



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE COMPANY'S FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
FOR THE YEARS ENDED APRIL 30, 2020 AND 2019**

**CIELO WASTE SOLUTIONS CORP.**  
**Amended Management's Discussion and Analysis**  
**Years Ended April 30, 2020 and 2019**

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**Notice to Reader**

The following is management's discussion in respect of the results of operations and financial position of CIELO WASTE SOLUTIONS CORP. (the "Company" or "Cielo") for the years ended April 30, 2020 and 2019 and should be read in conjunction with the Company's audited financial statements for the years ended April 30, 2020 and 2019. The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"), and presented in Canadian dollars, which is the Company's functional currency. Additional information, including the above mentioned financial statements, which contain extensive disclosure of the history and properties of the Company are available on SEDAR and may be accessed at [www.sedar.com](http://www.sedar.com).

**Forward Looking Statements**

The information presented in this Management's Discussion and Analysis ("MD&A") contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, "forward-looking statements" or "forward-looking information" (collectively "forward-looking statements") as those terms are used in securities laws applicable in Canada.

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

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

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

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

**Date of Report**

The information in this report is presented as of September 21, 2020.

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**ABOUT CIELO**

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

The Company spun out from AHI and became a reporting issuer after the corporate restructuring between AHI and Cielo became effective on June 9, 2011. Commencing August 3, 2011, the Company’s common shares started trading on the Canadian Securities Exchange (“CSE”) under the Symbol CMC.

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

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

Commencing December 9, 2019, the Company’s common shares started trading on the OTCQB Venture Market (“OTCQB”) under the symbol CEIWF. The symbol was updated to CWSFF on December 17, 2019.

The registered and records office of the Company is located at #610 – 475 West Georgia Street, Vancouver, BC V6B 4M9 and its operations office is located at Bridgeview Place II, Suite 115, 5114-58 St., Red Deer, AB T4N 2L8.

**CORPORATE OVERVIEW AND OVERALL PERFORMANCE**

Since the Company’s fundamental change of business to renewable diesel refining, the Board of Directors and management of the Company has been working toward commercializing its proprietary technology to allow it to enter the fast and growing waste industry by refining landfill and municipal and commercial waste into a high quality renewable diesel. Cielo has identified opportunities throughout the world and is poised to capitalize on these and local opportunities. While Cielo has generally not been taking purchase orders while focusing on the construction of its first commercial refinery, the Company may begin to do so going forward as it is in the commissioning phase of its first commercial refinery and is nearing commercialization. To date, Cielo has continued to communicate with those who had previously submitted purchase orders, which were previously disclosed, in order to keep existing purchase orders active, and has also been communicating with those making inquiries each month in order to allow for new opportunities once the first commercial refinery is in production upon the completion of the commissioning phase.

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

Cielo holds a exclusive global licene from 1888711 Alberta Inc. (“1888711”), a company related by officers and/or directors, pursuant to a license agreement dated June 14, 2016 (the “Licence Agreement”), to complete the development of the renewable diesel technology on which its refineries are/will be based. The

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technology uses landfill waste, tires, plastics, wood shavings and paper products to produce renewable Kerosene (jet and marine fuels), highway diesel and naphtha. Cielo retains the exclusive right to construct and commercialize the refineries and has agreed to pay royalties and commissions to 1888711 from the commercialization of the technology. Cielo also has a right of first refusal to repurchase the rights in the technology it had granted to 1888711 (such as royalties and commissions), as well as all intellectually property and any and all patents relating to the technology. Although Cielo has resumed making direct payments for costs associated with the construction, completion and commission of the first commercial refinery (which were being paid by 1888711 during approximately the first year of the term of the Licence Agreement), the Licence Agreement remains in place as all other rights held by each party remain in place. On or about November 1, 2017, Cielo and 1888711 agreed to a restated and amended version of the License Agreement, providing for clear terms on which Cielo is able to purchase the rights granted to 1888711 at any time following the 14th day of operations of any commercial refineries based on production.

Cielo had planned two phases (Phases I and II) for reaching optimal production output in creating a blueprint for its refineries. Cielo's initial plan for Phase I was to build a refinery targeting a nominal production rate of 356 litres per hour and, for Phase II, the Company had considered building a second refinery, targeting a production rate of 1824 litres per hour. During the year ended April 30, 2019, Cielo began commissioning the refinery. The operations began late in July 2018 and ran from October 2018 through to May 2019. As Cielo progressed through the Phase I commissioning process, modifications to both design and construction intended to improve the processes were made. Those improvements increased targeted outputs for Phase I from 356 litres per hour to between 500 and 1,000 litres per hour. With respect to Phase II, management had determined that it would be more efficient to upgrade the existing refinery to a greater capacity. Once Phase II begins, Cielo will attempt to add additional equipment and target a production rate of 2,000 litres per hour.

During the year ended April 30, 2020, Cielo's focus was to make notable strides in furthering the commercialization of its technology.

During the commissioning of the plant, Cielo identified some areas in the process that management on the advice of its engineers would improve operations. The main areas were the heating of the process with electrical heat, intended to provide much better control of operating temperatures, while reducing emissions, recovering more of the waste stream and reusing in the process and sterilizing the waste oil Cielo uses to move the waste through the process. Most of these improvements were completed by late December, 2019 and on January 4, 2020, Cielo began recommissioning the plant. During the recommissioning, Cielo started production at approximately 50lph and slowly ramped it up to 100lph. On March 17, 2020, due to the COVID pandemic, management decided to stop production and temporary lay off the operators. Cielo took advantage of the shutdown to make further improvements to the process. These improvements are designed to increase production from 100lph to 1000lph. Once the 1,000lph is obtained, Cielo hopes to raise the funds to allow the beginning of Phase II, which is the addition of extra equipment to increase the productivity to 2,000 lph (as described above).

Areas of Focus:

The Company has focused on the following eight general areas in commercializing the technology prior to and during the years ended April 30, 2020 and 2019:

1 – Feedstock Characterization Study. Ongoing, Cielo receives multiple new feedstock opportunities continuously and will review each for potential.

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2 – Validation of the process and proforma by third party engineers. Ongoing when using new feedstocks.

3 – Carbon Capture Study. This is a detailed third-party review of the carbon credits that Cielo will be able to recognize as a revenue stream. At the time of this report, this study is approximately 70% complete. Cielo will be more focused on completing this study once the first commercial refinery is fully operational.

4 – A full and detailed study on the catalyst development. This is a very in-depth study of how the catalyst reacts and preforms with a varying of individual feedstock or as they are combined. Notwithstanding that it's been completed for the purposes of operating the first commercial refinery, the study will continue as a work in progress and will evolve with the technology and feedstock. Cielo has also expanded catalyst studies to include desulfurization processes.

5 – Preparing a process design package, including development of construction drawings. Cielo has completed this for Phase I and has begun work for Phase II. It should be noted that Phase 1 continues to find efficiencies in the process and those are designed and added to the process design package when completed.

6 – In August 2014, Cielo hired a patent lawyer to review patents throughout the world and found no patents were similar at that time to the process that Cielo had developed. In July 2017, 1888711 filed patent applications in the United States and Canada on the technology process design, pursuant to the License Agreement. On July 30, 2020, Cielo announced that 1888711 had received the United States patent. Management also believes that the response thus far from the Canadian Patent office has been positive, indicating that they had not found any conflicting patents of concern and believe the final Canadian patent will be coming soon.

7 – Developing Capital Estimates. Cielo has been able to source well-priced new and used equipment and has been awarding purchase orders for major equipment, updating the budget weekly. As of the date of this report, Cielo has completed purchasing approximately 90% of the equipment and materials for Phase I and has is in the process of commissioning the refinery (Phase I). The remaining major piece of equipment left to purchase for Phase I is the desulfurization equipment and possibly some equipment for the waste recovery and the fractioning of the renewable fuel, however the Company is able to produce sulfur diesel without this equipment.

8 – Filing of permits and applications. Cielo has received a Development Permit from the MD of Foothills #31 as well as the Environmental Protection and Enhancement Act construction permit from Alberta Environmental and Parks (July 2017). Cielo does and will continue to apply for and maintain permits as and when required.

#### Land and Refinery

In addition to the foregoing eight objectives, since the purchase on or about April 19, 2017 of approximately 2.5 acres of land located on it in Aldersyde, Alberta, Cielo has been constructing, commissioning and improving the design and operation of its first commercial refinery. The original objective was to build a 350lph facility, but Cielo has now increased the design to 1,000lph. The intention is to ramp up this production from 50lph and achieve the 1,000lph over the next few months. During this period, Cielo will intends to make efforts to sell its renewable fuels in Alberta in order to achieve revenues during the ramp up phase.

In the year ended April 30, 2020 the Company capitalized charges of \$13,248,789 (2019 \$8,199,244) incurred in the development of this property.

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Joint Ventures/Memorandum of Understandings

In the years ended April 30, 2020 and 2019, the Company entered into memorandums of understanding for potential future joint venture arrangements for the expansion of the Company’s business to be funded by third parties, primary a group of companies owned by Renewable U Energy Inc. (“Renewable U”), a privately-owned Alberta Corporation. Renewable U also owns and/or controls Renewable U Grand Prairie Inc (“Renewable U GP”), Renewable U Medicine Hat (“Ren U Med Hat”), Renewable U Lethbridge Inc. (“Renewable U Lethbridge”) and Renewable U Halifax Inc. (“Ren U Halifax”, together with Renewable U, Renewable U GP, Renewable U Med Hat and Renewable U Lethbridge, collectively the “Renewable U Companies” and each a “Renewable U Company”).

The Company has entered into binding memorandums of understanding (each an “MOU”, collectively the “MOUs”) with a Renewable U Company for to build a refinery in each of Grand Prairie, Alberta (October 31, 2018), Medicine Hat, Alberta (February 21, 2019), Lethbridge, Alberta (July 30, 2019) and Halifax, Nova Scotia (January 9, 2020). The Company had also entered into a memorandum of understanding with a Renewable U Company for the city of Brooks, Alberta, however this was terminated for the purposes of instead entering into the MOU for Halifax.

Each MOU provides the framework for the Company to enter into a joint venture agreement (each a “JV Agreement”) with a Renewable U Company to build, commission and operate one refinery initially (in each case a “JV Refinery”), with a right of first refusal to enter into further agreements for potential follow-on refineries (in each case a “Follow-On JV Refinery”).

In consideration for the opportunity to enter into the JV Agreements with the Company and undertake the respective projects (each a “Project”), the applicable Renewable U Company in each case has paid to the Company a fee of \$250,000.00 fee (each a “Fee”) with respect to each MOU to secure each of Grande Prairie, Medicine Hat, Lethbridge, Halifax and specific surrounding area in each case. In each case in the event that the Company does not execute the JV Agreement within certain agreed upon reasonable times, the Company agreed, subject to applicable laws and policies, to issue to the applicable Renewable U Company common shares of the Company in lieu of returning the Fee, valued at the greater of: \$0.25 and the average closing price of the Company’s shares during the 5 trading days prior to these shares issuances. See Note 19 for more information on the current status of the foregoing.

On or about November 22, 2018, the Company entered into a memorandum of understanding (“Calgary MOU”) to enter into a joint venture agreement (the “Seymour JV Agreement” or a “JV Agreement”) with Seymour Capital Incorporated (“Seymour”) on substantially the same terms as the MOUs with the Renewable U Companies for the territory of Calgary, including the grant of an option to Seymour on substantially the same terms as the Calgary MOU for a territory in Ontario outside of the Greater Toronto Area. Seymour also paid a Fee of \$250,000 to the Company to secure the territory of Calgary.

The general terms to be incorporated into each JV Agreement include the following:

- a. A Renewable U Company (or Seymour for Calgary) will be solely responsible for financing 100% of the costs associated with acquiring the land, building and commissioning the initial refinery to be built in the applicable city (in each case the “Project Costs”, respectively).
- b. The Company will manage each Project overall, overseeing the planning, construction, commissioning and operation of each of the JV Refineries and will receive a management fee

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- for the construction of each JV Refinery equal to 7% of the Project Costs for such JV Refinery subject to certain exclusions, and will continue to receive management fees once operations begin based on industry standards.
- c. For each initial JV Refinery, profits will be split 30% in favour of the Company and 70% in favour of the applicable Renewable U Company (or Seymour for Calgary), until the applicable Renewable U Company (or Seymour for Calgary) has received profits equaling 100% of the Project Costs for that JV Refinery. Thereafter profits will be split on the basis of 50.1% for the Company, 49.9% for the applicable Renewable U Company (or Seymour for Calgary), reflecting the respective interests/ownership of the parties.

Other Material Contracts and Developments

Cielo also announced on July 6, 2019 it had signed a Consulting Service Agreement with RB Milestone Group LLC to provide Investor Relations services to Cielo. This contract was renewed on June 24, 2020.

On November 28, 2019, the Company announced that it had entered into a Supply of Services Agreement with Canadian Pacific Railway Company ("CP") effective October 31, 2019, which will expire on October 31, 2025. Pursuant to the terms of the agreement, it's anticipated that CP will provide a minimum of 2,500,000 ties to be used as feedstock.

On December 17, 2020, the Company announced the appointment of Lionel Robins to the Board of Directors, who is also a shareholder and director of one or more Renewable U Companies.

In March 2020, as a result of the public health COVID-19 crisis, and to protect its staff and contractors, Cielo paused all operations of its refinery in Aldersyde and temporarily laid-off our operators while maintaining essential personnel. The operators were brought back to work on August 11, 2020. During this time, Cielo and its contractors made some major improvements to the bottle neck areas, and recommissioning of the plant recommenced as of August 30, 2020.

On April 27, 2020, the Company received \$40,000 from the Government of Canada sponsored Canada Emergency Business Account (CEBA) in the form of a line of credit. This will be converted to a 2-year 0% interest term loan to be repaid by December 31, 2022. \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022. At this time any unpaid portion will be converted to a 3-year term loan at an interest rate of 5%.

On April 30, 2020, the Company entered into an agreement with 1823741 Alberta Ltd. to convert \$1,000,000 of invoices to an interest only term loan at a rate of 7% to be repaid by April 30, 2022. The interest rate will increase to 12% after April 30, 2022 if the principal has not been fully repaid.

See "Subsequent Events" for additional operational advances following the end of the year ended April 30, 2020.

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

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Going concern

The success of the Company is largely dependent upon factors beyond its control. These factors raise substantial doubt about the Company's ability to continue as a going-concern. Management is actively monitoring the operations to ensure the Company has adequate liquidity and capital to meet its obligations and long-term business objectives. The Company has a history of raising funding through equity financing when needed. There is no guarantee the Company can do so in the future, however, in the year ended April 30, 2020, the Company issued 68,357,036 common shares, 26,289,180 as payment of the prepaid interest equal to \$2,193,698 pursuant to private placement offerings of convertible debentures during the same period, 6,379,679 for consideration of \$483,229 in the form of debt settlement, 34,188,177 for consideration of \$2,110,500 in the form of debt conversion including accrued interest of \$13,371 and the remaining 1,500,000 were issued to pursuant to the vesting of restricted share units at \$307,500. The Company's operations, as intended, and its financial success may be dependent upon the successful commercial start-up of its renewable diesel refinery and the economic viability of developing refineries based on the Company's technology, and its ability to ensure sufficient financing is obtained to complete such start-up.

**SELECTED ANNUAL INFORMATION**

Following is the selected annual information of the Company for the previous three years:

	Year Ended April 30, 2020	Year Ended April 30, 2019	Year Ended April 30, 2018
	\$	\$	\$
Total Revenue	3,000	3,000	NIL
Cost of Sales	3,000	3,000	NIL
Gross Profit	NIL	NIL	NIL
Operating Expenses	5,729,420	3,036,545	6,261,666
Net Loss	(6,154,787)	(2,766,170)	(6,425,689)
Total assets	17,682,732	11,950,172	5,472,723
Total long-term liabilities	9,832,932	3,102,756	3,374,810
Net Loss per share (basic & diluted)	0.029	0.017	0.051

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**RESULTS OF OPERATIONS**

**Year Ended April 30, 2020 ("2020 Annual Financial Statements")**

The loss for the year ended April 30, 2020 (\$6,154,787), compared to 2019 (\$2,766,170) was mainly a result of the continued activity related to the construction of the Company's first commercial refinery while also reflecting an increase of expenses due to increased financing costs and developmental costs to commissioning the plant prior to the Company having to pause plant operations due to COVID-19.

Certain expenses increased, including Interest and accretion expense \$1,250,770 (2019-\$593,370) and amortization on deferred financing charges \$328,302 (2019-\$66,822), in relation to the Company issuing convertible debenture units to finance continuing construction and operation costs, as well as development expense of \$1,065,190 (2019-\$476,408) in relation to commissioning of the plant prior to the Company having to shut down due to COVID-19 in March 2020. Other increases include advertising and promotion \$432,642 (2019-\$59,427), office and administrative expenses \$370,114(2019-\$139,542), consulting expense of \$869,218 (2019-232,915), professional fees of \$358,832 (2019-\$322,027), amortization on right-of-use asset of \$35,302(2019-Nil) with the adoption of IFRS 16, trust and filing fees of \$86,338 (2019-\$44,032), travel of \$59,935 (2019-\$37,738) and bank charges \$3,432 (2019-\$1,143).

Reductions included management fees \$223,245 (2019-\$405,582) related to the Restricted Share Units outstanding, salaries and benefits \$475,602 (2019-\$482,916) and amortization of plant and equipment \$164,498 (2019-\$167,898).

Revenue for the year ended April 30, 2020 was \$3,000, compared to \$3,000 for the Year ended April 30, 2019.

On April 30, 2020, the Company's main assets and liabilities were:

Cash - \$81,605 (2019 - \$354,258)  
GST and other receivable-\$247,996 (2019-\$151,888)  
Prepaid expenses - \$1,209,097 (2019 - \$328,291);  
Inventory-\$152,948 (2019-\$209,754)  
Property plant and equipment -\$15,835,170 (2019-\$10,905,980)  
Right-of-use assets-\$152,948 (2019-Nil)  
Accounts payable and accrued liabilities - \$3,585,686 (2019 - \$3,757,842);  
Due to Shareholder - \$1,088 (2019 \$400,956)  
Short-term loans payable -\$26,160 (2019 -\$23,156)  
Lease Liability-\$188,262 (2019-Nil)  
Long-term loans payable, including convertible debts -\$8,808,916 (2019-\$2,355,258)  
Due (to)/from Affiliated companies -\$94,999 (2019 - \$23,200)

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**QUARTERLY FINANCIAL INFORMATION**

The following is a summary of selected quarterly information for the years ended April 30, 2020 and 2019 that has been derived from, and should be read in conjunction with, the audited annual financial statements of the Company for the years ended April 30, 2020 and 2019 and the unaudited interim financial statements of Cielo.

Quarterly Financial Information	30-Apr	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul
	2020	2020	2019	2019	2019	2019	2018	2018
<b>Operating data:</b>		\$	\$	\$	\$	\$	\$	\$
Total revenue	-	-	-	3,000	3,000	NIL	NIL	NIL
Operating Expenses	1,293,300	1,720,609	1,637,993	1,077,518	336,063	1,235,968	823,102	641,415
Net Earnings (loss)	(1,267,070)	(2,103,310)	(1,637,993)	(1,146,414)	(332,588)	(890,080)	(823,656)	(719,846)
<b>Balance sheet data:</b>								
Total assets	17,682,732	16,670,756	16,650,152	15,985,207	11,926,972	10,224,292	9,917,865	7,356,269
Total current liabilities	5,078,614	6,088,060	5,651,749	4,146,503	5,825,468	3,680,158	4,214,243	1,956,282

**Explanation of Quarterly Variances**

The loss of (\$1,267,070) for the three-month period ended April 30, 2020 has increased in comparison to the loss for the three-month period ended April 30, 2019 (\$332,588) as certain expenses increased. The loss of (\$1,267,070) for the three-month period ended April 30, 2020 consisted of \$356,814 of interest and accretion expenses (2019-\$148,933), \$187,244 of consulting fees (2019 \$34,722), \$159,786 of amortization on deferred financing charges (2019-\$14,655), \$72,304 of office and administrative expenses (2019-\$32,426), 114,521 of advertising and promotions (2019-\$6,411), \$41,570 of amortization of property plant and equipment expenses (2019-\$40,938), \$35,305 of amortization of right-of-use assets(2019-NIL), \$143,697 of professional fees (2019-\$87,095), and \$50,393 of other expenses (2019-\$17,132), including bad debt, bank charges, agent fees and travel. Also, there was a reduction of \$108,978 (2019-\$117,456) in salaries and benefits due to the plant closing down in March 2020 due to COVID-19.

Revenue for 3 months ending April 30, 2020 was \$3,000, compared to \$3,000, for the 3 months ended April 30, 2019.

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**LIQUIDITY AND CAPITAL RESOURCES**

As at April 30, 2020, the Company had \$81,605 cash, and working capital deficit of \$3,386,968. The Company is not subject to external working capital requirements.

During the year ended April 30, 2020, the Company use cash of \$3,361,167 in operating activities mainly from maintaining levels of accounts payable and accrued liabilities with main expenses in professional and consulting expenses related to engineering work and preparing for production. The Company also received \$8,182,202 inflow from its financing activities through a loan agreement, long-term loans and the issuance of convertible debt units (see "Financial Transactions" for more detail).

**OFF BALANCE SHEET ARRANGEMENTS**

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

**CONTINGENCIES / LEGAL PROCEEDINGS**

The Company does not have any legal proceedings.

**FINANCIAL TRANSACTIONS**

The following financial transactions occurred in the years ended April 30, 2020 and 2019:

- A. On June 7, 2018, the Company issued 2,000,000 common shares through the exercise of 2,000,000 warrants which were eligible for an early warrant incentive program at the price of \$0.20 per share. Each participant is entitled to receive \$0.0875 per warrant exercised (Note 10-Royalty payable). These shares were issued for cash of \$400,000.
- B. On June 15, 2018, the Company issued 875,000 common shares through the exercise of 875,000 warrants which were eligible for an early warrant incentive program at the price of \$0.20 per share. Each participant is entitled to receive \$0.0875 per warrant exercised, (Note 10-Royalty payable). These shares were issued for cash of \$175,000.
- C. On June 22, 2018, the Company issued 162,500 common shares through the exercise of 162,500 warrants which were eligible for an early warrant incentive program at the price of \$0.20 per share. Each participant is entitled to receive \$0.0875 per warrant exercised, (Note 10- Royalty payable). These shares were issued for cash of \$32,500.
- D. On July 3, 2018, the Company issued 1,960,781 common shares through a non-brokered private placement offering of units at a subscription price of \$0.16 per share. These shares were issued to settle debts of \$313,725. Using the trading value on the same date, a loss of \$78,431 resulted from these debt settlements.
- E. On July 3, 2018, the Company issued 7,125,000 common shares through the exercise of 7,125,000 warrants which were eligible for an early warrant incentive program at the price of \$0.20 per share. Each participant is entitled to receive \$0.0875 per warrant exercised, (Note 10- Royalty payable). These shares were issued for cash of \$1,425,000.

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- F. On August 2, 2018 the Company issued 477,363 common shares at a fair value of \$114,567 using the closing trade price on the same date, to settle debt of \$100,246 which resulted in a loss of \$14,321.
- G. On August 3, 2018, the Company issued 24,000 shares through the exercise of 24,000 finders warrants at the price of \$0.10 per share. The shares were issued for the warrants and cash of \$2,400. \$2,853 was reallocated from reserve to share capital as a result of the warrants conversion.
- H. On August 3, 2018, the Company issued 1,437,500 shares through the exercise of 1,437,500 warrants at the price of \$0.20 per share. The shares were issued for the warrants and cash of \$287,500.
- I. On August 16, 2018, the Company issued 50,000 shares through the exercise of 50,000 warrants at the price of \$0.20. The shares were issued for the warrants and cash of \$10,000.
- J. On August 31, 2018, the Company issued 408,000 shares through the exercise of 408,000 finders warrants at the price of \$0.10 per share. The shares were issued for the warrants and cash of \$40,800. \$41,126 was reallocated from reserve to share capital as a result of the warrants conversion.
- K. On August 31, 2018, the Company issued 200,000 shares through the exercise of 200,000 warrants at the price of \$0.20 per share. The shares were issued for the warrants and cash of \$40,000.
- L. On September 13, 2018, the Company issued 228,918 common shares at a fair value of \$57,230 using the closing trade price on the same date, to settle debt of \$45,784 which resulted in a loss of \$11,446.
- M. On September 13, 2018, the Company issued 900,000 shares through the exercise of 900,000 warrants at the price of \$0.20 per share. The shares were issued for the warrants and debt conversion of \$180,000.
- N. On September 21, 2018, the Company issued 941,180 shares through the exercise of 941,180 warrants at the price of \$0.20. The shares were issued for the warrants and cash of \$188,236.
- O. On November 30, 2018 the Company issued 2,826,025 common shares at a fair value of \$367,383 using the closing trade price on the same date, to settle debt of \$508,684 which resulted in a gain of \$141,301.
- P. On November 30, 2018 the Company issued 3,029,167 common shares at a fair value of \$393,792 using the closing trade price on the same date, to settle debt of \$605,833 which resulted in a gain of \$212,041.
- Q. On December 17, 2018, the Company issued 6,726,200 common shares through a non-brokered private placement offering of units, each unit consisting of one common share and one share purchase warrant, at a subscription price of \$0.13 per unit. 6,400,000 shares were issued for cash of \$832,000 and 326,200 common shares were issued to settle debt of \$42,406 resulting in no gain or loss. Warrants were assigned a value of \$134,524 based on the residual value method. The Company paid a 7% cash and warrant commission (\$30,300 cash and 231,000 finders' warrants).

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- R. On December 20, 2018, the Company issued 2,076,923 common shares through a non-brokered private placement offering of units, each consisting of one common share and one share purchase warrant, at a subscription price of \$0.13 per unit. All shares were issued for cash of \$270,000. Warrants were assigned a value of \$41,538 based on the residual value method.
- S. On February 11, 2019, the Company issued 3,845,884 common shares through a non-brokered private placement offering of units, each consisting of one common share and one share purchase warrant, at a subscription price of \$0.13 per unit. All shares were issued for cash of \$499,965. Warrants were assigned a value of \$115,377 based on the residual value method .
- T. On February 11, 2019, the Company issued 46,289 common shares at a fair value of \$4,860 using the closing trade price on the same date, to settle debt of \$8,332 which resulted in a gain of \$3,472.
- U. On April 18, 2019, the Company issued 40,000 shares through the exercise of 40,000 finders warrants at the price of \$0.10 per share. The shares were issued for the warrants and cash of \$4,000. \$6,200 was reallocated from reserve to share capital as a result of the warrants conversion.
- V. On April 18, 2019, the Company issued 113,998 common shares through a non-brokered private placement offering of units, each unit consisting of one common share and one share purchase warrant, at a subscription price of \$0.13 per unit. 113,998 common shares were issued to settle debt of \$14,280 resulting in no gain or loss. Warrants were assigned a value of \$6,270 based on the residual value method.
- W. On May 6, 2019, the Company issued 3,024,000 common shares at a fair value of \$241,920 using the closing trade price on the same date, to settle the A Prepaid Interest associated with the A Convertible Debenture Units.
- X. On May 31, 2019, the company issued 2,361,000 common shares at a fair value of \$177,075 using the closing trade price on the same date, to settle the A Prepaid Interest associated with the A Convertible Debenture Units .
- Y. On June 20, 2019, the Company issued 133,300 common shares as the result of the conversion of convertible debentures of \$10,000 and accrued interest of \$3,300.
- Z. On June 26, 2019, the Company issued 3,060,750 common shares at a fair value of \$260,164 using the closing trade price on the same date, to settle the A Prepaid Interest associated with the A Convertible Debenture Units.
- AA. On June 26, 2019, the Company issued 400,710 common shares as the result of the conversion of convertible debentures of \$30,000 and accrued interest of \$10,071.
- BB. On July 9, 2019, the company issued 2,329,500 common shares at a fair value of \$232,950 using the closing trade price on the same date, to settle the A Prepaid Interest associated with the 2019 A Convertible Debenture Units.
- CC. On July 16, 2019, the Company issued 1,660,400 common shares at a fair value of \$234,956 using the closing trade price on the same date, to settle debt of \$166,060 which resulted in a loss of \$68,896.

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- DD. On July 16, 2019, the Company issued 4,590,000 common shares at a fair value of \$596,700 using the closing trade price on the same date, to settle the A Prepaid Interest associated with the A Convertible Debenture Units.
- EE. On July 30, 2019, the Company issued 510,710 common shares at a fair value of \$51,071 using the closing trade price on the same date, to settle debt of \$51,071 which resulted in a no gain or loss.
- FF. On October 25, 2019, the Company issued 125,000 common shares at a fair value of \$11,250 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- GG. On October 31, 2019, the Company issued 1,137,500 common shares at a fair value of \$102,375 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- HH. On November 14, 2019, the Company issued 750,000 common shares at a fair value of \$56,250 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- II. On November 14, 2019, the Company issued 5,000,000 common shares as the result of the conversion of convertible debentures of \$300,000.
- JJ. On November 18, 2019, the Company issued 10,750,000 common shares as the result of the conversion of convertible debentures of \$645,000.
- KK. On November 22, 2019, the Company issued 900,000 common shares as the result of the conversion of convertible debentures of \$54,000.
- LL. On November 27, 2019, the Company issued 8,666,667 common shares as the result of the conversion of convertible debentures of \$520,000.
- MM. On December 5, 2019, the Company issued 1,092,000 common shares at a fair value of \$65,550 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- NN. On December 19, 2019, the Company issued 1,000,000 common shares at a fair value of \$65,000 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- OO. On December 20, 2019, the Company issued 1,841,667 common shares as the result of the conversion of convertible debentures of \$110,500.
- PP. On December 27, 2019, the Company issued 500,000 common shares at a fair value of \$35,000 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.

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- QQ. On December 31, 2019, the Company issued 1,247,556 common shares at a fair value of \$93,567 using the closing trade price on the same date, to settle debt of \$112,280 which resulted in a gain of \$18,713.
- RR. On January 7, 2020, the Company issued 1,333,333 common shares as the result of the conversion of convertible debentures of \$80,000.
- SS. On January 16, 2020, the company issued 1,500,000 common shares as the vesting of 1,500,000 vested restricted share units ("RSUs") for \$307,500 which was the fair value of the shares on January 12, 2018 the date the RSU's were issued.
- TT. On January 27, 2020, the Company issued 675,000 common shares as the result of the conversion of convertible debentures of \$40,500.
- UU. On January 31, 2020, the Company issued 500,000 common shares as the result of the conversion of convertible debentures of \$30,000.
- VV. On February 6, 2020, the Company issued 1,225,000 common shares at a fair value of \$110,250 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- WW. On February 28, 2020, the Company issued 250,000 common shares at a fair value of \$20,000 using the closing trade price on the same date, to settle the B Prepaid Interest associated with the B Convertible Debenture Units.
- XX. On March 2, 2020, the Company issued 1,383,333 common shares as the result of the conversion of convertible debentures of \$95,500.
- YY. On March 20, 2020, the Company issued 2,187,500 common shares as the result of the conversion of convertible debentures of \$160,000.
- ZZ. On March 27, 2020, the Company issued 2,545,715 common shares at a fair value of \$127,286 using the closing trade price on the same date, to settle the C Prepaid Interest associated with the C Convertible Debenture Units.
- AAA. On April 17, 2020, the Company issued 2,298,215 common shares at a fair value of \$91,929 using the closing trade price on the same date, to settle the C Prepaid Interest associated with the C Convertible Debenture Units.
- BBB. On April 23, 2020, the Company issued 416,667 common shares as the result of the conversion of convertible debentures of \$25,000.
- CCC. On April 30, 2019, the Company issued 2,961,013 common shares at a fair value of \$103,635 using the closing trade price on the same date, to settle debt of \$177,661 which resulted in a gain of \$74,026.

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The net proceeds of all of the financial transactions above were used as intended and disclosed, without variance.

**TRANSACTIONS WITH RELATED PARTIES**

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

Office expense of \$4,865 (2019 - \$3,612), salaries and benefits of \$54,025 (2019 - \$50,976), rent expense of \$11,042 (2019 - \$11,304) and telephone expense of \$823 (2019 - \$829) were charged back to 1888711 Alberta Inc., a company related by officers and directors. A balance of \$94,999 (2019 \$23,200) is owed by 1888711 Alberta Ltd. and is included in GST and Other receivable.

Accounts payable and accrued liabilities balances at April 30, 2020 outstanding to the CEO of the Company in the amount of \$10,817 (2019 – \$45,188). In the year ending April 30, 2020 the Company issued 400 A Convertible Debenture Units (Note 10) and 40 C Convertible Debenture Units (Note 10) in exchange for a total of \$440,000 of accounts payable and short term loans owed to this person.

Accounts payable and accrued liabilities balances at April 30, 2020 outstanding to a company owned by the CFO in the amount of \$28,266 (2019 - \$29,783). In the year ending April 30, 2020, the Company issued 30 A Convertible Debenture Units (Note 10), 15 B Convertible Debenture Units (Note 10) and 70 Convertible Debenture Units (Note 10) in exchange for a total of \$115,000 of accounts payable owed to this company.

A director of the Company received \$Nil in fees (2019 - \$5,787) as payment for services provided with construction of the Company's refinery in Aldersyde, Alberta.

A director of the Company received \$3,637 in fees (2019 - \$4,000) as payment for professional services provided.

A total of \$80,452 was charged to Renewable U to recover certain costs incurred by the Company as a result of providing tours of the Company's refinery. A director of the company is an owner is an owner and common director. The amount is included in other receivables at year end .

Also, refer to Notes 9, 12, 13 and 14 in the financial statements for other related party transactions.

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Management compensation for the officers and directors during the years are disclosed as below:

Year ended April 30, 2020

		Consulting and Management Fees	Gross Salaries	Marketing	RSU Shares Based	Total
		Paid	Paid	Expenses	Compensation	
Don Allan	CEO & Director	\$ -	\$ 311,539	\$ -	\$ 111,708	\$ 423,247
Shawn Frenette	CFO	\$ 151,148	\$ -	\$ -	\$ -	\$ 151,148
Robin Ray	Director	\$ 3,637 <sup>2</sup>	\$ -	\$ -	\$ -	\$ 3,637
Brand U Agency Inc.		\$ -	\$ -	\$ 105,654 <sup>3</sup>	\$ -	\$ 105,654
		\$ 154,758	\$ 311,539	\$ 105,654	\$ 111,708	\$ 683,386

Year ended April 30, 2019

		Consulting fees Paid	Gross Salaries Paid	Stock Options Shares Based Compensation	RSU Shares Based Compensation	Total
Don Allan	CEO & Director	\$ -	\$ 325,246	\$ -	\$ 256,157	\$ 581,403
Shannon Wyzykoski	CFO	\$ 136,490	\$ -	\$ -	\$ -	\$ 136,490
Chris Dovbniak	Director	\$ 5,787 <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ 5,787
Doug Mackenzie	Director	\$ -	\$ -	\$ -	\$ -	\$ -
Mel Angeltvedt	Director	\$ -	\$ -	\$ -	\$ -	\$ -
Robin Ray	Director	\$ 4,000 <sup>(2)</sup>	\$ -	\$ -	\$ -	\$ 4,000
Micheal Yeung	Officer- VP- Business Development and Capital Markets	\$ -	\$ 120,462	\$ -	\$ 128,079	\$ 248,541
		\$ 146,277	\$ 445,708	\$ -	\$ 384,236	\$ 976,221

(1) Technical consulting fees paid with respect to the construction in progress.

(2) Consulting fees paid with respect to filing corporate tax returns for the Company.

(3) Marketing expenses paid to corporation owned and/or controlled in part by Lionel Robins as a common director, who is also a controlling shareholder of the corporation.

Further details are available in the Note 9, Note 12, Note 13, and Note 14 to the April 30, 2020 annual Audited Financial Statements.

**OUTSTANDING SHARE DATA**

As at April 30, 2020, the Company had 244,044,047 common shares, 53,587,685 warrants (“Warrants”), 5,620,400 finder/broker warrants (“Finder/Broker Warrants”), 3,740,000 stock options (“Options”) and 3,250,000 Restricted Share Units (“RSUs”) issued and outstanding.

31,396,555 of the share purchase warrants are exercisable at \$0.1493 per share (subject to further decrease in the case of additional dilutive events – see “Financial Transactions”, section H) and expire on the earlier of (i) November 2, 2022 and (ii) the later of (A) November 2, 2019 and (B) 6 months following full repayment of the corresponding loan, but not later than 5 years from the issuance date.

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12,763,005 of the share purchase warrants are exercisable at \$0.20 per share and expire between December 17, 2021 and April 18, 2022.

3,776,875 of the share purchase warrants are exercisable at \$0.25 per share and expire between May 6 and February 28, 2024.

5,651,250 of the share purchase warrants are exercisable at \$0.07 per share and expire between April 17, 2024 and April 17, 2024.

231,000 of the finder warrants are exercisable at \$0.20 per share and expire on December 17, 2020.

2,939,000 of the finder warrants are exercisable at \$0.10 per share and expire between May 6, 2023 and July 9, 2023.

1,380,000 of the finder warrants are exercisable at \$0.12 per share and expire between October 31, 2023 and February 28, 2024.

1,070,400 of the finder warrants are exercisable at \$0.07 per share and expire between March 27, 2024 and April 17, 2024.

The options are exercisable for a period of three years from the date of grant and vested immediately upon grant. 3,740,000 of the options are exercisable at \$0.25 per share until January 21, 2021.

3,250,000 RSU are outstanding and vest on January 12, 2021.

As of the date of this MD&A, the Company has 271,972,579 common shares, 75,390,606 share purchase warrants (including 7,340,400 finder's warrants), 9,190,000 stock options and 3,250,000 RSUs issued and outstanding.

**CRITICAL ACCOUNTING ESTIMATES**

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

**CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

Details are available in the April 30, 2020 annual audited financial statements, which are available at [www.sedar.com](http://www.sedar.com).

**FINANCIAL INSTRUMENTS**

Refer to Note 19 to the Company's financial statements for the year ended April 30, 2020.

## **RISK FACTORS**

Risks of the Company's business include the following:

### **No History of Revenues or Dividends**

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

### **Reliance on Management's Expertise**

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

### **Renewable Diesel Fuel Industry**

As a result of extensive research, management believes that US, Canadian and most European governments require a minimum of 2% - 10% of diesel fuels to be comprised of renewable diesel. In Canada, it is 2% minimum by the federal government and in most provinces and an additional 2% has been added to the federal mandate, with some provinces increasing their requirement to 5% minimum blend, making a total blend of 7%. In USA it is 2-5% depending on State, with California seeking to increase to 10%. In Europe it is 5% for automotive and 10% for airlines.

- 2015 bio-diesel requirements for Western Canada were 196 million liters.
- 2015 bio-diesel production in Western Canada was reported to be 42-Million liters. As of September 2019 one of the two companies have gone out of business and there is approximately only 6 Million liters produced now in Western Canada.
- The remaining 97% had to be imported from abroad.

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

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

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

**Commodity Prices**

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

**Uninsured Risks**

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

**Conflicts of Interest**

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies. Consequently, there exists the possibility for such directors to be in a position of conflict. Don Allan, Mel Angeltvedt and Robin Ray are each a director and/or officer of 1888711 Alberta Inc., the Company's licensee/licensor, as described in this MD&A, and Mel Angeltvedt is also a shareholder with significant shareholdings. Lionel Robins also is a shareholder, director and officer of one or more Renewable U Companies (see section entitled "Corporate Overview and Overall Performance - Joint Ventures/Memorandum of Understandings) as well as a shareholder and director of Brand U Agency Inc., which provides marketing services to the Company. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

**Coronavirus Global Pandemic Risk**

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses,

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including the Company’s. This outbreak could decrease spending, adversely affect demand for the Company’s product and harm the Company’s business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

With employees, partners and customers across multiple geographies, the Company’s management continue to closely monitor developments surrounding the COVID-19 pandemic. The Company’s focus is on the safety and well-being of its employees, customers, and partners, and is taking precautions to minimize the spread of COVID-19 in alignment with local government policies and national and international agency recommendations. To help combat the pandemic, the Company has temporarily paused its refinery operation. Based on the current guidance and timelines provided by government health authorities, the increased demand for critical life-saving equipment is likely to extend through, at minimum, December 2020. In consideration of this, interim arrangements have been made to ensure the maintenance of the Company’s core operations despite the temporary reassignment of personnel.

**FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

During the year ended April 30, 2020, there has been no significant change in the Company’s internal control over financial reporting since last year.

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

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

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

**DIRECTORS AND OFFICERS**

Don Allan	Director, CEO, President
Robin Ray	Director
Doug MacKenzie	Director
Chris Dovbniak	Director
Mel Angeltvedt	Director
Lionel Robins	Director
Shawn Frenette	CFO
Stuart McCormick	Vice President, Compliance and Regulatory Affairs

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**SUBSEQUENT EVENTS**

- A. On May 12, 2020, the Company announced a total of \$228,000 in gross proceeds had been raised from the third tranche offering of the C Convertible Debt Units. Commissions of \$12,000 was paid and 240,000 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 1,465,714 shares and 1,710,000 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders.
- B. On June 1, 2020, the Company announced a total of \$218,800 in gross proceeds had been raised from the fourth tranche offering of the C Convertible Debt Units. Commissions of \$12,000 was paid and 240,000 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 1,406,571 shares and 1,641,000 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders.
- C. On June 5, 2020, the Company announce the grant of a total of 5,450,000 incentive stock options to directors, officers, employees, and consultants under the Company's stock option plan. The options are exercisable at \$0.10 per share, will vest immediately and will expire on June 5, 2023. Following this grant of options, the Company has 10,190,000 stock options outstanding.
- D. On June 12, 2020, the Company announced a total of \$476,342 in gross proceeds had been raised from the fifth tranche offering of the C Convertible Debt Units. Commissions of \$22,000 was paid and 440,000 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 3,062,199 shares and 3,572,565 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders.
- E. On June 30, the Company announced a total of \$250,000 in gross proceeds had been raised from the sixth tranche offering of the C Convertible Debt Units. Commissions of \$20,000 was paid and 400,000 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 1,607,143 shares and 1,607,143 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders.
- F. On July 24, the Company announced a total of \$475,000 in gross proceeds had been raised from the seventh tranche offering of the C Convertible Debt Units. Commissions of \$32,000 was paid and 640,000 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 3,562,500 shares and 3,053,570 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders.
- G. On July 30, 2020, the Company announced that the United States Patent and Trademark Office had issued a U.S. Patent to 1888711 Alberta Inc. (See section entitled Corporate Overview and Overall Performance for additional information.)
- H. On August 25, 2020, the Company announced a total of \$50,000 in gross proceeds had been raised from the eighth tranche offering of the C Convertible Debt Units. A total of 321,429 shares and 375,000 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders. The Company also announced that it had entered into agreements to issue 5,592,750 common shares as

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the settlement of an aggregate of approximately \$335,565 in indebtedness owed by the Company to service providers and creditors at a per share price of \$0.06.

- I. On September 15, 2020, the Company announced a total of \$624,000 in gross proceeds had been raised from the ninth tranche offering of the C Convertible Debt Units. Commissions of \$31,840 were paid and 345,600 finders' warrants issued, exercisable at \$0.07 for 4 years from issuance date. A total of 3,689,999 shares and 4,680,000 warrants exercisable at \$0.07 for 4 years from issuance date were also issued to the debenture holders. The Company also announced that it had entered into agreements to issue 1,530,883 common shares as the settlement of an aggregate of approximately \$91,853 in indebtedness owed by the Company to service providers and creditors at a per share price of \$0.06.
  
- J. On September 21, 2020, the Company announced that the Canadian Intellectual Property Office had issued a Canadian patent to 1888711 Alberta Inc.

**ADDITIONAL INFORMATION**

Additional information regarding the Company may be found on SEDAR, [www.sedar.com](http://www.sedar.com).