

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hillcrest Resources Ltd.
Suite 303, 750 West Pender Street
Vancouver, British Columbia
V6C 2T7

Item 2 Date of Material Change

July 18, 2013

Item 3 News Release

A news release was issued by Hillcrest Resources Ltd. (the “**Company**”) through Stockwatch on July 19, 2013.

Item 4 Summary of Material Change

The Company announced that it has closed the initial draw of \$1,000,000 pursuant to a senior secured loan facility of up to \$2,000,000 arranged with Ascendant Securities Inc. on behalf of a group of clients of ASI.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On July 19, 2013, the Company announced 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.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Don Currie
Chief Executive Officer
Telephone: 604-609-0006

Item 9 Date of Report

July 19, 2013