielo's internal engineering and design team analyzed and determined that it would be substantially more effective and efficient to move from a hot oil boiler to electric heat. Cielo's engineering team believes that electric heat has many advantages, some of which include much higher temperatures, less capex to purchase, ease of operations and precise temperature controls. The higher temperatures allow Cielo to substantially increase the biomass feedstock percentage, which will also increase production, hydrogen & renewable content, increase centane and greatly reduce the sulfur content. Cielo is focused on implementing this new electric system however the extra cost and time to do so has delayed the intended timeline for commercialization. Cielo is also currently focused on the desulfurization process. To date, the Company has produced approximately 50,000 liters of renewable naptha, kerosene, and high grade diesel and is stored on site. It plans to sell a portion of the fuels, which contain sulfur, to interested parties. It plans to retain some of this inventory until it has been desulfurized. Cielo is working with a third party desulfurization company as well as a large engineering firm to finalize this process. Meanwhile, Cielo is fabricating the desulfurization and polishing towers, such that when the two third parties provide the amount of sulfur medium required, Cielo will be ready to accept this and begin removing the sulfur.

The Company kicked off the start-up and commissioning of Phase I of its first commercial refinery in the nine month period ended January 31, 2019 and continues to progress through this process while at the same time making design changes it believes to be beneficial. The Company has also begun to enter into memorandums for potential joint venture with a view to future expansion while collecting fees for the opportunities it is granting to the potential joint venture partners in the meantime.

Highlights include:

1.) On June 6, 2018 the Company announced the implementation of an early warrant exercise incentive program (the "Program") designed to encourage the early exercise of up to 16,366,180 unlisted warrants. On July 4, the Company announced that it had closed the Program. Cielo received gross proceeds pf $2,032,500 as a result of the exercise of 10,162,500 warrants. Each participant is entitled to receive $.0875 per warrant exercised as a fixed rate royalty which will be paid out prorate over an estimated period of two years or less, at the discretion of management. Once production begins, the company will allocate 10% of gross sales to the payment of the royalties. The use of proceeds of the Program were allocated to the Phase I commissioning stage.

2.) On June 11, 2018, the Company announced that it had received its permit from the Ministry of Environment and Parks (Alberta) (the "Ministry") pursuant to the Environmental Protection and Enhancement Act, which was required in order to begin operations at its first commercial refinery in Aldersyde, AB.

3.) On June 29, 2018, the Company announced that, as anticipated in previous news releases, the Company had initiated the start-up and commissioning of its first commercial refinery in Aldersyde, AB, which signifies the transitioning of the refinery from the construction stage to the commercial operation stage.

4.) On August 22, 2018, the Company announced it had initiated its reactor, which started the continuous flow process of generating raw distillate.

5.) On September 13, 2018 the Company announced that it had received from Maxxam Analytics, an independent arms' length testing laboratory, favourable results confirming the Company's ability to convert garbage into a high quality distillate. The result indicated better than expected quality characteristics' including lower than expected water content, higher cetane ratings and excellent API gravity numbers that prove the production of a light distillate. The remaining steps of the Phase I commissioning stage include processing the distillate to produce naphtha, removing sulphur from the remaining distillate, and further processing that distillate to separate into kerosene and high-grade renewable diesel.

6.) On October 4, 2018, the Company announced that the commissioning process had been divided into 2 stages (as described above and provided a general update on Phase I, advising that it continued to make improvements by identifying inefficiencies and problem areas and working to resolve these, which has resulted in the tailoring of a portion of the original process and changes to some of the Company's original milestones. In particular the Company announced the need for a larger heather system that would allow for both stages to operate on a continuous flow basis, and the decision to move forward with the remaining steps of commissioning at a scaled down capacity until the heater system could be acquired.

The Company also announced that further raw distillate sample test results indicated better characteristics than initially expected and better than the initial results, announced on August 22, 2018: almost no water content, cetane rating of 55 (which management understands to be very impressive as it was only at the raw distillate stage) and favourable colouration, which proves the process works and is producing a high quality distillate.

In addition, management announced that it had begun engaging in discussions with third parties for potential joint ventures. Initially, management had planned to delay discussions until achieving sales, however it has decided to explore opportunities now given the needs identified above paired with strong interest from potential joint venture partners.

7.) On October 31, the Company executed a Binding Memorandum of Understanding ("GP MOU") with Renewable U Energy Inc.("Renewable U"), a privately-owned Alberta corporation. The MOU provides the framework for Cielo to enter into a joint venture agreement("JV Agreement") with Renewable U to build, commission and operate ("Project") one refinery initially ("JV Refinery"), with a right of first refusal to enter into further agreements for potential follow-on refineries (together with the JV Refinery, collectively "JV Refineries") in Grande Prairie, Alberta. Pursuant to the terms of the MOU, Renewable U has an option to enter into a second Memorandum of Understanding with Cielo for Medicine Hat, Alberta.

The Company and Renewable U intend to form an incorporated joint venture, to be owned 50.1% by Cielo and 49.9% by Renewable U, unless otherwise agreed. In consideration for the opportunity to enter into the JV Agreement with Cielo and undertake the Project, Renewable U has paid to Cielo a $250,000.00 fee ("Fee") to secure the territory of Grande Prairie, Alberta and the surrounding area encompassing a 250 km radius. In the event that Renewable U exercises its option within 45 days to enter into a second Memorandum of Understanding for Medicine Hat, Alberta, Renewable U will pay Cielo an additional $250,000.00, to secure the territory of Medicine Hat, Alberta and the surrounding area within a 50 km radius. In the event Cielo does not execute the JV Agreement for Grande Prairie, subject to an exclusion, by January 29, 2019, Cielo has agreed, subject to applicable laws and policies, to issue Renewable U common shares of Cielo in lieu of returning the Fee, valued at the greater of: $0.25 and the average closing price of Cielo's shares during the 5 trading days prior to January 29, 2019.The general terms to be incorporated into the JV Agreement include the following:

(a) Renewable U will be solely responsible for financing 100% of the costs associated with acquiring the land, building and commissioning the initial JV Refinery ("Project Costs"), as well as for the initial refinery contemplated to be built in Medicine Hat, Alberta, if Renewable U exercises its option.
(b) Cielo will manage the Project overall, overseeing the planning, construction, commissioning and operation of the JV Refineries and will receive a management fee for the construction of the JV

Refinery equal to 7% of the Project Costs subject to certain exclusions, and will continue to receive management fees once operations begin based on industry standards.

(c) Profits will be split 30%in favor of Cielo and 70% in favor of Renewable U, until Renewable U has received profits equaling100% of the Project Costs. Thereafter profits will be split on the basis of 50.1% for Cielo, 49.9% for Renewable U, reflecting the respective interests/ownership of the parties.

The Company announced the deadline to enter into the definitive agreement pursuant to this MOU was extended on February 1, 2019 by 90 days to May 1, 2019.

8.) On November 1, 2018 the Company announced that it successfully initiated the conversion of its raw distillate made from wood waste feedstock into renewable fuels, including Naphtha, Kerosene and Diesel.

9.) November 22, 2018 , the Company announced that it had entered into a binding Memorandum of Understanding ("MOU") with Seymour Capital Incorporated ("Seymour Capital"). The terms are substantially the same as those set out in the GP MOU but for the territory of Calgary, Alberta.

10.)November 30, 2018 the Company provided an operations update on the Company's Aldersyde renewable diesel refinery (the "Refinery"). Previously, the Company had intended to move forward with desulfurization as a means of moving forward with commercialization, even if at a lower rate of production. However, at this time it was determined that the timelines associated with desulfurization would take longer than expected, so management decided to focus again on the expansion of the heater system. Management had anticipated at the time that completing the purchase, manufacturing, installation and commissioning of the second boiler system would take approximately 6 to 10 weeks after securing financing.

In furtherance of this, Cielo announced a private placement offering of units ("Units") on December 17, 2019. Each Unit is comprised of one Common Share and one warrant ("Warrant"), with each Warrant having an exercise price of $0.20 and an expiration date of the earlier of 36 months from the date of issuance of the Units and the date that is 30 days from the date that Cielo provides notice ("Notice") to the warrant holder that the expiration date of the Warrants has been accelerated. The Notice may only be delivered to the Warrant Holders after Cielo's listed common shares trade at $0.40, or higher, for 20 consecutive days, any time after 4 months and a day from the date of issuance of the Units. Any Warrants that have not been exercised on or before the expiry of the 30-day period will automatically expire. In the first two tranches, closing on December 17th, then December 20th, 2018, a total of $1,144,406 in gross proceeds was raised by the issuance of 8,803,123 Units. The Units continue to be offered (see "Subsequent Events").

11.)On January 23, 2019 the Company provided an update on its continued work on upgrading the heater system in order to move to a continuous flow basis. Cielo had originally planned this would be achieved by purchasing and installing a second boiler and re-engineering the existing boiler. However, Cielo's internal engineering and design team analyzed and determined that it would be substantially more effective and efficient to move from a hot oil boiler to electric heat. Cielo's engineering team believes that electric heat has many advantages, some of which include much higher temperatures, less capex to purchase, ease of operations and precise temperature controls. The higher temperatures allow Cielo to substantially increase the biomass percentage, which will also increase production, hydrogen & renewable content, increase centane and greatly reduce the sulfur content.

Cielo also announced at the time that it was ready to select the desulfurization technology and the supplier of the equipment that Cielo would be using going forward. In anticipation of the higher temperature and increased biomass content expected to occur with the new heater system, Cielo has provided a lab sample of renewable kerosene and diesel from their own bench scale model, that were refined utilizing the higher temperature and increased biomass content and has been sent to the technology supplier to conduct tests so that they can reconfigure and optimize their modular demonstration plant to work on Cielo's fuels. It was anticipated that the demo plant would be shipped from USA to the Refinery within three to four weeks, at which time it would immediately be integrated into the Refinery so that Cielo can remove the sulfur from its inventoried fuels. The supplier of the desulphurization equipment had confirmed that their equipment can be scaled-up easily. Cielo has now had samples tested from September and December production. The sulfur content is continues to decrease the longer the Company produces the fuels. To date, the sulfur content has been reduced by approximately 70%. The dramatic decrease will reduce the operational and purchase costs of the desulfurization process. Cielo will be sending a third sample shortly to their company for analysing. Meanwhile Cielo has decided to begin working with a third party large engineering to confirm this is the best process available. Cielo is also fabricating the desulfurization and polishing towers, such that when the two third parties provide the amount of sulfur medium required, Cielo will be ready to accept this and begin removing the sulfur.

For further details of the terms and conditions of any above-referenced agreements or announcements, please review the Company's filings on SEDAR.

RESULTS OF OPERATIONS

Nine Months Ended January 31, 2019 ("January 31, 2019 Interim Financial Statements")

The loss for the nine months ended January 31, 2019 ($2,700,482), compared to the same period in 2018 ($6,087,227) was mainly a result of the increased activity related to the Phase I start-up and commissioning of the Company's first commercial refinery, which required the engagement of additional personnel as well as the securing of additional financing. In particular, the increase in loss was the combined result of the following operating expenditures: $198,193 for consulting fees (2018 - $532,783), 583,049 in development expense (2018-Nil), $107,116 for office administration expenses (2018 - $97,741), $444,437 for interest and accretion expense (2018-$296,495), $234,932 for professional fees (2018 - $353,085), $462,649 in management fees (2018-$64,773), $33,868, for trust and filing fees (2018 - $26,137), $126,960 of amortization on property, plant and equipment (2018-$129,053), gain on settlement of debt of $266,903 (2018-loss $175,721), and salaries and benefits of $ 365,460 (2018-$113,016).

Revenue for the nine months ended January 31, 2019 was $NIL, compared to $NIL for the nine months ended January 31, 2019, as the Company has not yet begun earning revenues from production.

On January 31, 2019, the Company's main assets and liabilities were:

Cash - $26,495 (2018 - $525,150);
Prepaid expenses - $65,401 (2018 - $165,965);
Due From Affiliated companies $6,747(2018-$19,993)
Inventory-$84,007 (2018-$Nil)
Property plant and equipment -$9,956,300 (2018-3,703,086)

Accounts payable and accrued liabilities - $2,239.288 (2018 - $324,638);
Due to Shareholder - $367,842 (2018 $510,835)
Short-term loans payable -$522,494 (2018 - $151,394)
Long-term loans payable, including convertible debts -$2,956,687 (2018-$2,701,581)
Royalty Payable-$720,837 (2018-$Nil)
Due to Affiliated companies -$8,029 (2018 -$14,754)

QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected quarterly information. It has been derived from the audited financial statements and the unaudited interim financial statements of Cielo. This summary should be read in conjunction with audited financial statements and unaudited interim financial statements of Cielo as contained in the public record for the relevant periods.

Quarterly Financial Information	**31-Jan 2019**	**31-Oct 2018**	**31-Jul 2018**	**30-Apr 2018**	**31-Jan 2018**	**31-Oct 2017**	**31-Jul 2017**	**30-Apr 2017**	**31-Jan 2017**
Operating data:	$	$	$	$	$	$	$	$	$
Total revenue	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Operating Expenses	1,235,965	823,110	641,407	338,248	5,026,990	670,147	226,281	224,235	62,137
Net Earnings (loss)	(890,077)	(823,664)	(719,838)	(338,462)	(5,015,078)	(812,249)	(259,900)	(535,087)	(62,137)
Balance sheet data:									
Total assets	10,224,292	9,917,865	7,356,269	5,472,723	4,449,278	3,940,494	3,174,832	3,192,667	1,079,725
Total current liabilities	3,680,158	4,214,243	1,956,282	1,734,108	1,137,352	1,579,072	1,568,829	2,029,928	2,396,706

Explanation of Quarterly Variances.

Expenses for the three-month period ended January 31, 2019, which were $1,235,965, consisted of $462,649 of management fees (2018-$76,400), $123,369 of salaries and benefits (2018-$100,286), $156,984 of interest and accretion expenses (2018-$93,287), $38,025 of office and administrative expenses (2018-$53,396), $42,321 of amortization of property plant and equipment expenses (2018-$43,017), $51,207 of professional fees (2018-$134,426), $25,555 of consulting expenses($251,417), $nil of finance expense(2018$-3,300,206), $583,049 development expenses(2018-$nil), $nil of share based compensation (2018-$948,447) and $74,282 of other expenses (2018-$37,735), including advertising, amortization on deferred finance charges, bad debts, bank charges, agent fees and travel. The decrease from the same three-month period ended January 31, 2018 was a result of lower construction costs, however there has been a steady increase over the four quarters since the three-month period ended April 30, 2018 as a result of continuing increased activity during the commissioning process, including revisions to the design of the technology.

Revenue for the nine months ended January 31, 2019 was $NIL, compared to $NIL for the 3 months ended January 31, 2018.

The decrease in the loss for the three-month period ended January 31, 2019 ($5,015,078) (2018 – ($62,137)) can be attributed to two main factors. First, in 2019 the Company did not incur charges for a finance fee (2018-$3,300,206) for warrants (the "Warrants") issued in connection with a loan agreement with BJK Holdings Ltd. The fair value of the Warrants, which was calculated using the valuation technique, the Black Scholes Option Pricing Model, was $3,300,206. Assumptions used in the option pricing model were as follows: average risk-free interest rate – 1.64%; expected life – 5 year; expected volatility – 248.35%; and expected dividends – nil. The fair value of $3,300,206 for the Warrants was charged to finance expense. Second, the Company did not incur a charge for share-based compensation (2018-$948,447) for stock options granted to employees, consultants, directors, and officers under its Stock Option Plan. Otherwise, the loss has remained consistent over the nine-month period ended January 31, 2019.

The variance in the above items was offset in new charges as the Company did incur $583,049(2018-$nil) in development expense to record cost of operating the refinery. These costs are for commissioning phase 1 of the plant as the construction continues on the increasing of heat, desulfurization, feedstock front-end (to accept multiple feedstocks) and AEP requirements for ground water collection.

The increase in current liabilities for the nine months ended January 31, 2019, being$3,680,158 (2018-$1,137,352) can be attributed two main factors: a) first, the increase in trade payables, being $2,234,788 (2018-$538,676), which is due to increased activity in construction; and b) second, the increase of the current portion of long term debt, being $1.013,760 in 2019 (2018-$504,295).

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2019, the Company had $26,495 cash, and working capital deficit of $(3,412,167). The Company is not subject to external working capital requirements.

During the nine months ended January 31, 2019, the Company received $5,177,775 in financing operating activities mainly by reducing accounts payable used for construction expenses and preparing for production. The Company received $5,177,775 inflow from its financing activities mainly through the proceeds the early warrant exercise program("Program"), exercise of other warrants, share issuances to settle debt, and share issuance for cash from private placements units including warrants (see "Financial Transactions" for more detail).

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

The following financial transactions occurred in the nine-month period ending January 31, 2019:

A. On June 6, 2018, the Company announced the implementation of an early warrant exercise incentive program (the "Program") designed to encourage the early exercise of up to 16,366,180 unlisted warrants. On July 4, 2018, the Company announced that it had closed the Program. Cielo received gross proceeds pf $2,032,500 as a result of the exercise of 10,162,500 warrants. Each participant is entitled to receive $.0875 per warrant exercised as a fixed rate royalty which will be paid out prorate over an estimated period of two years or less, at the discretion of management. Once production begins, the company will allocate 10% of gross sales to the payment of the royalties.

B. On July 4, 2018, the Company announced that certain trade creditors elected to convert their trade debt in an aggregate amount of $313,725 into 1,960,871 common shares at a price of $0.16 per share.

C. On July 17, 2018, 600,000 unexercised warrants issued on July 17, 2017 pursuant to a private placement offering of units, each unit consisting of one common shares and one half of one share purchase warrant, expired.

D. On August 3, 2018, the Company issued 24,000 shares through the exercise of 24,000 finders warrants at the price of $0.10 per share. The shares were issued for the warrants and cash of $2,400.

E. On August 3, 2018, the Company issued 1,437,500 shares through the exercise of 1,437,500 warrants at the price of $0.20 per share. The shares were issued for the warrants and cash of $287,500.

F. On August 16, 2018, the Company issued 50,000 shares through the exercise of 50,000 warrants at the price of $0.20 per share. The shares were issued for the warrants and cash of $10,000.

G. On August 31, 2018, the Company issued 408,000 shares through the exercise of 408,000 finders warrants at the price of $0.10 per share. The shares were issued for the warrants and cash of $40,800.

H. On August 16, 2018, the Company issued 200,000 shares through the exercise of 200,000 warrants at the price of $0.20 per share. The shares were issued for the warrants and cash of $40,000.

I. On September 13, 2018, the Company issued 900,000 shares through the exercise of 900,000 warrants at the price of $0.20 per share. The shares were issued for the warrants and debt conversion of $180,000.

J. On September 21, 2018, the Company issued 941,180 shares through the exercise of 941,180 warrants at the price of $0.20 per share. The shares were issued for the warrants and cash of $188,236.

K. On November 30, 2018 the Company issued 2,2826,025 common shares at a fair value of $367,383 using the closing trade price on the same date, to settle debt of $508,684 which resulted in a gain of $141,301.

L. On November 30, 2018 the Company issued 3,029,167 common shares at a fair value of $393,792 using the closing trade price on the same date, to settle debt of $605,833 which resulted in a gain of $212,041.

M. On December 17, 2018, the Company issued 6,726,200 common shares through a non-brokered private placement offering of units, each unit consisting of one common share and one share purchase warrant, at a subscription price of $0.13 per unit. 6,400,000 shares were issued for cash of $832,000 and 326,200 common shares were issued to settle debt of $42,406 resulting in no gain or loss. Warrants were assigned a value of $134,524 based on the residual value method. The Company paid a 7% cash and warrant commission ($30,300 cash and 231,000 finders' warrants).

N. On December 20, 2018, the Company issued 2,076,923 common shares through a non-brokered private placement offering of units, each consisting of one common share and one share purchase warrant, at a subscription price of $0.13 per unit. All shares were issued for cash of $270,000. Warrants were assigned a value of $41,538 based on the residual value method..

The net proceeds of all of the financial transactions above were used as intended and disclosed, without variance. All net funds were used to pay fees such as legal, accounting, engineering, research and administration.

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.

Management compensation for the executive management/officers and directors during the nine month periods in the year ended April 30, 2018 and 2019 are disclosed as below:

9 months ended January 31, 2019

		Consulting fees Paid	Gross Salaries Paid	Stock Options Shares Based Compensation	RSU Shares Based Compensation	Total
Don Allan	**CEO & Director**	$ -	$ 249,231	$ -	$ 252,354	$ 501,585
Shannon Wyzykoski	**CFO**	$ 117,980	$ -	$ -	$ -	$ 117,980
Chris Dovbniak	**Director**	$ 5,787	$ -	$ -	$ -	$ 5,787
Robin Ray	**Director**	$ 2,500	$ -	$ -	$ -	$ 2,500
Michael Yeung	**Officer- VP-Business Development and Capital Markets**	$ -	$ 92,308	$ -	$ 189,266	$ 281,574
		$ 126,267	$ 341,539	$ -	$ 441,620	$ 909,426

9 months ended January 31, 2018

		Consulting fees Paid	Gross Salaries Paid	Stock Options Shares Based Compensation	RSU Shares Based Compensation	Total
Don Allan	**CEO & Director**	**$ -**	**$ 80,000**	**$ -**	**$ -**	**$ 80,000**
Shannon Wyzykoski	**CFO**	**$ 61,909**	**$ -**	**$ -**	**$ -**	**$ 61,909**
		$ 61,909	**$ 80,000**	**$ -**	**$ -**	**$ 141,909**

Office expense of $2,964, (2018 - $6,889), salaries and benefits of $38,447 (2018 - $22,588), rent expense of $8,420 (2018-$16,351) and telephone expense of $632 (2018-$1,897) were charged back to 1888711 Alberta Inc., a company related by officers and directors. A balance of $6,748 (2018 $19,333) is owed by 1888711 Alberta Ltd and is included in Other receivables.

Transactions with related parties have been recorded at their exchange amounts, being the amounts agreed to and by the related parties.

Accounts payable and accrued liabilities balances at January 31, 2019 outstanding to officers and directors of the Company in the amount of $32,143 (2018 - $nil).

Accounts payable and accrued liabilities balances at January 31, 2019 outstanding to a company owned by the CFO in the amount of $33,814 (2018 - $6,221). The Company issued 150,000 shares in exchange for 150,000 warrants and $30,000 of accounts payable owed to this company.

Further details are available in the Note 8, Note 11, Note 12 and Note 13 to the January 31, 2019 Interim Financial Statements.

OUSTANDING SHARE DATA

As at January 31, 2019, the Company had 171,640,840 common shares, 34,721,438 warrants ("Warrants"), 455,000 finder/broker warrants ("Finder/Broker Warrants"), 10,240,000 stock options ("Options") and 4,750,000 Restricted Share Units ("RSUs") issued and outstanding.

As of the date of this MD&A, the Company has 175,533,013 common shares, 35,786,936 share purchase warrants (including 55,000 finder's warrants), 10,240,000 stock options and 4,750,000 RSUs issued and outstanding.

26,105,313 share purchase warrants, held by BJK Holdings Ltd., are exercisable at $0.1915 per share subject to further decrease in the case of further dilutive events and expire on November 2, 2022 or within earlier in the event that the indebtedness owing to BJK Holdings Ltd. is prepaid.

9,226,623 share purchase warrants are exercisable at $0.20 and expire between December 17, 2020 and February 11, 2021, subject to acceleration provisions.

224,000 of the finder warrants are exercisable at $0.10 per share and expire on March 31, 2019. The remaining 231,000 finder warrants are exercisable at $0.20 and expire on December 17, 2020.

The options are exercisable for a period of three years from the date of grant and vested immediately upon grant. 5,500,000 of the options are exercisable at $0.10 per share and 4,740,000 of the options are exercisable at $0.25 per share.

The RSUs were originally scheduled to vest at various times over a period of three years or less from the date of grant up to January 12, 2021, however the terms of the vesting periods were amended such that the RSUs will vest 50% on January.

January 12, 2020 and 50% on January 12, 2021.

CRITICAL ACCOUNTING ESTIMATES

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

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Details are available in the April 30, 2018 notice to reader financial statements, which are available at www.sedar.com.

FINANCIAL INSTRUMENTS

Refer to Note 15 to the Company's financial statements for the year ended April 30, 2018.

DIRECTORS AND OFFICERS

Don Allan	Director, CEO, President
Robin Ray	Director
Doug MacKenzie	Director
Chris Dovbniak	Director
Mel Angeltvedt	Director
Shannon Wyzykoski	CFO
Stuart McCormick	Vice President, Compliance and Regulatory Affairs
Michael Yeung	Vice President, Business Development and Capital Markets

SUBSEQUENT EVENTS

1. On February 1, 2019, the Company announced an extension to the anticipated completion date of its joint venture with Renewable U Energy Inc. pursuant to a Memorandum of Understanding announced on November 1, 2018.

2. On February 11, 2019 the Company closed $499,965 in gross proceeds in the third tranche of a previously announced non-brokered private placement by issuing 3,845,884 units (the "Units") at a subscription price of $0.13 per unit Each Unit is comprised of one Common Share and one warrant , with each Warrant having an exercise price of $0.20 and an expiration date of the earlier of 36 months from the date of issuance of the Units and the date that is 30 days from the date that Cielo provides notice to the warrant holder that the expiration date of the Warrants has been accelerated. The Notice may only be delivered to the Warrant Holders after Cielo's listed common shares trade at $0.40, or higher, for 20 consecutive days, any time after four months and a day from the date of issuance of the Units. Any Warrants that have not been exercised on or before the expiry of the 30-day period will automatically expire.

3. On February 11, 2019, the Company announced that one contractor had agreed to convert $8,332 of debt into 46,289 shares at a deemed price of $0.18 per share.

4. On February 26, 2019, Renewable U Energy Inc. exercised its option to build a renewable diesel refinery in the City of Medicine Hat, Alberta and, to that end, incorporated and funded a new company, Renewable U Medicine Hat Inc., which has entered into a binding Memorandum of Understanding with Cielo , pursuant to which the parties are working towards entering into a joint venture agreement that will provide the framework to build and operate Cielo's third joint venture refinery that converts garbage to high grade renewable fuels. In consideration for the opportunity to enter into the JV Agreement with Cielo R.U. Medicine Hat paid to Cielo a $250,000.00 fee to secure the territory of Medicine Hat, AB and the surrounding area encompassing a 50 km radius.

5. On February 26, 2019, the Company also entered into an Option Agreement with Renewable U, pursuant to which Cielo granted to Renewable U an option to enter into another Memorandum of Understanding with Cielo to build a follow-on joint venture renewable diesel refinery in the City of Brooks AB, on substantially the same or similar terms to the contemplated joint venture refineries in Grande Prairie, Calgary and Medicine Hat. Pursuant to the terms of the Brooks Option Agreement, Renewable U has also advanced to Cielo a refundable deposit of $50,000. Renewable U agreed to complete its due diligence prior to the close of business March 29, 2019. In the event that Renewable U elects to exercise its option and proceed with the Brooks MOU, it will pay Cielo the balance of the contemplated $250,000 joint venture fee anticipated to be required pursuant to the terms of the Brooks MOU for Brooks, AB.

ADDITIONAL INFORMATION

Additional information regarding the Company may be found on SEDAR, www.sedar.com.