

Suite 303 - 750 West Pender Street
Vancouver, BC V6C 2T7
Tel: 604-609-0006
Toll-free: 1-855-609-0006
Fax: 604- 844-7572

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TSX-V: HRH

Hillcrest Resources clarifies terms of previously announced Financing

VANCOUVER, B.C. – Hillcrest Resources Ltd. (the “**Company**”) – Further to its news release of June 11, 2013, the Company has arranged a senior secured loan facility (the “**Loan Facility**”) of up to \$2,000,000 with Ascendant Securities Inc. (“**ASI**”) on behalf of a group of clients of ASI (the “**Lenders**”).

Pursuant to the Loan Facility, the Company is proposing to issue and sell up to \$2,000,000 principal amount of senior secured debentures of the Company (the “**Debentures**”) at a price of \$1,000 per Debenture. The Debentures bear interest at a rate of 15% per annum, compounded monthly.

The Company expects that \$1,000,000 (the “**Initial Draw**”) will be advanced on the first closing date, to be on or about July 12, 2013, and up to an additional \$1,000,000 (the “**Second Draw**”) may be drawn at the option of the Company subject to the terms and conditions of a trust indenture between the Company and ASI (the “**Indenture**”). The principal amount (and any unpaid and accrued interest) of the Debentures evidencing the Initial Draw will mature two years from the date of their issuance. The principal amount (and any unpaid and accrued interest) of the Debentures evidencing the Second Draw will mature one year from the date of their issuance.

As part of the consideration for the Loan Facility, the Lenders will receive an aggregate 6% overriding royalty interest (the “**Royalty Interest**”) in the Company’s proceeds from all oil, gas and other hydrocarbons produced from any new wells developed on the Company’s Donner Properties using any portion of the proceeds from the Initial Draw or Second Draw, or both.

In connection with the Loan Facility, the Company will enter into an agency agreement with ASI (the “**Agency Agreement**”) pursuant to which ASI has agreed to offer for sale, on a “best efforts” basis, up to \$2,000,000 of Debentures (the “**Offering**”). In consideration of the services rendered by ASI in connection with the Offering and all other matters in connection with the issue and sale of the Debentures, the Company has agreed to pay ASI a cash agent’s fee equal to 6% of the Initial Draw and, if applicable, 6% of the Second Draw. The Company has further agreed to issue to ASI non-transferable warrants (the “**Agent Warrants**”) to purchase that number of common shares of the Company (the “**Agent Shares**”) equal to (i) 6% of the Initial Draw divided by the greater of (x) the 20-day volume weighted average price of the Corporation’s common shares on the TSXV (calculated as of the day prior to the First Closing Date) and (y) the Discounted Market Price (as such term is defined in the TSXV Corporate Finance Manual) of the Corporation’s common shares (subject to a minimum of \$0.05), and (ii) if applicable, 6% of the Second Draw divided by the greater of (x) the 20-day volume weighted average price of the Corporation’s common shares on the TSXV (calculated as of the day prior to the closing date of the Second Draw) and (y) the Discounted Market Price of the Corporation’s common shares (subject to a minimum of \$0.05). Each Agent Warrant shall entitle ASI to purchase one Agent Share at an exercise price of \$0.10 per Agent Share for a period of 24 months from the date of issue.

ASI will also receive a monitoring fee of \$25,000 per annum on each anniversary of the closing date of the Initial Draw as well as a 2% Royalty Interest for acting as collateral agent. In order to secure its obligations under the terms of the Debentures the Company has entered into a deed of trust with ASI, and

as required by the Indenture, granted to the Lenders a security interest over its assets pursuant to a general security agreement.

The Company has the option to purchase all or part of the Royalty Interest from the Lenders and ASI, on a pro rata basis, for an aggregate purchase price of up to \$300,000 on each new well developed using funds from the Loan Facility.

ON BEHALF OF THE BOARD

“Don Currie”

Don Currie
Chairman, Chief Executive Officer and a Director

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