

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 29, 2011

Item 3. News Release

News Release dated August 29, 2011 was filed on SEDAR on August 29, 2011 and disseminated via TheNewsWire on August 29, 2011.

Item 4. Summary of Material Change

Hillcrest Resources announces quarterly results and production update.

Item 5. Full Description of Material Change

Vancouver, BC – August 29, 2011. Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH) is pleased to announce the Company was cash flow positive for the first 6 months of 2011. In the recently published 2nd quarter financial statements, the Company reported cash flow from operations of \$68,925. and a net loss of \$18,149. for the quarter ended June 30, 2011. Oil and gas production during the Quarter totalled 3,864 boe (barrels oil equivalent) (average 100% oil) for a daily average of 43 boepd (barrels oil equivalent per day).

During the Quarter the Donner #1 project reached payout of all well costs, facilities and leasehold costs and as a result the Company’s Donner #1 working interest has been reduced to 30%. Payout of the Donner #1 project occurred within 10 months of drilling and the production rate has maintained its initial daily rate of 43 bopd since inception with no declines in pressure and zero water production.

As previously announced the Donner #2 well, located approximately 3,500 ft from Donner #1, initiated oil production from the same lower hackberry sand encountered in Donner #1 on August 4th. The well is currently awaiting an allowable from the Texas Railroad Commission and, in the meantime, has been placed into production at an average of 25 barrels per day on a restricted 4/64th inch choke. The well tested over a 24 hour period in late July of this year at a daily rate of 48 barrels per day on a larger 5/64th choke. The Company is monitoring the daily production rate and may open the restricted choke once

an allowable is provided from the TRRC and a reasonable amount of time has passed and the well is deemed to be able to handle a larger choke size.

Don Currie, CEO and Chairman states, "Hillcrest Resources Ltd is pleased with our latest quarter results. With Donner #2 now producing, revenues are expected to remain strong. As previously announced we plan to drill 2 additional wells and, if successful, hope to have them on production before the end of the calendar year.

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 29th day of August, 2011.

(Signed) Donald Currie

Donald Currie
Chairman and CEOa