

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

Item 1 Name and Address of Company

HILLCREST ENERGY TECHNOLOGIES LTD.
(the "Company")
1910 - 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3

Item 2 - Date of Material Change

October 10, 2022

Item 3 News Release

A news release was issued and disseminated through newswire services on October 11, 2022 and filed on SEDAR (www.sedar.com) and with the CSE.

Item 4 Summary of Material Change

James Bolen has been appointed as Chief Commercialization Officer

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:

Don Currie, CEO
Email: -604-609-0006
Phone: dcurrie@hillcrestenergy.tech

Item 9 Date of Report

October 12, 2022



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

CSE: HEAT
OTCQB: HLRTF

Hillcrest Appoints James Bolen as Chief Commercialization Officer; Provides Product and Financing Updates

***Not for distribution to United States newswire services or for
dissemination in the United States***

- Currently an advisor to the company, Bolen now joins the leadership team as CCO.
- Company's first commercial prototype, a 250kW, 800V ZVS (Zero Voltage Switching) electric vehicle inverter, continues on schedule.
- Company provides financing updates for shareholders and investors.

VANCOUVER, British Columbia, October 11, 2022 – Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF), a clean technology company developing transformative power conversion technologies and control system solutions for next-generation electric vehicles and electrical systems, is pleased to announce the appointment of James Bolen as Chief Commercialization Officer.

Bolen has served as an advisor to Hillcrest for the past nine months and now transitions into his new role as the company's Chief Commercialization Officer. He brings decades of experience developing and commercializing products for the automotive and industrial power sectors.

"James' extensive knowledge, experience and network will continue to be instrumental in the successful commercialization of our technologies," states Hillcrest CEO Don Currie. "In James' expanded role, his leadership within Hillcrest will continue to provide the company with valuable access and insights into customer needs and expectations."



James Bolen

"Hillcrest is making strong advancements in the commercialization of its innovations, consistent with our technology and product development roadmap," states Bolen. "Most critically, the development program is centered around a high level of customer intimacy to ensure strong customer requirements and product specifications, followed by application-specific customization. I'm thrilled to be taking on this new role within the Hillcrest team and look forward to my expanded involvement in engaging and securing commercialization partners."

Bolen's leadership will combine with the automotive industry expertise provided by Hillcrest's European EV commercialization advisor, Dr. Heinz-Georg Burghoff, and the global strategic insights of independent director and former CEO and Chairman of Panasonic North America, Michael Moskowitz. Together with the electric machine control capabilities of Hillcrest, led by CTO Ari Berger, and the power electronics design know-how of Harald Hengstenberger and his

team at Systematec GmbH, Hillcrest is assembling an experienced and capable leadership group that is driving Hillcrest technologies to market.

Progress on the company's first commercial prototype, a 250kW, 800V ZVS (Zero Voltage Switching) electric vehicle inverter, continues on schedule. Many of the major challenges have been solved and the focus now shifts toward the final high-power specifications identified by potential customers. Delivery of the Hillcrest ZVS inverter commercial prototype remains on track for Q4 2022.

Hillcrest has granted incentive stock options to certain employees, officers and consultants of the company to purchase up to 1,433,333 common shares in the capital of the Company, pursuant to the share option plan. The options are exercisable on or before October 7, 2027, at an exercise price of \$0.15 per share and are subject to various vesting criteria.

Hillcrest Financing

Hillcrest is pleased to announce a non-brokered private placement and a temporary warrant exercise program.

Hillcrest's non-brokered private placement consists of up to 20,000,000 units of the company ("Units") at a price of CDN \$0.12 per Unit ("Offering"). Each Unit consists of 1.2 common shares ("Share").

Hillcrest's temporary warrant exercise program ("Program") intended to encourage the early exercise of up to 14,100,000 outstanding common share purchase warrants ("Eligible Warrants"). The Program offers current holders of Eligible Warrants priced at CDN\$0.25 that would expire on January 5, 2023, the ability to exercise their Eligible Warrants on economic terms identical to the Offering such that each Eligible Warrant will entitle the holder thereof to acquire a unit consisting of 1.2 common shares of the company (a "Warrant Unit") at an exercise price of CDN\$0.12 for one Warrant Unit. To participate in the Program, each holder of an Eligible Warrant must provide a warrant exercise form, in such form as appended to the Eligible Warrant, and their payment of the adjusted exercise price to the company by October 14, 2022, at which time the Program will end. If a holder does not exercise an Eligible Warrant prior to October 14, 2022, the Eligible Warrants will revert to their original terms.

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

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.

About Hillcrest Energy Technologies

Hillcrest Energy Technologies is a clean technology company developing high-value, high-performance power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power a more sustainable and electrified future. Hillcrest is publicly traded on the CSE under the symbol "HEAT," on the OTCQB Venture Market as "HLRTF". For more information, please visit: <https://hillcrestenergy.tech/>.

CONTACT INFORMATION

Investor Relations

Don Currie info@hillcrestenergy.tech O:

+1 604-609-0006

Toll-free: 1-855-609-0006

Public Relations

Scott Worden sworden@lambert.com

O: +1 313-309-9500

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAS REVIEWED OR ACCEPTS 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 Dec. 31, 2021, 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.

###