

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 July 19, 2013.

Item 3. News Release

News Release dated July 19, 2013 was filed on SEDAR on July 19, 2013 and disseminated via TheNewsWire on July 19, 2013.

Item 4. Summary of Material Change

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

Item 5. Full Description of Material Change

Vancouver, BC – July 19, 2013. Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH)) – 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."

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 19th day of July, 2013.

(Signed) Donald Currie

Donald Currie
Chairman and CEO