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CSE: HEAT
OTCQB: HLRTF
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HILLCREST ANNOUNCES \$5M EQUITY FACILITY AGREEMENT AND FIRST TRANCHE CLOSING

VANCOUVER, B.C., April 12, 2021 – [Hillcrest Energy Technologies, Ltd.](#) (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIF) (the “**Company**” or “**Hillcrest**”) today announces the closing of a \$5,000,000 equity facility agreement (the “**Investment Agreement**”) provided by **Mercer Street Global Opportunity Fund, LLC** (the “**Investor**” or “**Mercer Street**”). Hillcrest has received in escrow a First Tranche of CDN \$2,240,000. Hillcrest has the right, but not the obligation, to request further tranches under the Investment Agreement which are to be made available upon certain general conditions being met. Funds drawn are immediately converted into share units in the Company.

“I am delighted to partner with Mercer Street. This funding, combined with monthly production revenues, creates a strong financial foundation that not only meets our anticipated commitments through the upcoming fiscal year, it also expands our ability to pursue new development partnership opportunities and execute against internal IP development initiatives,” said Hillcrest CEO, Don Currie. “Mercer Street’s shared vision for Hillcrest to be a leading catalyst in the transition to clean energy is backed by their unwavering support to see the team succeed.”

THE AGREEMENT

The Investment Agreement provides for unit (each a “**Unit**”) private placement offerings (the “**Offerings**”) to be conducted between the Company and the Investor over a 12-month period commencing on April 9, 2021 (the “**Term**”). Each Unit consists of one common share (each, a “**Common Share**”) of the Company and one-half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant exercisable into one Common Share at the Warrant Exercise Price (as defined below) for a period of 24 months from the closing date of each Tranche. The Offerings will be completed in tranches (each a “**Tranche**”), with each Tranche initiated by the Company and subject to acceptance by the Investor. A subsequent Tranche may not be initiated until the expiry of thirty trading days following the closing of the previous Tranche. The maximum amount of Units that may be subscribed for over the Term is \$5,000,000.

The Investment Agreement provides that the purchase price (“**Purchase Price**”) for each Unit purchased by the Investor in each Tranche shall be priced at a discount of 20% to the 20-day volume weighted average price (the “**Market Price**”) of the Common Shares traded on the facilities of the principal exchange on which the Common Shares are listed, or such greater price as dictated by Policy 6 of the Canadian Securities Exchange (the “**Exchange**”), prior to the date of the filing of a CSE Form 9 with respect to each Tranche. The exercise price of the Warrants (“**Warrant Exercise Price**”) for each Tranche shall be set at a 50% premium to the Purchase Price.

In connection with a closing each Tranche, a finder shall receive a fee in the amount of 7% payable in cash for the aggregate proceeds to the Company on each Tranche, and Common Share purchase

warrants in the amount of 7% of the aggregate number of Units sold in each Tranche (the “**Finder’s Warrants**”), with the Finder’s Warrants being exercisable at the same price at which such Units were distributed, or such higher price as may be required under the policies of the Exchange, for a period of 36 months from the date of distribution.

Pursuant to the Investment Agreement, the Company has closed in escrow, subject to ordinary closing conditions, a first Tranche in the amount of CDN \$2,240,000 (the “**First Tranche**”), pursuant to which the Company has issued 13,176,470 Units consisting of 13,176,470 Common Shares issued at a price of \$0.17 per Common Share, and 6,588,235 Warrants exercisable at a price of \$0.26 per Common Shares until April 9, 2023. The conversion price is based on the previous 20 days volume weighted average price (VWAP) which at time of closing April 8th was 0.2115 cents. In connection with the First Tranche, the Company has issued to the Investor a fee of CDN \$100,000, paid in Common Shares issued with a deemed issue price equal to the Market Price (the “**Share Payment**”). All securities issued in connection with the First Tranche and the Share Payment are subject to a statutory hold period of four-months and one day ending on August 10, 2021.

The Company intends to use the net proceeds of the Offering for general working capital.

The Company has also granted an aggregate of 13,700,000 restricted stock units (RSU) to certain directors, officers, consultants and employees of the Company as long-term incentive and performance awards, all in accordance with its restricted share unit plan (the “RSU Plan”). The RSU’s are subject to vesting criteria, most of which have already been met.

ABOUT THE COMPANY

Hillcrest Energy Technologies is a clean tech innovation and development company on the rise. Working to decarbonize and electrify the energy sector, the Company intends to lead by example as it transitions from the production of fossil fuels in its West Hazel asset in Saskatchewan, to clean energy technologies that help unlock efficiencies in electrification and maximize performance of electric systems including electric vehicles, motors and electric generators. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power the future. Hillcrest is publicly traded on the CSE under the symbol “HEAT”, on the OTCQB Venture Market as “HLRTF” and the Frankfurt Stock Exchange as “7HIF”.

ON BEHALF OF THE BOARD

Donald Currie
Chief Executive Officer and Director

For more information on Hillcrest Energy Technologies, contact Donald Currie toll free at 1-855-609-0006, dcurrie@hillcrestenergy.tech or visit the Company’s website at www.hillcrestenergy.tech.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAS REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

CAUTIONARY STATEMENT REGARDING “FORWARD-LOOKING” INFORMATION

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects”, “intends”, “is expected”, “potential”, “suggests” or variations of such words or phrases, or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company’s control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

The securities of the Company referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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