

**Form 51-102F3
Material Change Report**

Item 1 Name and Address of Company

HILLCREST ENERGY TECHNOLOGIES INC.
(the "Company")
Suite 1910 1030 W Georgia St
Vancouver BC, V6E 2Y3

Item 2 - Date of Material Change

December 9, 2021

Item 3 News Release

A news releases was issued and disseminated through newswire services on December 9, 2021 and filed on SEDAR (www.sedar.com) and with the CSE.

Item 4 Summary of Material Change

The Company closed the first tranche of a non-brokered private placement, issuing 14,425,000 units at a price of CDN \$0.20 for gross proceeds of \$2,885,000.

Item 5 Full Description of Material Change

See attached news release at Schedule "A"

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following senior officer of the Company is knowledgeable about the material change and this report:

Name and Position: Donald Currie
Email: dcurrie@hillcrestenergy.tech
Phone: 604-609-0006

Item 9 Date of Report

December 9, 2021

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

HILLCREST ANNOUNCES CLOSING OF FIRST TRANCHE OF FINANCING

Not for distribution to United States news wire services or for dissemination in the United States

VANCOUVER, BC, December 9, 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 closed the first tranche of a non-brokered private placement previously announced on November 30th, 2021.

Gross proceeds of the first tranche are \$2,885,000 resulting from subscriptions of 14,425,000 units at a price of CDN \$0.20. A second tranche and final closing is estimated to occur on or before Friday December 17th, 2021.

As previously released, the non-brokered private placement consists of up to 15,000,000 units of the Company ("Units") at a price of CDN \$0.20 per Unit for gross proceeds of up to \$3,000,000 (the "Offering"). Each Unit consists of one common share ("Share") and one share purchase warrant ("Warrant"). Each Warrant will be exercisable into an additional Share of the Company at a price of CDN \$0.35 per Share for a period of two years. The placement was intended to close on or before December 8th, 2021, and the Company has extended the date due to additional subscriptions that are being submitted.

A portion of the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as 800,000 Units were issued to certain insiders of the Company pursuant to the Private Placement. The issuance of the securities to the insiders are exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to subsections 5.5(b) and 5.7(1)(a) as the Company's common shares are not listed on a specified market and the fair market value of these securities will not exceed 25% of the Company's market capitalization.

All securities issued in connection with the Offering are subject to a four month hold period from the closing date, in accordance with applicable securities laws.

The securities being offered have not been, nor will they be, registered under the United States Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Hillcrest Energy Technologies

Hillcrest Energy Technologies is a clean tech innovation company developing transformative power conversion devices and control systems for next-generation powertrains and charging applications. The Company is transitioning 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

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NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAS REVIEWED OR ACCEPTED 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. 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 prove 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 be required by law.