

FORM 51-102F3

Material Change Report

Item 1. Name and Address of Company

Hillcrest Resources Ltd.
1180 – 888 Dunsmuir Street
Vancouver, B.C. V6C 3K4

Telephone: 604-609-0006

Item 2. Date of Material Change

News Release dated September 23, 2014.

Item 3. News Release

News Release dated September 23, 2014 was filed on SEDAR on September 23, 2014 and disseminated via TheNewsWire on September 23, 2014.

Item 4. Summary of Material Change

Operations update.

Item 5. Full Description of Material Change

Vancouver, BC – September 23, 2014 - Hillcrest Resources Ltd. (“Hillcrest” or the “Company”) (TSX-V: HRH)) is pleased to provide an update on development and production operations in the Hartburg projects area in Newton County, Texas.

The Donner #1 well is currently producing oil at a gross average rate of approximately 38 barrels of oil per day (bopd). Since commencing production in August 2010, the Donner #1 well has consistently produced between 38 to 42 bopd with no associated formation water and only modest pressure depletion observed. The Company owns a 22.5 net revenue interest in the Donner #1 well.

The Donner #4 well is currently producing natural gas at a gross average rate of approximately 550 thousand cubic feet per day (mcfpd) and 3 barrels of condensate per day (bcpd) with no associated formation water. Since commencing production in late March 2014, average daily gas production has slowly increased from approximately 350 mcfpd to the current rate and with only modest pressure depletion. The Company currently owns a 36% net revenue interest in the Donner #4 well.

The Donner #2 well had been producing natural gas at a gross average rate of approximately 360 mcfpd, but with increasing water cut in recent months. Due to the cost of the associated water handling and disposal, the Company and the other working interest participants in the well decided to abandon this nearly depleted natural gas zone and re-complete the well in a shallower hydrocarbon bearing reservoir. This operation has now been completed and the company is currently assessing the production performance of the new reservoir. After one week of production, the well is producing natural gas at an

average rate of approximately 320 mcfpd with minor amounts of produced oil and no formation water. The Company currently owns a 36% net revenue interest in the Donner #2 well.

The Brown #1 well contains two distinct hydrocarbon bearing intervals, based on interpretation of wireline logs and sidewall cores. The shallower interval is interpreted as containing natural gas and oil within reservoirs of moderate quality while the deeper interval is interpreted as containing primarily natural gas but within a higher quality reservoir. The Company decided to evaluate the production potential of the shallower reservoirs first. The initial completion in this well, in early April of this year, was a 2.5 foot interval located near the base of the interpreted hydrocarbon column, and the well produced at an average rate of approximately 30 bopd with 300 mcfpd of natural gas during the first month of production. However, by early July of this year the 2.5 foot interval was showing significant pressure depletion, and additional perforations were added in an attempt to increase the production rate. These additional perforations have now been added, and the Company is assessing the production performance of the reservoir. In addition, the well will be re-completed in the deeper natural gas bearing reservoir, which is expected to be a strong producer. The Company currently owns a 67.5% net revenue interest in the Brown #1 well.

“The Donner #1 and Donner #4 continue to exhibit strong production performance for Hillcrest, and the recently completed and upcoming work-overs of the Donner #2 and Brown #1 wells have the potential provide additional production volumes.” states Don Currie, the Company’s CEO and Chairman. “Once all zones in the existing wells have been perforated and completed, the company will move to further develop the remaining acreage.”

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 23rd day of September, 2014.

(Signed) Donald Currie

Donald Currie
Chairman and CEO