

FORM 51-102F3

Material Change Report

Item 1. Name and Address of Company

Hillcrest Resources Ltd.
303-750 West Pender Street
Vancouver, B.C. V6C 2T7

Telephone: 604-609-0006

Item 2. Date of Material Change

News Release dated May 22, 2012

Item 3. News Release

News Release dated May 22, 2012 was filed on SEDAR on May 22, 2012 and disseminated via TheNewsWire on May 22, 2012.

Item 4. Summary of Material Change

Donner # 2 produces gas sales.

Item 5. Full Description of Material Change

Vancouver, BC – May 22, 2012. Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH)) ”) ” is pleased to announce the Nadsolco Donner #2 well located in Newton County Texas, has commenced production of gas. The well was drilled in July of 2011 to a total depth of 7559 feet at which time wire logs were run. Interpretation of the wire logs indicated potential oil and gas pay in four separate zones. Two of the zones appear to extend productive intervals within the Donner #1 well located approximately 3500 feet to the east of Donner #2. The working interest partners chose to complete the well and produced an average of 16 barrels of oil per day until late January of 2012. In January of this year the decision was made to try and have the well commercially produce both oil and gas. The Company focused on a gas zone encountered at 7294 feet to 7310 feet which the company believes could produce upwards of 750,000 cubic feet of commercial gas per day.

Completion of the gas zone commenced in mid February of this year and has resulted in the well commencing commercial production this week. Initial flow rates on a severely restricted choke of 4/64th of an inch will start production at 250,000 to 300,000 cubic feet per day. Production rates will be monitored and should increase as the choke is opened. The Company believes the zone could produce up to 750,000 cubic feet a day, further adding to operations revenue.

"Hillcrest is pleased with the apparent success of the lower gas zone in Donner #2" Don Currie, the Company's CEO and Chairman stated. "Gas sales from the zone will add immediate revenue on a monthly basis. Once the gas production is stabilized the company will review our options of re-perforating one of the oil zones in the well with the goal of producing both oil and gas from the same well. The Company is also exploring the option of drilling a third well in Newton County. Reviewing the logs and information obtained through the drilling and completion of our first 2 wells, we believe the potential Donner #3 well could produce substantially more commercial hydrocarbons on a daily basis further adding to monthly revenues.

As previously released, Hillcrest Resources Ltd owns a 48% working interest in Donner #2 before payout and a 36% working interest after payout.

For more information on Hillcrest Resources Ltd, please contact Donald Currie toll free at 1-855-609-0006 or visit the Company's website at www.hillcrestresources.com.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report.

Donald Currie, Chairman, CEO
Business Telephone No.: 604-609-0006

Item 9. Date of Report

DATED at Vancouver, British Columbia, this 22nd day of May, 2012.

(Signed) Donald Currie

Donald Currie
Chairman and CEO