



CIELO

Window to a Cleaner World™

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED JULY 31, 2019

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 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 three months ended July 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, 2019, together with the notes thereto, and the accompanying unaudited interim condensed financial statements and related notes for the three months ended July 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 September 30, 2019.

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 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. 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 Securities Exchange (“CSE”) under the Symbol CMC.

On August 23, 2013 Cielo Gold Corp. changed its name to Cielo Waste Solutions Corp. This was due to a pending 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 CSE of its fundamental change of business, which had also been approved by a majority of the shareholders of the Company.

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 of 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

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

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 naphtha, 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.

During the year ended April 30, 2019, Cielo made notable strides in furthering the commercialization of its technology. Cielo announced the beginning of its commissioning process (June/July 2018), the first production of raw distillate made from wood waste feedstock (August 2018), the first conversion of raw distillate into renewable fuels, including naphtha, kerosene and diesel (November 2018) and its first sale of diesel (April 2019), selling 3,000 liters of diesel (the purchaser had committed to the purchase of 5,000 liters but acquired 3,000 liters prior to the year ended April 30, 2019, returning for an additional 3,000 liters for an aggregate 6,000 litres on or about May 2nd, 2019).

In the three months ended July 31, 2019, on July 11, 2019, Cielo held its Grand Opening, with close to 400 people attending. Dozens of tours were conducted showcasing its first refinery running on a continuous-flow basis, producing renewable diesel and naphtha. 100% of the garbage left at the site was collected, including plastic utensils, paper plates, plastic beer cups and food waste, all of which will be used as part of the supply of feedstock to produce more renewable diesel. During the Grand Opening, Cielo was able to demonstrate the ability of the Company's initial refinery to process waste on a continuous flow basis following the successful modification to an electric heat system and waste process. Since the Grand Opening, Cielo has added equipment to grind multiple feedstocks, which include plastics, and has also been commissioning the new equipment. Following these implementations, Cielo is expecting to be in continuous flow production early October. Cielo intends to start production at approximately 350lph and slowly ramp it up to 1,000lph. During the fall months, Cielo plans to complete the final step of Phase I, which is the addition of desulfurization equipment. Once 1000lph has been reached, Cielo will begin Phase II, which is the addition of extra equipment to increase the productivity to 2,000 lph.

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

In the three months ended July 31, 2019 The Company continues the effort for commercialization of its technology of Phase I of its first commercial refinery. The Company continues to progress through this process while at the same time making design changes it believes to be beneficial. The Company successfully completed the issuance of convertible debt units for the purpose reducing accounts payable used for construction expenses and preparing for production. The Company has also entered into a fifth memorandum of understanding for a 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 for the three-month period ended July 31, 2019 include:

1. On May 7, the Company announced a private placement offering of a targeted minimum of CAD \$1,000,000 in convertible debentures units (the "Unit(s)"). Each Unit consists of one (1) \$1,000 unsecured convertible debenture (the "Debenture(s)") and 500 share purchase warrants (the "Warrant(s)"). The Debentures bear interest at a simple rate of 15% per annum, the initial two (2) years of interest prepaid (the "Prepaid Interest") on the date of issuance of the Debentures (the "Issue Date") by the issuance of common shares (the "Prepaid Interest Shares") at a price of \$0.10 per Prepaid Interest Share. The principal of the Debentures (the "Principal") together with all accrued interest exceeding the Prepaid Interest (the "Interest Balance") will be repaid 48 months from the Issue Date unless repaid earlier by Cielo without penalty or converted by the holder(s) thereof any time after four months and a day following the Issue Date at a price of \$0.06 for the Principal and \$0.10 for the Interest Balance. Each Warrant will be exercisable for a term of 48 months from the Issue Date (the "Warrant Term") at an exercise price of \$0.25 per share, subject to acceleration in the event that the common shares of Cielo listed on a recognized stock exchange trade at \$0.50 or higher for at least five (5) consecutive trading days, in which event Cielo may provide a notice to holders that the Warrant Term will terminate 30 days from the date of notice.

Throughout the Offering, Cielo issued 512.175 Units, consisting of \$5,121,750 in Convertible Debentures, 2,560,625 Warrants, and 15,363,750 Prepaid Interest Shares, for aggregate gross proceeds of \$5,121,750. Net proceeds of the Offering have been and will be used to complete the commissioning of the Company's refinery in Aldersyde, Alberta, as well as for general working capital and marketing expenses.

2. July 30, 2019, the Company announced that it had entered into a binding Memorandum of Understanding with Renewable U Lethbridge Inc. ("Renewable U LA") for the territory of Lethbridge, Alberta. The terms are substantially the same as those set out in the four (4) previously announced joint venture memorandums of understanding.

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

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

RESULTS OF OPERATIONS

Three Months Ended July 31, 2019 (“July 31, 2019 Interim Financial Statements”)

The loss for the three months ended July 31, 2019 (\$1,146,414), compared to the same period in 2018 (\$719,846), was mainly a result of the increased activity related to the Phase I restart 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: \$128,451 for consulting fees (2018 - \$34,931), \$111,426 in development expense (2018-Nil), \$95,437 for office administration expenses (2018 - \$35,865), \$228,390 for interest and accretion expense (2018-\$134,112), \$38,424 for professional fees (2018 - \$73,150), \$102,229 in management fees (2018-\$160,738), \$6,561 for trust and filing fees (2018 - \$4,341), \$37,412 of amortization on property, plant and equipment (2018-\$42,320), loss on settlement of debt of \$68,896 (2018-\$78,431), and salaries and benefits of \$121,947 (2018-\$112,694).

Revenue for the three months ended July 31, 2019 was \$3,000, compared to \$NIL for the three months ended July 31, 2019, as the Company has not yet begun earning revenues on a regular basis from ongoing production.

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

Cash - \$606,034 (2018 - \$114,946);
Prepaid expenses - \$2,078,202 (2018 - \$127,459);
Due From Affiliated companies \$42,519(2018-\$Nil)
Inventory-\$208,346 (2018-\$7,813)
Property plant and equipment -\$12,748,578 (2018-6,986,262)

Accounts payable and accrued liabilities - \$2,486,834 (2018 - \$694,857);
Due to Shareholder - \$1,089 (2018 \$484,790)
Short-term loans payable -\$23,906 (2018 - \$20,902)
Long-term loans payable, including convertible debts -\$6,734,025 (2018-\$3,191,585)
Royalty Payable-\$775,759 (2018-\$669,537)
Due to Affiliated companies -\$Nil (2018 -\$32,075)

CIELO WASTE SOLUTIONS CORP.**Management's Discussion and Analysis – Quarterly Highlights****Three Months Ended July 31, 2019****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-Jul	30-Apr	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct
	2019	2019	2019	2018	2018	2018	2018	2017
Operating data:	\$	\$	\$	\$	\$	\$	\$	\$
Total revenue	3,000	3,000	NIL	NIL	NIL	NIL	NIL	NIL
Operating Expenses	1,077,518	336,065	1,235,965	823,102	641,415	338,248	5,026,990	670,147
Net Earnings (loss)	(1,146,414)	(332,593)	(890,077)	(823,656)	(719,846)	(338,462)	(5,015,078)	(812,249)
Balance sheet data:								
Total assets	15,985,207	11,926,972	10,224,292	9,917,865	7,356,269	5,472,723	4,449,278	3,940,494
Total current liabilities	4,146,503	5,825,468	3,680,158	4,214,243	1,956,282	1,734,108	1,137,352	1,579,072

Explanation of Quarterly Variances.

The loss for the three-month period ended July 31, 2019, which was \$1,149,414, consisted of \$102,229 of management fees (2018-\$160,738), \$121,947 of salaries and benefits (2018-\$112,947), \$228,390 of interest and accretion expenses (2018-\$134,112), \$95,437 of office and administrative expenses (2018-\$35,865), \$37,412 of amortization of property plant and equipment expenses (2018-\$42,320), \$38,424 of professional fees (2018-\$73,150), \$128,451 of consulting expenses (\$34,931), \$111,426 development expenses (2018-\$nil), 158,898 of advertising and promotion (2018-\$11,432) and \$54,904 of other expenses (2018-\$36,173), including, amortization on deferred finance charges, bank charges, bad debts agent fees and travel.

Revenue for the three months ended July 31, 2019 was \$3,000, compared to \$NIL for the 3 months ended July 31, 2018.

The increase in the loss for the three-month period ended July 31, 2019 (\$1,149,414) (2018 – (\$719,846)) can be attributed to three main factors: 1) in 2019 the Company incurred \$111,426 (2018 - \$Nil) in development expense as it begins to commission the plant in Aldersyde for production 2) the Company incurred increased interest and accretion expenses of \$228,390 (2018-\$134,112) attributed to interest charged on the convertible debentures issued in the same quarter; and 3), the Company had increased

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

advertising and promotion expense (\$158,898) compared to \$11,432 in the same quarter in 2018 due to the Company hiring a firm to rebrand, as well as one-time expenses incurred during the grand opening event held in this quarter.

The increase in current assets for the three months ended July 31, 2019, being \$4,058,235 (2018-\$1,883,546) can be attributed to two main factors: 1) the increase in Property, Plant, Equipment of \$1,880,010 (2018-\$87,262) due to higher levels of construction activity at the Aldersyde plant; and 2) the increase in Prepaid expenses of \$1,749,111 due mainly to the issuance of shares as prepaid interest for the convertible debt issued in the quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2019, the Company had \$606,034 cash, and working capital deficit of \$(909,875). The Company is not subject to external working capital requirements.

During the three months ended July 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 \$4,450,425 inflow from its financing activities mainly through the proceeds of a convertible debenture unit offering (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

During the three months ended July 31, 2019, the Company issued a total of 5,121.75 convertible debentures units (the "2019 Convertible Debenture Units") for a total of \$5,121,750. The 2019 Convertible Debentures Units each consist of one (1) \$1,000 unsecured convertible debenture and 500 share purchase warrants. The Debentures bear interest at a simple rate of 15% per annum, the initial two (2) years of interest prepaid (the "Prepaid Interest") on the date of issuance of the Debentures (the "Issue Date") by the issuance of common shares (the "Prepaid Interest Shares") at a price of \$0.10 per Prepaid Interest Share. The principal of the Debentures (the "Principal") together with all accrued interest exceeding the Prepaid Interest (the "Interest Balance") will be repaid 48 months from the Issue Date unless repaid earlier by the Company without penalty or converted by the holder(s) thereof any time after four months and a day following the Issue Date at a price of \$0.06 for the Principal and \$0.10 for the Interest Balance.

In addition or related to the foregoing, following specific financial transactions occurred in the three-month period ending July 31, 2019:

- A. On May 6, 2019, the company issued 3,024,000 common shares at a fair value of 241,920 using the closing trade price on the same date, to settle the prepaid interest portion associated with the 2019 Convertible Debenture Units.

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

- B. On May 31, 2019, the company issued 2,361,000 common shares at a fair value of 177,075 using the closing trade price on the same date, to settle the prepaid interest portion associated with the 2019 Convertible Debenture Units.
- C. On June 20, 2019, the Company issued 133,300 common shares as the result of the conversion of convertible debentures of \$10,000 and accrued interest of \$1,330.
- D. On June 26, 2019, the company issued 3,060,750 common shares at a fair value of 260,164 using the closing trade price on the same date, to settle the prepaid interest portion associated with the 2019 Convertible Debenture Units.
- E. On June 26, 2019, the Company issued 400,710 common shares as the result of the conversion of convertible debentures of \$40,000 and accrued interest of \$10,071.
- F. On July 9, 2019, the company issued 2,329,500 common shares at a fair value of 232,950 using the closing trade price on the same date, to settle the prepaid interest portion associated with the 2019 Convertible Debenture Units.
- G. On July 16, 2019, the company issued 4,590,000 common shares at a fair value of 596,700 using the closing trade price on the same date, to settle the prepaid interest portion associated with the 2019 Convertible Debenture Units.
- H. On July 30, 2019, the Company issued 510,710 common shares at a fair value of \$51,071 using the closing trade price on the same date, to settle debt of \$166,060 which resulted in a no gain or loss.

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, marketing, 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 three month periods in the year ended April 30, 2018 and 2019 are disclosed as below:

3 months ended July 31, 2018

		Consulting fees	Gross Salaries	Stock Options	RSU	
		Paid	Paid	Shares Based	Shares Based	Total
				Compensation	Compensation	
Don Allan	CEO & Director	\$ -	\$ 87,231	\$ -	\$ 64,566	\$ 151,797
Shannon Wyzkoski	CFO	\$ 27,240	\$ -	\$ -	\$ -	\$ 27,240
Chris Dovbniak	Director	\$ -	\$ -	\$ -	\$ -	\$ -
Doug Mackenzie	Director	\$ -	\$ -	\$ -	\$ -	\$ -
Mel Angeltvedt	Director	\$ -	\$ -	\$ -	\$ -	\$ -

CIELO WASTE SOLUTIONS CORP.
Management's Discussion and Analysis – Quarterly Highlights
Three Months Ended July 31, 2019

Robin Ray	Director	\$	-	\$	-	\$	-	\$	-	\$	-
Michael Yeung	Officer- VP-Business Development and Capital Markets	\$	-	\$	32,308	\$	-	\$	32,283	\$	64,591
		\$	27,240	\$	119,539	\$	-	\$	96,849	\$	243,628

3 months ended July 31, 2018

		Consulting fees		Gross Salaries		Stock Options		RSU		Total	
		Paid		Paid		Shares Based		Shares Based			
		Paid		Paid		Compensation		Compensation			
Don Allan	CEO & Director	\$	-	\$	87,231	\$	-	\$	87,675	\$	174,906
Shannon Wyzykoski	CFO	\$	51,782	\$	-	\$	-	\$	-	\$	51,782
Chris Dovbniak	Director	\$	2,725 ¹	\$	-	\$	-	\$	-	\$	-
Doug Mackenzie	Director	\$	-	\$	-	\$	-	\$	-	\$	-
Mel Angeltvedt	Director	\$	-	\$	-	\$	-	\$	-	\$	-
Robin Ray	Director	\$	-	\$	-	\$	-	\$	-	\$	-
Michael Yeung	Officer- VP-Business Development and Capital Markets	\$	-	\$	32,308	\$	-	\$	65,756	\$	98,064
		\$	51,782	\$	119,539	\$	-	\$	153,431	\$	324,752

Office expense of \$951 (2018 - \$1,168), salaries and benefits of \$15,067 (2018 - \$9,451), rent expense of \$2,771 (2018 - \$2,730) and telephone expense of \$195 (2018 - \$187) were charged back to 1888711 Alberta Inc., ("1888711") a company related by officers and directors. A balance of \$42,519 (2018 \$32,075-owed by) is owed to 1888711 and is included in GST and other receivable.

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 July 31, 2019 outstanding to the CEO of the Company in the amount of \$30,908 (2018 - \$nil).

Accounts payable and accrued liabilities balances at July 31, 2019 outstanding to a company owned by the CFO in the amount of \$2,104 (2018 - \$17,469). The Company issued 30 2019 Convertible Debenture Units in exchange for \$30,000 of accounts payable owed to this company.

Accounts payable and accrued liabilities balances at July 31, 2019 outstanding to Michael Yeung, officer as of July 31, 2019, in the amount of \$669 (2018 - \$nil).

A director of the Company received \$Nil in fees (2018 - \$2,725) as payment for services provided with construction of the Company's refinery in Aldersyde, Alberta.

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

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

OUTSTANDING SHARE DATA

As at July 31, 2019, the Company had 193,757,381 common shares, 42,616,225 warrants (“Warrants”), 3,170,000 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 193,757,381 common shares, 42,616,225 share purchase warrants (including 3,170,000 finder’s warrants), 10,240,000 stock options and 4,750,000 RSUs issued and outstanding.

27,292,346 share purchase warrants, held by BJK Holdings Ltd., are exercisable at \$0.1832 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.

12,763,005 share purchase warrants are exercisable at \$0.20 and expire between December 17, 2020 and April 18, 2022, subject to acceleration provisions.

2,560,625 share purchase warrants are exercisable at \$0.25 and expire between May 6, 2023 and July 16, 2023, subject to acceleration provisions.

231,000 of the finder warrants are exercisable at \$0.20 per share and expire on December 17, 2020. The remaining 2,939,000 finder warrants are exercisable at \$0.10 and expire between May 6, 2023 and July 16, 2023.

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 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 July 31, 2019 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 three months ended July 31, 2019.

CIELO WASTE SOLUTIONS CORP.

Management's Discussion and Analysis – Quarterly Highlights

Three Months Ended July 31, 2019

DIRECTORS AND OFFICERS

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

SUBSEQUENT EVENTS

On August 30, 2019 the Company announced that it had received the balance of the \$250,000 joint venture fee from Renewable U Lethbridge Inc pursuant to a Memorandum of Understanding dated July 30, 2019.

On August 30, 2019, the Company announced that Michael Yeung, VP of Capital Markets and Business Development has left his position.

ADDITIONAL INFORMATION

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