



HILLCREST
energy technologies™

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CSE: HEAT
OTCQB: HLRTF
FRA: 7HI

CORRECTION FROM SOURCE: HILLCREST CLOSES FIRST TRANCHE OF CONVERTIBLE DEBENTURE FINANCING (CORRECTED)

This release corrects the release issued January 29th, 2025. It corrects the aggregate principal amount in the 5th paragraph

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VANCOUVER, BC, January 30, 2025 – Hillcrest Energy Technologies (CSE: HEAT)(FRA: 7HI) (“**Hillcrest**” or the “**Company**”), is pleased to announce that, further to its news release dated January 10, 2025, the Company has closed the first tranche of its non-brokered private placement (the “**Private Placement**”) of unsecured convertible debentures (“**Debentures**”) with a principal amount of \$1,942,825. A significant portion of the Offering, approximately \$1,554,825, was completed through the distribution of Debentures in settlement of existing debt. The Company anticipates closing a second tranche of the Private Placement in the coming weeks.

The Debentures bear interest at a rate of 10% per annum and mature on two years following the date of issuance (the “**Maturity Date**”). The Company may from time to time, in its sole discretion, prepay all or a part of the principal amount and accrued interest without penalty.

The outstanding principal amount owed under a Debenture may be converted, in the sole discretion of the holder at any time prior to the Maturity Date, into units of the Company (each, a “**Unit**”) at a conversion price of \$0.12 per Unit (the “**Conversion Price**”). Each Unit will consist of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”), which each Warrant being exercisable at a price of \$0.12 per Common Share for a period of 36 months from the date of issuance.

At maturity, the Company may convert the outstanding principal amount, together with any accrued and unpaid interest thereon, into Units at the Conversion Price; provided that, if the holder of a Debenture and the Company make different elections at maturity, the election by the party who opted in favour of the largest conversion of the principal amount into Units at the Conversion Price will prevail. The Debentures are also subject to a forced conversion right, whereby the Company may convert the outstanding principal amount and any accrued and unpaid interest thereon into Units at the Conversion Price if the closing price of the Common Shares on the Canadian Securities Exchange is greater than or equal to \$0.36 for a period of ten consecutive trading days and the Company gives notice to holders of the Debentures by way of a news release. If the Company arranges a distribution of securities, other than pursuant to an equity incentive plan, holders of the Debentures may elect to complete a securities for debt transaction in connection with such subsequent financing, to settle the outstanding principal and interest accrued and owing.

Certain insiders of the Company (collectively, the “**Insiders**”) participated in the Offering for
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Debentures with an aggregate principal amount of \$217,375. Such issuance of Debentures to the Insiders constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transaction (“MI 61-101”). The Company is relying on the exemption from valuation requirement and minority approval pursuant to subsections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the participation by the Insiders in the Offering does not represent more than 25% of the fair market value of the Company’s market capitalization.

The Company intends to use the proceeds from the Offering for retirement of existing accounts payable, technology development, general working capital and, where feasible, enhanced marketing and investor relations activities.

All securities issued in connection with the Offering are subject to a statutory hold period of four months and one day following the date of issuance in accordance with applicable Canadian securities laws.

The Company also announces the grant of 1,629,076 restricted share units (“RSUs”), pursuant to the Company’s restricted share unit plan, to a consultant and several directors of the Company. The RSUs vest on grant and have a 3-year term. The Company further announces that it has granted incentive stock options to a consultant of the Company to purchase up to 100,000 Common Shares pursuant to the Company’s share option plan. The options are exercisable on or before January 29, 2030 at a price of \$0.12 per Common Share.

The securities of the Company referred to in this press release have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “U.S. Securities Act”), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Hillcrest Energy Technologies Ltd.

Hillcrest Energy Technologies is a clean technology company focused on providing advanced power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power a more sustainable and electrified future. Hillcrest is publicly traded on the CSE under the symbol “HEAT,” on the OTCQB Venture Market as “HLRTF” and on the Frankfurt Exchange as “7HI”. For more information, please visit: <https://hillcrestenergy.tech/>.

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Cautionary Statement Regarding “Forward-Looking” Information

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects,” “intends,” “is expected,” “potential,” “suggests” or variations of such words or phrases, or statements that certain actions, events or results “may,” “could,” “should,” “would,” “might” or “will” be taken, occur or be achieved. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Investors are advised to consider the risk factors under the heading “Risks and Uncertainties” in the Company’s MD&A for the year ended Dec. 31, 2023, available at <https://www.sedarplus.ca/> for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.