



HILLCREST
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TSX-V: HRH

**Hillcrest Resources announcing closing of the initial draw
of previously announced Financing**

VANCOUVER, B.C. – Hillcrest Resources Ltd. (the “**Company**”) – Further to its news releases of June 11 and July 10, 2013, the Company is pleased to announce that it has closed the initial draw of \$1,000,000 (the “**Initial Draw**”) pursuant to a senior secured loan facility (the “**Loan Facility**”) of up to \$2,000,000 arranged with Ascendant Securities Inc. (“**ASI**”) on behalf of a group of clients of ASI (the “**Lenders**”). An additional \$1,000,000 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**”).

In connection with the Initial Draw, the Company has issued senior secured debentures of the Company (the “**Debentures**”) in an aggregate principal amount of \$1,000,000. The Debentures will bear interest at a rate of 15% per annum, compounded monthly. The principal amount (and any unpaid and accrued interest) of the Debentures evidencing the Initial Draw will mature on July 18, 2015.

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.

In consideration of the services rendered by ASI, the Company has paid ASI a cash agent’s fee of \$60,000, the first installment of an annual monitoring fee of \$25,000 and a 2% Royalty Interest for acting as collateral agent. The Company also issued an aggregate of 1,200,000 agent warrants (the “**Agent Warrants**”). The Agent Warrants entitle the holder thereof to purchase up to 1,200,000 common shares of the Company at a price of \$0.10 per share until July 18, 2015.

Don Currie, CEO and Chairman states, “The funds received from the initial draw will be invested in the drilling and potential production of the next well in Newton County. Several drill locations are being considered with a decision on which to drill coming within the next month. The Company is eager to increase production and revenues through the drilling and potential completion of the third Donner well. Success in the third well is expected to result in a fourth being drilled and potentially completed within this calendar year.”

ON BEHALF OF THE BOARD

“*Don Currie*”

Don Currie
Chairman, Chief Executive Officer and a Director

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