



HILLCREST
energy technologies™

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CSE: HEAT
OTCQB: HLRTF

Hillcrest Announces Closing of Temporary Warrant Exercise Program and First Tranche of Non-Brokered Private Placement

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VANCOUVER, British Columbia, October 26, 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, today announced the closing of its previously announced temporary warrant exercise program (“Program”) and the closing of the first tranche of its previously announced non-brokered private placement (“Offering”).

Pursuant to the Program, which was intended to encourage the early exercise of up to 14,100,000 outstanding common share purchase warrants (“Eligible Warrants”), the company received written commitments to exercise 3,750,000 of the Eligible Warrants, resulting in 4,500,000 common shares being issued with gross proceeds of \$450,000.

The company also submitted for closing the first tranche of the Offering. The Offering consists of up to 20,000,000 units of the company (“Units”) at a price of CDN \$0.12 per Unit. Each Unit contains 1.2 common shares of the company. Gross proceeds from the first tranche are expected to total \$1,460,000 from subscriptions of 12,166,667 Units at a price of CDN \$0.12, resulting in the expected issuance of 14,600,000 common shares of the company.

A second and final tranche is expected to occur on or before November 14, 2022.

A portion of the Offering 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 1,506,667 Units were issued to certain insiders of the company pursuant to the Offering. 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 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.

Additional details regarding the Program and the Offering are contained in the company's news release from October 11, 2022.

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/>.

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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.

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