



Suite 1910 1030 W Georgia St
Vancouver BC, V6E 2Y3
Tel: 604-609-0006
Toll-free: 1-855-609-0006

CSE: HEAT
OTCQB: HLRTF
FRA: 7HIA.F

Hillcrest Energy Technologies Secures Product Development Lab and Testing Facility; Announces Early Warrant Exercise Incentive Program

VANCOUVER, B.C., June 21, 2021 – [Hillcrest Energy Technologies](#) (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIA.F) (“Hillcrest” or the “Company”), a clean tech innovation and e-mobility development company, is pleased to announce the Company has secured a product development lab and testing facility to accelerate prototyping and future product optimization for commercial development.

The technical team, led by Hillcrest CTO Ari Berger, is pursuing two promising innovations in the EV space with Hillcrest quickly advancing to proof of concept with collaborative partner Systematec GmbH (www.systematec.de). The collaboration agreement with Systematec, a German specialist engineering innovator and component designer to major EV and electrical equipment OEM’s and Tier 1 suppliers, was announced April 14 of this year.

“Joint efforts between Hillcrest and Systematec are progressing more quickly than originally estimated, in part due to the combined strengths of our control system capabilities and our partner’s extensive experience in the automotive/EV industry. The experience and knowledge of the partners has provided valuable insight, helping to fast-track efforts and move execution timelines ahead of schedule,” explained Mr. Berger. “Our engineering and development lab will replicate the technical set up found in Systematec’s lab, allowing team members on both continents to simultaneously conduct engineering testing as well as communicate and co-create in real time. Setting up the Vancouver-based lab space is a positive and well-timed milestone event in our technology development strategy.”

The Company is also announcing it is implementing an early warrant exercise incentive program (the “**Incentive Program**”) intended to encourage the early exercise of up to 34,683,334 outstanding common share purchase warrants (the “**Eligible Warrants**”) of the Company held by warrant-holders, with an exercise price of \$0.10 per warrant.

Each Eligible Warrant is currently exercisable to acquire one-half of one common share of the Company at a price of \$0.10 per whole Hillcrest share. Of the 34,683,334 Eligible Warrants, 9,343,334 Eligible Warrants will expire on September 1, 2022, and 25,340,000 Eligible Warrants will expire on January 18, 2023.

“The Company appreciates the tremendous support from shareholders who previously invested through private placements and had received warrants for participating,” stated Don Currie, Hillcrest CEO. “With our technology development and commercialization plans, including having a high-functioning lab in place to test and optimize future prototypes, being ahead of schedule, financial needs also have to keep pace. Funding is key to any company’s success and we will prudently ensure we have resources available when required. The Incentive Program is our financing direction of choice as it provides potential capital to the Company at 75% less dilution

than a traditional private placement that includes a share and a warrant. We will be updating our shareholders on developments and material events as they occur.”

In order to encourage the early exercise of such Eligible Warrants, the terms of the Incentive Program enable the holders to receive half of one New Warrant (as defined and described below) for each Eligible Warrant exercised prior to June 30, 2021 with each whole New Warrant having an exercise price of \$0.25 per common share in the capital of the Company (a “Hillcrest Share”).

To be eligible for the Incentive Program, the holder of the Eligible Warrant must complete and deliver an accredited investor certificate to the Company or otherwise the Company must be satisfied that the distribution of New Warrants to such holder would be exempt from prospectus requirements. For information regarding these accredited investor certificates, or other exemption requirements, please contact Donald Currie, Chief Executive Officer of the Company, toll free at 1-855-609-0006 or dcurrie@hillcrestenergy.tech.

The resulting amendment to the Eligible Warrants means each holder of an Eligible Warrant who elects to exercise an Eligible Warrant at the price of \$0.10 prior to June 30th, 2021, will receive half of one warrant of the Company at a price of \$0.25 per share for a period of 18 months from issuance (each whole warrant, a “**New Warrant**”). The New Warrants, and any shares issued upon exercise thereof, will be subject to a four-month hold period. If an Eligible Warrant holder chooses not to exercise their Eligible Warrants pursuant to this warrant exercise incentive structure, or is otherwise not eligible for an exemption from prospectus requirements under applicable securities laws as described above, the Eligible Warrants will continue to be exercisable for common shares on the same terms that previously existed, as will the warrants held by insiders of the Company and pro group members.

About Hillcrest Energy Technologies

Hillcrest 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 from 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 “7HIA.F”.

ON BEHALF OF THE BOARD

Donald Currie
Chief Executive Officer and Director

CONTACT INFORMATION

Don Currie
Tel: +1-604-609-0006
Toll-free: 1-855-609-0006
dcurrie@hillcrestenergy.tech
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 information contained in this news release includes statements related to expectations regarding the exercise of Eligible Warrants, as well as the planned use of proceeds in connection with development costs related to the joint efforts of Hillcrest and Systematic. This forward looking information is provided as of the date of this news release. The forward looking information reflects our current expectations and assumptions, and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward looking information. No assurance can be given that these assumptions will provide correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company’s control. Investors are advised to consider the risk factors under the heading “Risks and Uncertainties” in the Company’s MD&A for the year ended December 31, 2020 available at www.sedar.com for a discussion of the factors that could cause the Company’s actual results, performance and achievements to be materially different from any anticipated future results, performance, or achievements expressed or implied by the forward looking information.. 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.

####