

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 August 4, 2011

Item 3. News Release

News Release dated August 4, 2011 was filed on SEDAR on August 4, 2011 and disseminated via TheNewsWire on August 4, 2011.

Item 4. Summary of Material Change

Donner # 2 starts production

Item 5. Full Description of Material Change

Vancouver, BC – August 4, 2011. Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH) is pleased to announce the Nadsoilco Donner #2 well located in Newton County Texas, has commenced production of oil. The well was drilled 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 with oil production being the main focus. Donner #2 was tested over a 24 hour period in late July and produced oil at a rate of approximately 48 barrels of oil per day on a 5/64th inch choke. Surface facilities have now been installed in preparation for commercial production. The additional gas zone encountered at 7294 feet to 7310 feet will be produced at a later date either from this well bore or from an offset location.

"Hillcrest is pleased with the apparent success of Donner #2" Don Currie, the Company's CEO and Chairman stated. "Donner #1 has produced problem free at the same level for almost one year and our hopes are Donner #2 can do the same. The Company has asked the operators to look at availability of a rig beginning of the October subject to rig availability. We decided to produce oil from Donner #2 and look at an offset well to produce the gas. Oil sales currently are producing higher

revenues than gas sales, so the decision was made to produce the oil first. However, the availability of the gas and the estimated size of the zone has led us to move forward with drilling an offset to potentially produce from the gas zones. It is the Company's intention to drill 2 additional wells and hope to have them on production by the end of this calendar year"

As previously released, Hillcrest Resources Ltd owns a 48% revenue interest in Donner #2 before payout and a 27% net revenue interest after payout.

For more information on Hillcrest Resources Ltd, contact Donald Currie toll free at 1-866-609-0006 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 4th day of August, 2011.

(Signed) Donald Currie

Donald Currie
Chairman and CEOa