



*ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
TO BE HELD  
OCTOBER 27, 2016*

*NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR*

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*September 14, 2016*

**CIELO WASTE SOLUTIONS CORP.**

JAMESON HOUSE, #700  
838 WEST HASTINGS STREET  
VANCOUVER BC V6C 0A6

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, OCTOBER 27, 2016**

NOTICE IS HEREBY GIVEN that the annual and special general meeting (the "Meeting") of the shareholders of CIELO WASTE SOLUTIONS CORP ("Cielo" or the "Company") will be held at # 102, 4016 Charles Street, Red Deer County, Alberta, T4S 2A8, on Thursday, October 27, 2016 at 1:00 p.m. (Mountain Standard Time)/12:00 p.m. (Pacific Standard Time) for the following purposes:

1. To receive the audited financial statements of the Company for the years ended April 30, 2015 and April 30, 2016 and the report of the auditor on those statements;
2. To fix the number of directors for the ensuing year at five;
3. To elect directors for the ensuing year;
4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution to amend, ratify and approve the Company's stock option plan, as more particularly described in the accompanying Information Circular; and
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The matters set out above can be located in Part 3 (Business of the Meeting – Annual Matters to be Voted On) of the Information Circular.

You are receiving this notice to advise that the proxy materials for the above noted securityholders' meeting are available on the Internet. This Notice presents only an overview of the more complete proxy materials that are available to you on the Internet. We remind you to access and review all of the important information contained in the information circular and other proxy materials before voting. The information circular and other relevant materials are available at:

[www.cielows.com](http://www.cielows.com)

OR

[www.sedar.com](http://www.sedar.com)

**Obtaining a Copy of the Proxy Materials**

Only those shareholders who have already indicated that they wish to receive paper copies of the Information Circular will do so without requesting it. If you would like to receive a paper copy of the current meeting materials by mail and you haven't yet so requested, you must submit a request by calling 1 (403) 348-2972 (collect calls accepted). There is no charge to you for requesting a copy.

To ensure you receive the material in advance of the voting deadline and meeting date, all requests must be received by us no later than 5 business days before the meeting to ensure timely receipt. If you do request the current materials, please note that another Voting Instruction Form/Proxy will not be sent; please retain your current one for voting purposes.

To obtain paper copies of the materials after the meeting date, please contact Don Allan at the telephone number indicated above (collect calls accepted).

No Annual Financial Information is included in this mailing.

**A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in the shareholder's stead. If you are unable to attend the Meeting in person, please read the Information Circular and enclosed proxy (the "Proxy") and then complete, sign, date and return the Proxy, together with the power of attorney or other authority, if any, under which it was signed, or a notarially certified copy, to the Company's registrar and transfer agent, Computershare Investor Services Inc., at 100 University, Ave, 8<sup>th</sup> Floor, North Tower, Toronto, ON M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment.**

**PLEASE NOTE – YOU CANNOT VOTE BY RETURNING THIS NOTICE.** To vote your securities you must vote online, by telephone or by mailing the enclosed Voting Instruction form/Proxy for receipt before October 25<sup>th</sup>, 2016 at 1pm MST using the enclosed Business Reply Envelope.

As set out in the notes to the Proxy, the Proxy is solicited by management, but you may amend it, if you so desire, by striking out the names listed on it and inserting in the space provided the name of the person you wish to represent you at the Meeting.

Unregistered shareholders who received the Proxy through an intermediary must deliver the proxy in accordance with the instructions given by the intermediary.

**DATED** at Red Deer County, Alberta, this 14<sup>th</sup> day of September, 2016

**CIELO WASTE SOLUTIONS CORP.**

(signed) *"Don Allan"*

By: Don Allan

President

## **CIELO WASTE SOLUTIONS CORP.**

### **INFORMATION CIRCULAR**

The information contained in this Information Circular, unless otherwise indicated, is as at September 15, 2016.

This Information Circular is being made available by the management of the Company to everyone who was a shareholder of record of the Company on September 16, 2016, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the annual general and special meeting of the shareholders of the Company that is to be held on Thursday, October 27, 2016 at 1:00 p.m. Mountain Standard Time/12:00 p.m. Pacific Standard Time, at # 102, 4016 Charles Street Red Deer County, Alberta, T4S 2A8.

The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is two or more shareholders who are present in person, or who are represented by proxy, who, in the aggregate, hold at least one-twentieth of the issued shares entitled to be voted at the meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

#### ***PART 1 – VOTING***

##### ***HOW A VOTE IS PASSED***

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There are two methods by which Registered Shareholders, whose names are shown on the books or records of the Corporation as owning common shares ("Common Shares"), can vote their Common Shares at the Meeting: in person at the Meeting, or by proxy. Voting at the Meeting will be by a show of hands, or by voice if on the phone, each shareholder in attendance having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held. All matters that will come to a vote at the Meeting, as described in the attached Notice of Meeting, are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, then the resolution is approved (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "special resolution").

##### ***WHO CAN VOTE?***

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If you are a registered shareholder of Cielo as at September 16, 2016, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating the officer's authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see "VOTING BY PROXY" below). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "NON-REGISTERED SHAREHOLDERS", below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, the Company invites you to complete, date, sign, and return your form of proxy as soon as possible so that your shares will be represented.

##### ***VOTING BY PROXY***

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If you do not come to the Meeting, you can still make your votes count by voting over the internet or via telephone (*see proxy for instructions*) or by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

## WHAT IS A PROXY?

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A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. A form of proxy is enclosed with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

**In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Computershare Investor Services Inc., 100 University, Ave, 8<sup>th</sup> Floor, North Tower, Toronto, ON M5J 2Y1 (Facsimile: 1-866-249-7775) not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment thereof.**

## APPOINTING A PROXYHOLDER

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**You can choose any individual to be your proxyholder.** It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy will be deemed to be appointed to act as your proxyholder. These persons are directors and/or officers of the Company (the "Management Proxyholders").

## INSTRUCTING YOUR PROXY

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You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares according to your instructions.

**If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit.**

At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

**If you have appointed the Management Proxyholders as your proxyholder, they will, unless you give contrary instructions, vote your shares at the Meeting as follows:**

- ✓ **FOR the resolution setting the number of directors at four;**
- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of A. Chan & Company, LLC, Chartered Accountants, which is a division of ACAL Group, Chartered Accountants, as the auditor of Cielo;**
- ✓ **FOR the amendment, approval and ratification of the Company's Stock Option Plan.**

## REVOKING YOUR PROXY IF YOU CHANGE YOUR MIND

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If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by

- (a) attending the Meeting and voting in person;
- (b) signing a proxy bearing a later date;
- (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at #102, 4016 Charles Street Red Deer County, Alberta, T4S 2A8;
- (d) any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 p.m. (Mountain Standard Time)/4:00 p.m. (Pacific Standard Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting

before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must, at least 7 days before the Meeting, arrange for your nominee to revoke your proxy on your behalf (see below under “Non-Registered Shareholders”).**

#### *REGISTERED SHAREHOLDERS*

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Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. **Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax at 1-866-249-7775 or by mail to Proxy Department, 100 University, Ave, 8<sup>th</sup> Floor, North Tower, Toronto, ON M5J 2Y1 not less than 48 hours** (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) of the Meeting.

#### *NON-REGISTERED SHAREHOLDERS*

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**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some shareholders of the Company are “non-registered shareholders” because the shares they own are not registered in their names but are instead registered in the name of a “nominee”, usually a brokerage firm, bank, or trust company through which they purchased the shares.** Sometimes the shares are held in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the nominee is a participant or in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company which acts as depositary for many U.S. brokerage firms and custodian banks.

If your shares are not registered in your own name, we will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the Meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. It is not necessary to complete the form in any other respect, since you will be voting at the Meeting in person.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of these meeting materials including the Notice of Meeting, the Proxy, the Financial Request Card, and where requested, this Information Circular, to the clearing agencies and nominees for onward distribution to Non-Registered Holders (collectively, the “Meeting Materials”).

Nominees are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Nominees will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy **which has already been signed by the Nominee** (typically by a facsimile, stamped signature), that shows the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Nominee has already signed the form of proxy, a Non-Registered Holder who wishes to vote their shares completes the form of proxy and delivers it to **Computershare Investor Services** as noted above; or

(b) more typically, the Non-Registered Holder receives a voting instruction form **which is not signed by the Nominee**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Nominee or its service company**, will become the voting instructions (often called a “proxy authorization form” or “voting instruction form”, VIF) that the Nominee must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, and has a removable label containing a bar code and other information. The Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy to validate the form and must also properly complete and sign the form of proxy and return it to the Nominee or its service company in according to the Nominee’s instructions.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the meeting in person, the Non-

Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided.

**In either case, Non-Registered Holders should carefully follow the instructions of their Nominee, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

The Notice of Meeting, this Information Circular where requested, the Financial Information Request Card and form of proxy are being sent to both registered and nonregistered owners of the Company's common shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of the Company's common shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form.

## ***PART 2 - VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF***

### *OUTSTANDING CIELO SHARES*

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The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued shares are entitled to be voted at the Meeting and each has one vote. As of September 14, 2016 there were 93,539,224 common shares issued and outstanding.

### *PRINCIPAL HOLDERS OF CIELO SHARES*

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Only those common shareholders of record as of September 16, 2016 will be entitled to vote at the Meeting or any adjournment thereof. To the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company which have the right to vote in all circumstances other than CDS & Co., which holds 62,589,238 common shares and Don Allan, who holds 13,950,712 common shares (via CDS & Co.). CDS & Co. is a holding company for shares held in brokerage accounts for Non-Registered Holders. The Company's management does not know who beneficially owns these shares.

## ***PART 3 - THE BUSINESS OF THE MEETING – ANNUAL MATTERS TO BE VOTED ON***

### *FINANCIAL STATEMENTS*

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The audited financial statements of the Company for the years ended April 30, 2015 and April 30, 2016 and the corresponding respective MD&A are available for review on SEDAR. Shareholders can request a copy of our future financial statements and MD&A by completing our supplemental request card which accompanies the Notice of Meeting and, if so requested, this Information Circular. See Part 8 "*OTHER INFORMATION – Additional Information*" below.

### *ELECTION OF DIRECTORS*

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Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors cannot be fewer than three.

Management proposes to nominate the persons named under the heading "Nominees for Election" below for election as directors of the Company.

It is proposed to fix the number of directors at five. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

#### *Nominees for Election*

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from the nominees, it states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of Nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

Name, Municipality of Residence and Position with Company	Present Principal Occupation	Director Since	Shares Owned <sup>(2)</sup>
<b>Don Allan</b> <sup>(1)(3)(4)</sup> Red Deer County, Alberta Canada <i>President, CEO and Director</i>	Mr. Allan has more than two decades of executive leadership experience including experience in debt and equity capital markets, strategy and planning, risk management and investor relations. Mr. Allan has an extensive background in business development, marketing and project development. Mr. Allan is President and CEO of the Blue Horizon Industries Inc. (CSE– BH), past Board member of the Rainbow Council and past President and CEO of Peace River Oil. Mr. Allan was runner up for the Ernst & Young "Entrepreneur of the Year" award in 2007.	March 1, 2013	13,950,712
<b>Chris Dovbniak</b> <sup>(3)</sup> Erskine, Alberta Canada <i>Director</i>	Mr. Dovbniak is a retired instrumentation/electrical technician with a vast array of supervisory and planning expertise. Mr. Dovbniak has over 30 years of process management, control and purchasing experience. Mr. Dovbniak has extensive experience in holding board positions on non-profit and profit corporations. Mr. Dovbniak will be able to provide extensive advice throughout engineering and construction of the refineries.	December 19, 2014	12,583
<b>Mel Angeltvedt</b> <sup>(1)</sup> Provost, Alberta Canada <i>Director</i>	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.	February 15, 2016	520,000
<b>Doug MacKenzie</b> <sup>(1)(3)(4)</sup> Oakville, Ontario Canada <i>Director</i>	Mr. MacKenzie, a former oil industry executive, has over 20 years' experience as a senior executive, strategist and innovator in the ethanol and biofuels industry. Mr. MacKenzie is presently the CEO, President of Permolex International. He has been involved extensively in community volunteer activities and works as a real estate agent. His education includes MBA (York), Management Science (Stanford) and Bachelor Science in Engineering Physics (U of Alberta, with	June 7, 2013	Nil

	Distinction)		
<b>Christopher Robin Ray</b> <sup>(1)</sup> Lethbridge, Alberta Canada <i>Director (Former CFO)</i>	Mr. Ray is a Certified General Accountant. Since 1995 Mr. Ray has been a partner in the general accounting firm, MacNevin & Ray. Mr. Ray served from April 2001 to present as the Chief Financial Officer & as a Director of MLB Industries Inc. Mr. Ray brings extensive business experience to the board.	June 7, 2013	341,341

(1) Member of audit committee.

(2) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of September 14, 2016. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at [www.sedi.ca](http://www.sedi.ca).

(3) Member of compensation committee.

(4) Member of governance committee.

Under the provisions of the *Business Corporations Act* (British Columbia) and applicable securities legislation, the Company is required to have an audit committee whose members are indicated above, two of which members are independent directors. See also Part 6 "AUDIT COMMITTEE" below.

The Company's management recommends that shareholders vote in favour of the nominees for election as directors.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the five nominees as directors of the Company for the ensuing year and for fixing the number of directors at five.**

#### *Corporate Cease Trade Orders or Bankruptcy*

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Blue Horizon Industries Inc., of which corporation Don Allan is CEO and President and Robin Ray is CFO, has been subject to a Cease Trade Order as of March 6, 2012, and the Cease Trade Order is still in effect today.

#### *Penalties or Sanctions*

Save and except as set forth below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

#### *Personal Bankruptcy*

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### *Conflicts of Interest*

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a Conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

Certain of the directors of the Company also serve as directors and/or officers of other companies. Consequently, there existed and/or exists the possibility for such directors and/or officers to be or have been in a position of conflict. Don Allan is the President, CEO and the sole director of Blue Horizon Bio-Diesel Inc. ("BHBD"), from which company certain assets were acquired in July 2014, as well as the President, CEO and director of Blue Horizon Industries Inc. ("BHI"), BHBD's parent corporation. Don Allan is also a director and officer of 18887711 Alberta Inc. ("1888") the private Alberta corporation to which the Company has licensed its intellectual property for the purposes of development (June 2016). Mel Algelvedt is also a director and officer of 1888.

Any decision made by directors or officers in such positions 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.

#### *APPOINTMENT OF THE AUDITOR*

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During the financial years ended April 30, 2015 and April 30, 2016, A. Chan & Company, LLC, a division of ACAL Group, Chartered Accounts of 1850-1066 West Hastings Street, Vancouver, BC V6E 3X2, served as the Company's auditor for the fiscal years ending April 30, 2015 and April 30, 2016. See also Part 6 "AUDIT COMMITTEE – External Auditor Service Fees".

The Company's management recommends that shareholders vote in favour of the re-appointment of A. Chan & Company, LLC, Chartered Accountants as the Company's auditor for the ensuing year and in favour of granting the Board of Directors the authority to determine the remuneration to be paid to the auditor.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of A Chan & Company, LLC Chartered Accountants as the auditor of the Company until the close of the next annual meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

#### *APPROVAL OF THE AMENDED STOCK OPTION PLAN*

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#### *Terms of the 2011 Stock Option Plan*

A full copy of the 2011 Stock Option Plan will be available at the Annual General Meeting for review by shareholders. The terms and conditions of the Stock Option Plan remain as were previously approved, however the Board seeks approval from the shareholders to amend the maximum number of options from 9,828,615 (the "Old Maximum") to 18,687,884 (the "New Maximum"), which is 20% of the total issued and outstanding common shares of the Company, being 93,539,224, as at September 14, 2016. No other terms or conditions will be amended at this time.

The following is a summary of the material terms of the Stock Option Plan.

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the Stock Option Plan (including any options granted by the Company prior to the adoption of the Stock Option Plan) will not exceed an aggregate of 18,687,884 Common Shares, such number representing 20% of the issued and outstanding shares of the Company as at September 14, 2016.

Maximum Term of Options. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Stock Option Plan is determined by the Board of Directors and shall be fair market value of the Option Shares on the date of grant of the Option, provided that it is not less than the price permitted by the CSE.

Amendment. The Board of Directors may amend the Stock Option Plan at any time; however, an amendment may not be made without shareholder approval if shareholder approval is necessary to comply with applicable regulatory requirements.

Vesting. The Board of Directors may determine vesting terms, if any.

Termination. Any options granted under the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant) or the date on which the Optionee ceases to be an Eligible Person by reason of termination for cause, unless he or she ceases to be an Eligible Person on account of death or disability, in which case the options terminate on the first anniversary of such disability or death.

Administration. The Stock Option Plan is administered by the Board of Directors of the Company and/or a Compensation Committee as determined by the Board of Directors, or an employee or senior officer to which such authority is delegated by the Board from time to time.

Board Discretion. The Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options will be determined by the Board of Directors of the Company or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with CSE requirements.

As at the date of this Information Circular, no options are outstanding. During the financial years ended April 30, 2015 and April 30, 2016, no stock options were issued or exercised.

**"RESOLVED THAT:**

1. that the Stock Option Plan be and the same is hereby adopted and approved and that the directors of the Company be and are hereby authorized to make such amendments or revisions to the Stock Option Plan from time to time, without further shareholder approval, as may be required by the CSE or any other stock exchange upon which the Company's shares may be listed for trading in order to cause the Stock Option Plan to fully comply with the requirements of the of such exchange and to fully carry out this resolution;

**Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the approval of the amended 2011 Stock Option Plan.**

As at September 14, 2016, the Company had a total of 93,539,224 common shares issued and outstanding.

***PART 4 – EXECUTIVE COMPENSATION***

As defined under applicable securities legislation, the Company had two "Named Executive Officers" during the financial years ended April 30, 2015 and April 30, 2016 as set out below:

Christopher Robin Ray, CA – up to February 23, 2016

Jason Christenson – as of February 23, 2016

Don Allan – President and Chief Executive Officer

*Definitions:*

*For the purpose of this Information Circular:*

**"CEO"** means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

**"CFO"** means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

**"closing market price"** means the price at which the Company's security was last sold, on the applicable date,

(a) in the security's principal marketplace in Canada, or

(b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

**"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**"equity incentive plan"** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

**"external management company"** includes a subsidiary, affiliate or associate of the external management company;

**"grant date"** means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

**"Handbook"** means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

**"incentive plan"** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**"incentive plan award"** means compensation awarded, earned, paid, or payable under an incentive plan;

**"NEO"** or **"named executive officer"** means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

**"NI 52-107"** means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

**"non-equity incentive plan"** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

**"option-based award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

**"replacement grant"** means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

**"repricing"** means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

**"share-based award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

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*COMPENSATION DISCUSSION AND ANALYSIS*

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*Goals and Objectives*

The Compensation Committee was composed of three directors, being Don Allan Chris Dovbniak and Doug Mackenzie throughout the fiscal year ended April 30, 2016 and met two times throughout the year. See Part 7 "*CORPORATE GOVERNANCE – Committees of the Board of Directors*". Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

The Board reviews on an annual basis the corporate goals and objectives relevant to executive compensation; evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns, and the value of similar incentive awards to executive officers at comparable companies, and the awards given to executive officers in past years. As the Board and management of the Company have focused on furthering the business goals of the Company since its change of business (April 14, 2014), securing financing for these business goals as well as limiting expenditures, the Compensation Committee and the Board have continued to recommend the deferral of executive compensation until the Company begins generating revenues.

#### *Executive Officer Compensation*

While the Company has been in a period of change and growth, no compensation was paid to the officers of the Company up to and including April 30<sup>th</sup>, 2016 aside from consulting fees paid to Mr. Jason Christensen, as set out below. It is anticipated that an executive compensation program will be established once the Company is better able to generate revenues.

While stock options are an important part of the Company's long-term incentive strategy for its directors, officers, employees and consultants, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value, no stock options were issued in the fiscal years ended April 30, 2015 and April 30, 2016 nor up to September 14, 2016. Stock options reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company. See "Option Based Awards" below.

Mr. Don Allan had been President and Chief Executive Officer of the Company since March 1<sup>st</sup>, 2013 and has devoted 100% of his time to the Company's business. Mr. Allan was not compensated for these services for the fiscal year ending April 30, 2016.

Mr. Christopher Robin Ray, a Director and former Chief Financial Officer, provided his services to the Company as a consultant and devoted such time to the Company's activities as required. Mr. Ray was not compensated for these consulting services for the fiscal years ended April 30, 2015 and April 30, 2016.

Mr. Jason Christensen, the Chief Financial Officer, provided his services to the Company as of February 23, 2016 as a consultant and devoted such time to the Company's activities as required. Mr. Christensen has been compensated \$2,500 for these consulting services for the fiscal year ended April 30, 2016.

#### *Director Compensation*

While the Company has been in a period of change and growth, no compensation was paid to the directors of the Company up to and including April 30<sup>th</sup>, 2016. It is anticipated that directors will begin to receive compensation once the Company is better able to generate revenues.

#### *Option Based Awards*

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's stock option plan (the "Stock Option Plan") to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which an officer's long term contribution to the Company will be crucial to its overall long-term success.

Stock options grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company. The Board will evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to five years from the date of grant. See Part 3 "*THE BUSINESS OF THE MEETING – Approval of the Stock Option Plan*".

The Company has no arrangements, standard or otherwise, under which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, or involvement in special assignments during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a formalized stock option plan for the granting of incentive stock options to its officers, employees, consultants, and Directors. During the most recently completed financial year no stock options were granted and no stock options were exercised. As the Company has been focused on development of the business since its change of business on April 14, 2014, no stock options have been granted during this period; however the Company intends to grant stock options in the fiscal year ending April 30, 2017 to compensate employees, directors, officers and/or consultants.

#### SUMMARY COMPENSATION TABLES

The table below sets out certain information respecting the compensation earned by, paid to, or accrued and payable to each the Chief Executive Officer and Chief Financial Officer (two individuals) during the most recently completed financial years ended on or after April 30, 2015. Amounts are below are in Canadian dollars. These individuals are referred to collectively as the “Named Executive Officers” or “NEOs”.

#### *Director and named executive officer compensation, excluding compensation securities*

#### *Table of compensation excluding compensation securities*

The following tables sets forth the summary information concerning compensation excluding compensation securities earned by the Company’s President and Chief Executive Officer (“CEO”), and two Chief Financial Officers (“CFOs”), and the directors of the Company’s during the most recently completed financial years ended on or after April 30, 2015.

Name and Principal Position	Year (period) Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meetings fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Don Allan</b> <i>President &amp; Chief Executive Officer</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Christopher Robin Ray, CA</b> <i>Chief Financial Officer up to February 23, 2016</i>	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jason Christensen, CPA</b> <i>Chief Financial Officer as of February 23, 2016</i>	2015	N/A	N/A	N/A	N/A	N/A	N/A
	2016	2,500 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil

(1) Jason Christensen earned \$2,500 in consulting fees for his services as Chief Financial Officer for the year ended April 30, 2016.

*Stock Options and other compensation securities*

The following tables sets forth the summary information concerning compensation securities earned by the Company’s President and Chief Executive Officer (“CEO”), and two Chief Financial Officers (“CFOs”), and the directors of the Company’s during the most recently completed financial years ended on or after April 30, 2015.

*Compensation Securities*

<b>Name and Principal Position</b>	<b>Type of Compensation Security</b>	<b>Numver of compensati on securities, number of underlying securities, and percentage of class</b>	<b>Date of issue of grant</b>	<b>Issue, conversion or exercise of price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry Date</b>
<b>Don Allan</b> <i>President &amp; Chief Executive Officer</i>	Stock options	Nil	N/A	Nil	Nil	Nil	N/A
	Stock options	Nil	N/A	Nil	Nil	Nil	N/A
<b>Christopher Robin Ray, CA</b> <i>Chief Financial Officer up to February 23, 2016</i>	Stock options	Nil	N/A	Nil	Nil	Nil	N/A
	Stock options	Nil	N/A	Nil	Nil	Nil	N/A
<b>Jason Christensen, CPA</b> <i>Chief Financial Officer as of February 23, 2016</i>	Stock options	Nil	N/A	Nil	Nil	Nil	N/A
	Stock options	Nil	N/A	Nil	Nil	Nil	N/A

*PENSION PLAN BENEFITS*

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

*TERMINATION AND CHANGE OF CONTROL BENEFITS*

The Company has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby those officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of

employment of the Named Executive Officer with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

#### ***PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS***

The following information is as of April 30, 2016, the Company's most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	280,000 <sup>(1)</sup>	\$0.25	9,548,615
Equity Compensation plans not approved by securityholders	nil	Nil	8,859,269
Total:	Nil	Nil	18,407,884

**NOTES:**

(1) On April 17<sup>th</sup>, 2014, 280,000 stock options were issued to The Howard Group Inc. for Investor Relations services. The options are exercisable at a price of \$0.25 per share and vested on a schedule of 25% per quarter following the date of grant. As at July 15<sup>th</sup>, 2014, all of the options have vested.

#### ***PART 6 – AUDIT COMMITTEE***

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

##### *The Audit Committee Charter*

The Company's audit committee is governed by an audit committee charter which will be available at the Meeting.

##### *Composition of Audit Committee*

At the beginning of the fiscal year ending April 30, 2015, the Company's Audit Committee was comprised of Robin Ray, Doug Lewis, and James Chepyha. Upon the resignations of Doug Lewis and James Chepyha, the Audit Committee was composed of three members: Robin Ray, Doug MacKenzie, and Don Allan, joined by a fourth, Mel Angeltvedt upon his appointment to the Board on February 15, 2016. As a result of amendments to National Instrument 52-110 in 2015, the Company, a venture issuer, is required to have an audit committee consisting of at least three members, with at least two members being independent directors. The Audit Committee as at September 14, 2016 consists of Don Allan (not independent), Robin Ray (independent), Doug MacKenzie (independent) and Mel Angeltvedt (independent).

All audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

##### *Relevant Education and Experience*

All of the audit committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Name	Determination of Independence
<b>Don Allan</b> Red Deer, Alberta  <i>President, CEO, Director</i>	Mr. Allan has more than two decades of executive leadership experience including experience in debt and equity capital markets, strategy and planning, risk management and investor relations. Mr. Allan has an extensive background in business development, marketing and project development. Mr. Allan is President and CEO of the Blue Horizon Industries Inc. (CSE– BH), past Board member of the Rainbow Council and past President and CEO of Peace River Oil. Mr. Allan was runner up for the Ernst & Young "Entrepreneur of the Year" award in 2007.
<b>Robin Ray</b> Lethbridge, Alberta Canada <i>CFO until February 23, 2016,            Director</i>	Mr. Ray is a Certified General Accountant. Since 1995 Mr. Ray has been a partner in the general accounting firm, MacNevin & Ray. Mr. Ray served from April 2001 to present as the Chief Financial Officer & as a Director of MLB Industries Inc. Mr. Ray brings extensive business experience to the Board.
<b>Mel Angeltvedt</b> Provost, Alberta  <i>Director</i>	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.

#### *Audit Committee Oversight*

Since the commencement of the Company's most recently completed financial year ended April 30, 2016, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

#### *Reliance on Certain Exemptions*

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

#### *Pre-Approval Policies and Procedures*

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Article 2 – Pre-Approval of Non-Audit Services" of the Audit Committee Charter. The Audit Committee Charter will be available to view at the Meeting.

#### *External Audit Service Fees (By Category)*

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice, and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed to the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit / Audit Related Fees	Tax Fees	All Other Fees
April 30, 2014	\$20,475	Nil	Nil

April 30, 2015	\$35,000	Nil	Nil
April 30, 2016	\$28,000	Nil	Nil

#### *Exemption*

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

### ***PART 7 – CORPORATE GOVERNANCE***

Corporate governance relates to the activities of the board of directors of the Company (the “Board”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices.

#### ***BOARD OF DIRECTORS***

#### *Structure and Composition*

The Board was composed of four directors for the fiscal year ending April 30, 2016: Don Allan, Robin Ray, Chris Dobvniak, and Doug MacKenzie. Mel Angeltvedt was appointed by the Board to the Board as of February 15, 2016, subject to shareholder approval. Subject to shareholder approving at the Meeting, the Board will be composed of five directors: Robin Ray, Chris Dobvniak, Doug MacKenzie, Mel Angeltvedt and Don Allan.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Company’s board of directors be reasonably expected to interfere with the exercise of a director’s independent judgment. The Company has determined independence as follows:

<b>Name</b>	<b>Independent</b>	<b>Determination of Independence</b>
<b>Don Allan</b> <i>President, CEO and Director</i>	No	Mr. Allan, as President and CEO of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
<b>Doug MacKenzie</b> <i>Director</i>	Yes	Mr. MacKenzie is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He does not receive any compensation for his service to the Company; he is therefore considered independent.
<b>Mel Angeltvedt</b> <i>Director as of February 15, 2016</i>	Yes	Mr. Angeltvedt is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He does not receive any compensation for his service to the Company; he is therefore considered independent.

<b>Robin Ray</b> <i>CFO up to February 23, 2016, Director</i>	Yes, as of February 23, 2016	Mr. Ray, as past CFO and Director of the Company, is an “inside” or management director and accordingly is considered “non-independent”.
<b>Chris Dobvniak</b> <i>Director</i>	Yes	Mr. Dobvniak is an outside director. He is not an officer, nor does he provide services to the Company other than in his role as director. He does not receive any compensation for his service to the Company; he is therefore considered independent.

Following the Meeting, the Board will have 4 independent directors, and 1 “non-independent” director. As such, the Company does have a majority of independent Board members.

#### *Mandate of the Board*

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “Committees of the Board of Directors” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and the Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

Currently, the positions of President and Chief Executive Officer are combined. However, given the size of the Company’s current operations, the Board believes that the Company is well serviced and the independence of the Board from management is not compromised by the combined role. Further, the role of Chief Financial Officer is no longer held by a director. In addition, the Board has found that the fiduciary duties placed on management by the Company’s governing corporate legislation and common law and the restrictions on an individual director’s participation in decisions of the Board in which the director has an interest under applicable corporate and securities legislation provide the “independent” directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the “independent” directors have the ability to meet independently of management whenever deemed necessary. As of the year ended April 30, 2016 the independent directors had not exercised their right to meet independently of management given the Company’s limited operations at the current time; as such the decisions required of the board have been considered routine and in the ordinary course of business, the independent directors have not deemed it necessary to review such materials separate and apart from management.

#### *Directorships*

As of the date of this Information Circular, the directors and/or nominees listed in the table that follows are currently directors/nominees and/or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

Name of Director	Other Reporting Issuers
Don Allan	Blue Horizon Industries Inc. (CSE – BH)
Robin Ray	Robix Alternative Fuels Inc. (CSE – RZX)
Doug MacKenzie	None
Chris Dobvniak	None
Mel Angeltvedt	None

### *Ethical Business Conduct*

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

In addition, the limited size of the Company’s operations and the small number of officers and employees allows the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### *Nomination, Education and Assessment*

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President, and proposed directors’ credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director’s nomination.

New directors are briefed on strategic plans, short, medium, and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company’s size and current operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have full access to the Company’s records. Reference is made to the table under the heading “Election of Directors” in Part 3 “*THE BUSINESS OF THE MEETING*” for a description of the current principal occupations of the Company’s Board.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company’s current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

### *Committees of the Board of Directors*

The Board has appointed an audit committee. At the beginning of the fiscal year ending April 30, 2015, the Company's Audit Committee was comprised of Robin Ray, Doug Lewis, and James Chepyha. Upon the resignations of Doug Lewis and James Chepyha, the Audit Committee was composed of three: Doug MacKenzie, Robin Ray and Don Allan, joined by a fourth, Mel Angeltvedt upon his appointment to the Board on February 15, 2016. As a result of amendments to National Instrument 52-110 in 2015, the Company, a venture issuer, is required to have an audit committee consisting of at least three members, with at least two members being independent directors. The Audit Committee as at September 14, 2016 consists of Don Allan (not independent), Robin Ray (independent), Doug MacKenzie (independent) and Mel Angeltvedt (independent).

The audit committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. For further information regarding the mandate of the Company's audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter, see Part 6 "AUDIT COMMITTEE" in this Information Circular.

### *Compensation*

Throughout the fiscal years ending April 30, 2015 and April 30, 2016, the Board had 3 members that sat on the compensation committee: Doug MacKenzie, Chris Dobvniak and Don Allan. The compensation committee met twice in the fiscal year ended April 30, 2016 to begin to develop the benchmarks for determining types and amounts of compensation to be paid to directors and officers of the Company. The compensation committee intends to meet in the current fiscal year ending April 30, 2017 to further define and finalize the benchmarks, performance goals and policies and specifically begin to determine the types and amount of compensation to be paid to directors and officers, which will be disclosed in accordance with applicable disclosure requirements.

In addition, compensation to be paid to executive officers who are also directors must be approved by the disinterested directors thereby providing the non-executive officer directors with significant input into compensation decisions. See Part 4 "EXECUTIVE COMPENSATION – Compensation of Named Executive Officers" above for details of the compensation paid to the Company's Named Executive Officers.

During the financial years ending April 30, 2015 and April 30, 2016, the Board did not pay any compensation in the form of cash or incentive stock options to the Company's non-management directors for their services. See Part 4 "EXECUTIVE COMPENSATION – Compensation of Directors" above.

### *Corporate Governance*

Throughout the fiscal years ending April 30, 2015 and April 30, 2016, the Corporate Governance Committee was comprised of 2 members: Don Allan and Doug MacKenzie.

## **PART 8 – OTHER INFORMATION**

### *INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS*

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Since the beginning of the most recently completed financial year ended April 30, 2016 and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company during the most recently completed financial year ended April 30, 2016, for other than "routine indebtedness", as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### *INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS*

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Other than as disclosed below, no proposed nominee for election as a director, and no director or officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company's outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Company or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or is likely to do so.

1. Don Allan, President, Chief Executive Officer and director of the Company is also currently a director, Chief Executive Officer and President of Blue Horizon Bio-Diesel Inc. ("BHBD"). from which certain assets were acquired in July 2014 as described in a Form 2A Listing Statement, which is available on SEDAR. The consideration for the acquired assets was the issuance of 21,000,000 shares in the capital stock of the Company, resulting in BHBD becoming an insider of the Company at such time. Robin Ray was also at such time the CFO of both Cielo and Blue Horizon Industries Inc., the parent corporation of BHBD, but resigned from the board of BHI on February 18, 2016. BHBD is no longer an insider of the Company.
2. Don Allan is a director of 18887711 Alberta Inc. ("1888"), which is the private corporation with which the Company entered into a World Exclusive License Agreement on June 14, 2016 (following the year ended April 30, 2016) but prior to which time the parties were in discussions and working together in good faith for the further development of the Company's renewable diesel refinery technology. The resulting License Agreement does not constitute a related party transaction under MI 61-101, however, Don Allan, director, president and CEO of the Company is also an officer and director of 1888, Mel Angelvedt, a director of Cielo, is also a director and officer of 1888 and Robin Ray, a director of Cielo, is the Chief Financial Officer of 1888.

### *INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING*

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None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors, the approval of the Stock Option Plan and the authorization for the granting of stock options thereunder.

### *MANAGEMENT CONTRACTS*

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The management functions of the Company are performed by its directors and executive officers and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company as at September 14, 2016. See Part 4 "*EXECUTIVE COMPENSATION*" for details of the fees paid to the Company's Named Executive Officers.

### *OTHER MATTERS*

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Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### *OTHER MATERIAL FACTS*

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On May 6, 2014, the Company announced that it had entered into an investor relations agreement with Ubika Corp. of Toronto, Ont. The Company had entered into another Advisory Agreement (the "RCP Agreement"), together with the Ubika Agreement (the

"Agreements") and also with Robson Capital Partners Corp. of Vancouver, British Columbia, which is an Exempt Market Dealer and Corporate Advisory. Under the Agreements, the Firms agreed to provide Investor Relations and Financial services to the Company respectfully in their jurisdictions. The Ubika Agreement had a term of one year which was subject to renewal by mutual consent. The remuneration payable to Ubika was \$5,000 per month plus GST. The RMCA Agreement had a term of three months, which was renewable by mutual consent but was not extended. The remuneration payable to RMCA was \$5,000 per month plus GST. The Company also announced that it had extended, to May 30, 2014, the date for closing of the private placement in secured convertible debentures (the "Convertible Debentures") previously announced on March 17, 2014.

On May 26, 2014, the Company announced that it had entered into an agreement for exclusive rights of its Waste To Fuel refining technology to Emerald Green Energy Pty Ltd ("Emerald") of Perth, Australia. The agreement was effective from May 20, 2014 and provided a market to sell the Company's products. The Company also reported that the Honorable Jim Peterson had been nominated to be elected to the Board of Directors, subject to regulatory and shareholder approval at the Annual General Meeting on May 30th, 2014; however the Honorable Jim Peterson did not provide the requisite consent and did not become a member of the Board. The Board of Directors of the Company had also accepted the resignation of the Honorable Doug Lewis as a member of the Board of Directors of Cielo, effective May 22, 2014. The Company also announced that it had received a purchase order in the amount of \$13 million for the supply of one commercial 700 liters per hour refinery in combination with a waste processing line. The purchase order was subject to certain conditions including the completion of the commercial 200 liter per hour plant. This agreement is still in effect as of September 15, 2016.

On June 6, 2014, the Company announced a non-brokered private placement (the "Offering") of 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 entitled the holder to purchase one Common Share for a period of twenty-four months at a price of \$0.25 per Common Share. The proceeds of the Offering (the "Proceeds") were to be used for engineering, filing of patents, working capital, professional fees and primarily on building the first working 200 litre per hour renewable diesel refinery by the Company and, in the event that sufficient proceeds were raised, to repay a portion of the Company's current indebtedness. The Offering would allow Cielo time to review various proposals for further financings to complete the construction on future refineries. In addition, the Company announced the expiration of the subscription period for its previously announced maximum \$5,000,000 brokered private placement offering (the "Prior Offering"), which expired at 5:00 p.m. PST on June 3, 2014. Further, the Company announced that it would not be extending its agreement with the Chippingham Financial, which was engaged as the lead agent (the "Prior Agent") for the Prior Offering.

On June 26, 2014, the Company signed a Memorandum of Understanding ("MOU") with a private investor on behalf of a special purpose corporation to be formed (the "SPC") to provide funding of up to CAD \$10 million (the "Funding") for the construction of the Company's first 700 liter per hour ("lph") commercial scale renewable diesel refinery (the "First Refinery"). The SPC acquired the right of first refusal to provide additional funding of up to CAD \$1 Billion to build up to 100 additional 700 lph refineries throughout Canada (the "ROFR Refineries"). Upon confirmation that the Company is able to produce renewable diesel meeting American Standard of Testing and Materials Standards for highway grade number 2 diesel, the SPC agreed to provide funding for the First Refinery. In consideration for providing the Funding, the SPC would receive 50% ownership of the intellectual property associated with the refining technology, 90% of net revenues from the First Refinery until the Funding is repaid, and thereafter a 70% ownership of the New Refinery. Cielo would pay to SPC CAD \$500,000 on every Refinery sold. SPC would also receive a royalty equal to \$0.02 per litre from all refineries. The parties intended to enter into a definitive agreement setting out the terms of the working relationship between Cielo and SPC as soon as practicable.

On June 26, 2014, Cielo also 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. The agreement was effective as of June 24, 2014. 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 under the agreement would include securing the above specified biomass feedstock, triggering offtake agreements, managing operations, marketing, sales, and providing financing for the different NFI projects. As of September 15, 2016 this agreement is still being enforced.

On July 2, 2014, the Company announced the closing of the first tranche of its previously announced non-brokered private placement (the "Offering") as previously announced on June 6, 2014, pursuant to which it has issued an aggregate of 1,130,333 common shares

(each, a “Common Share”) at a price of \$0.15 per Common Share for gross proceeds of \$169,550. Cielo did not pay any finder's fees in connection with the Offering. The proceeds of the Offering (the “Proceeds”) were to be used towards the costs of the Offering, engineering, filing of patents, working capital, professional fees and primarily on building the first working renewable diesel refinery by the Corporation. In connection with the closing of the first tranche of the Financing, the Company issued an aggregate of 565,167 warrants, with one-half of one warrant (each the “Warrant”). Each full Warrant entitled the holder to purchase one Common Share for a period of twenty-four months at a price of \$0.25 per Common Share.

On July 18, 2014, the Company announced the execution of the asset purchase agreement (the “Agreement”) relating to the previously announced proposed acquisition of intellectual property assets from Blue Horizon Bio-Diesel Inc. (“BHBD”). The purchase agreement allowed Cielo to acquire certain intellectual property assets. The total cost of the acquisition was the issuance of a total of 21 million common shares valued at \$0.25 per share. Pursuant to the Agreement, the Company had also assumed certain liabilities of BHBD equal to CAD \$1,500,933.30. On July 11, 2013, the Company had initially announced that it would acquire the assets from BHBD for \$4.5 million CAD. The purchase price had been increased as a result of the inclusion of the Alberta Bio-Diesel Producer Credit Program (BPCP), which was not included in the initial assessment.

On July 23, 2014, announced the closing of the second tranche of its non-brokered private placement (the “Offering”) as news released on June 6th, 2014. Cielo issued an aggregate of an additional 685,334 Units consisting of a common share and one-half of one warrant at a price of \$0.15 per Unit for gross proceeds of \$102,800.10 under the second tranche of the Offering. \$10,000 of gross proceeds was a debt conversion. Each full Warrant entitled the holder to purchase one Common Share for a period of twenty-four months at a price of \$0.25 per Common Share. The Company did not pay any finder's fees in connection with the Offering. The proceeds of the Offering were to be used towards the costs, in whole or in part, of the Offering, engineering, filing of patents, working capital, professional fees and primarily on building the first working renewable diesel refinery by the Corporation, as previously announced. Further, an amount equal to \$25,000 of indebtedness of the Company was converted into shares at a price of \$0.25 per share (the “Debt Conversion”), resulting in the issuance of 100,000 common shares in addition to the Common Shares issued comprising the Units of the Offering.

On August 6, 2014, the Company announced that on July 31, 2014, Cielo entered into a non-binding Letter of Intent (“LOI”) with Kazgreen SA of Lausanne, Switzerland (“Kazgreen”) with the intent for the Company to form a Joint Venture (the “JV”) corporation to own and operate a waste to fuel facility in Almaty, Kazakhstan. The terms and structure of the JV were to be negotiated in a Definitive Agreement (the “Agreement”). The anticipated value of this first potential deal with Kazgreen was estimated to be in the \$100mm (CAD) range, which would be subject to determination of the material terms in the Agreement. In the general terms of the LOI, and in accordance with the Company’s Business Plan; “Towards a Zero Waste Future in Kazakhstan,” Cielo intended to design, build and operate a waste to fuel facility in Kazakhstan. Cielo was to retain ownership of the technology and intellectual property (the “IP and Technology”) but was to enter into a license agreement with Kazgreen for the use of the IP and Technology in Kazakhstan. It was intended that the equipment would be showcased at the 2017 World Expo in Astana, Kazakhstan. EXPO 2017’s Future Energy theme will promote efforts to find sustainable energy solutions to meet growing global demand. EXPO 2017 is to last for three months, include representatives from approximately 100 countries, and expected to draw three to five million visitors, which would make it the largest international gathering of its kind in Central Asia. The LOI was non-binding and constituted a declaration of intent only and created no liability or obligation of any nature whatsoever among the two parties with respect to any completed transaction. The Company was to announce entry into the Definitive Agreement if and when material terms of the JV are determined and agreed upon by Cielo and Kazgreen. As at September 14, 2016, the Company has not agreed to proceed with this agreement and will hold off further negotiations until the successful start-up of the first commercial plant.

On August 29, 2014, the Company announced the closing of the third tranche of its non-brokered private placement (the “Offering”) as initially news released on June 6th, 2014. Cielo had issued an aggregate of an additional 531,039 units (the “Units”), each Unit consisting of one common share and one-half of one warrant at a price of \$0.15 per Unit for gross proceeds of \$79,655.85 under the third tranche of the Offering (the “Gross Proceeds”). \$27,974.4 of the Gross Proceeds was an issuance of securities for debt. Each full Warrant entitled the holder to purchase one common share in the capital stock of the Company (each a Common Share”) for a period of twenty-four (24) months at a price of \$0.25 per Common Share. The proceeds of the Offering continued to be used towards the costs, in whole or in part, of the Offering, engineering, filing of patents, working capital, professional fees and primarily on building the first working renewable diesel refinery by the Company, as previously announced. Cielo paid a broker’s commission with respect to one subscription under the third tranche of this Offering comprised of cash compensation equal to \$2,768.15 and 9,227 broker warrants (the “Broker Warrants”). Each Broker Warrant entitled the holder to purchase one Common Share for a period of twenty-four (24) months

at a price of \$0.25 per Common Share. All securities issued in connection with the Offering will be subject to a statutory four month hold period.

On December 19, 2014, the Company announced that phase 1 of the planned 7 phases of engineering had commenced with the feedstock characterization study and is expected to be completed in early 2015. Cielo also announced that it had signed a 3 year service contract with 182043 AB Limited (the "Service Provider") for the services of certain management and financial personnel. The Service Provider was to assist Cielo in day to day management and operations and aid in the development of the waste to fuel technology in the areas of business development, operations and accounting. The Service Provider was to be compensated a monthly fee of \$33,500. This agreement was terminated in January, 2015, as Cielo believed it was in its best interest to look for a different consulting group.

Cielo also announced on November 7, 2014 that it had terminated the joint venture agreement dated July 19th, 2014 (the "JV Agreement") and previously announced on June 26, 2014 with a special purpose corporation (the "SPC") to provide funding of up to CAD \$10 million (the "Funding") for the construction of the Company's first 700 liter per hour ("lph"). Due to continued delays of the SPC to come up with sufficient funds to move the project forward, and despite repeated attempts and correspondences to remedy the issues associated with such delays, Cielo had decided to terminate the JV Agreement.

The Company also announced on December 19, 2014 that the Board of Directors of Cielo had accepted the resignation of James Chepyha, effective December 19, 2014 and appointed Chris Dovbniak to the Board of Directors.

On April 9, 2015, the Company announced a non-brokered private placement offering (the "Private Placement") 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 would 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 Private Placement was expected to have multiple closings. The proceeds of the Offering were to be used for general working capital and professional fees. In the event that sufficient funds were raised, a portion of the net proceeds would be used to repay a portion of Cielo's indebtedness. Cielo also announced that it had closed the first tranche of the Private Placement for total proceeds of \$100,000. Cielo has also moved its operational headquarters and offices to its Red Deer, AB warehouse that contains the working demonstration plant. The registered office in British Columbia had also changed.

On July 16, 2015, the Company announced the closing of the fourth and final tranche of its non-brokered private placement offering (the "Unit Offering") as initially news released on June 6th, 2014. Cielo had issued an aggregate of an additional 431,333 units (the "Units"), each Unit consisting of one common share and one-half of one warrant at a price of \$0.15 per Unit for gross proceeds of \$64,700.00 under this fourth and final tranche of the Unit Offering (the "Gross Proceeds"). \$7,250.00 of the Gross Proceeds was an issuance of securities for debt. Each full Warrant entitled the holder to purchase one common share in the capital stock of the Company (each a Common Share) for a period of twenty-four (24) months at a price of \$0.25 per Common Share. In aggregate, the Company issued 2,878,040 Units for gross proceeds of \$416,705.90. The proceeds of the Unit Offering continued to be used towards the costs, in whole or in part, of the Unit Offering, engineering, working capital, professional fees and primarily on building the first working renewable diesel refinery by the Corporation, as previously announced. No broker's commission was paid under this fourth and final tranche of the Offering. The Company previously announced 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 were to 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 8th, 2015. Cielo also closed the second tranche of this Private Placement for total proceeds of \$100,000 (the first tranche being \$100,000 as well). The proceeds of the Offering were to be used for general working capital, professional fees and primarily for building the first working renewable diesel refinery and, in the event of raising of sufficient funds, to repay a portion of Cielo's indebtedness.

On September 29, 2015, the Company announced the closing of the third tranche of its non-brokered private placement offering (the "Convertible Debenture Offering") of up to CAD \$350,000 in secured convertible debentures (the "Convertible Debentures"), as initially news released on April 9th, 2015, with the second closing announced on July 22nd 2015. Cielo also announced that it had received CAD \$50,000 from this tranche for an aggregate gross proceeds of CAD \$250,000 for all three tranches. The Convertible Debentures were to 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 continue until

the maximum amount of CAD \$350,000 had been achieved. The proceeds of the Offering were to be used for general working capital, professional fees and primarily on building the first working renewable diesel refinery and, in the event of raising sufficient funds, to repay a portion of Cielo's indebtedness.

On November 4, 2015, the Company announced the settlement of indebtedness of the Company (the "Debt Settlement") in the aggregate of CAD \$239,729.27 (the "Debt Amount") through the issuance of 4,794,580 common shares in the capital stock of Cielo (the "Common Shares"), at a price of \$0.05 per Common Share. The Company also announced the engagement of Orca Capital GMBH ("Orca") and Int'l E-Trade Equities Ltd. ("Int'l", together with Orca the "IR Firms") to provide Investors Relation services and ongoing networking and business consulting. Each of Orca and Int'l were engaged on May 1st, 2015 for an initial period of six (6) months to help bring in potential accredited investors as well as consulting on IR strategies for the company's future. The Company had extended the term of engagement for each of the IR Firms for an additional period of six (6) months. The initial engagement of the IR Firms, due to inadvertence, was not previously disclosed. A portion of the Debt Settlement was to be issued to Orca and Int'l as payment for fees for services performed by the respective IR Firms.

On November 23, 2015, the Company announced that it has received an in-depth third party engineering report that had validated to show the Company's technology would be able to convert garbage and other cellulosic feedstocks into a high quality renewable diesel distillate, which with additional refinement would meet the standard for Type B as established by CAN/CGSB-3.517 for automotive low sulfur diesel fuel oils. Cielo was working with third party engineers and consulting groups to assist in developing a unique and proprietary technology capable of using numerous feedstocks, such as municipal waste from landfills, paper, plastics, cardboard, sawdust, trees, tires and many other cellulosic fibers and convert them into a high grade renewable diesel distillate, capable of being refined into a diesel fuel that can be used to meet both provincial and federal mandates for blending with diesels for automotive and aircraft uses.

On November 27, 2015, the Company announced the settlement of indebtedness of the Company (the "Debt Settlement") in the aggregate of CAD \$1,252,467.00 (the "Debt Amount") through the issuance of 25,049,349 common shares in the capital stock of Cielo (the "Common Shares"), at a price of \$0.05 per Common Share.

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

Both Debt Settlements (November 27, 2015 and December 18, 2015) were related party transactions under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") many of the Common Shares were issued as settlement of indebtedness owing to one or more related parties as that term is defined in MI 61-101, which had been incurred on an ongoing basis as disclosed in the Company's Listing Statement regarding its fundamental change of business dated March 15th, 2014 and as set out in the Company's financial statements during such period. The Company relied on Section 5.5(b) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(b) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101.

On February 3, 2016, Don Allan, President and CEO of the Company, 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.

On February 23, 2016, the Company announced that the Board Of Directors had appointed Mr. Mel Angeltvedt to the Board effective February 15, 2016. The Company also announced that the Board of Directors had appointed Mr. Jason Christensen as Chief Finance Officer. Mr. Robin Ray resigned from this position in order to spend more time on his other business interests.

On March 7, 2016, the Company announced that on March 4, 2016, the Company 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 14, 2016, the Company 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 17, 2016, the Company 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.

On April 28, 2016, the Company announced a non-brokered private placement offering (the “Offering”) of up to CAD \$1,000,000 in convertible debentures (the “Debentures”). The Debentures bear an interest rate of 15%, mature in 36 months from the date of issuance and are convertible at the option of the debenture holder at any time before maturity at an exercise price of \$0.10 per common share. The proceeds of the Offering (the “Proceeds”) will be used for the further development of the renewable diesel technology as well as to construct the first commercial renewable diesel refinery, including for permits and applications and ordering long lead items that will be used in this construction, as well as for general expenses. As at September 14, 2016, the Company is still working on closing of this offering and is confident that the time of year will allow for funds to be raised in this financing in the short term.

There are no other material facts related to the fiscal years ending April 30, 2015 or April 30, 2016 other than as disclosed in this Information Circular.

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#### *ADDITIONAL INFORMATION*

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Financial information about the Company is provided in its comparative financial statements and Management’s Discussion and Analysis for the years ended April 30, 2015 and April 30, 2016. Copies of these documents will be available at the Meeting and they are also available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

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#### *BOARD APPROVAL*

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The Board of Directors of the Company has approved the contents and the delivery of the Information Circular to its shareholders.

DATED at Red Deer County, Alberta, this 14<sup>th</sup> day of September, 2016.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

“Don Allan”  
Don Allan, President