

This Offering Document (the “**Offering Document**”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This Offering Document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

September 11, 2023



HILLCREST ENERGY TECHNOLOGIES LTD.
(the “**Issuer**”, “**Hillcrest**”, or “**we**”)

SUBSCRIPTION PRICE: \$0.50 PER UNIT

PART 1 SUMMARY OF OFFERING

What are we offering?

Offering:	Units (“ Units ”) of the Issuer, with each Unit being comprised of one common share of the Issuer (a “ Share ”) and one common share purchase warrant (a “ Warrant ”). Each Warrant will be exercisable to acquire an additional Share (each, a “ Warrant Share ”, and together with the Units, Shares and Warrants, the “ Securities ”) at an exercise price of \$0.60 per Warrant Share for a period of 24 months from the date of closing.
Offering Price:	\$0.50 per Unit.
Offering Amount:	Up to 10,000,000 Units for gross proceeds of up to \$5,000,000 (the “ Offering ”). The aggregate of the Offering and the Concurrent Non-Brokered Private Placement (defined herein) shall be a minimum of 10,000,000 Units for minimum gross proceeds of \$5,000,000 (the “ Minimum Aggregate Offering ”) and there is no maximum amount being raised.
The Agents:	The Issuer has entered into an engagement letter with Canaccord Genuity Corp. (the “ Lead Agent ”) pursuant to which the Lead Agent has agreed to act, on its own behalf and, if applicable, on behalf of a syndicate of agents (collectively, the “ Agents ”), as agent on a “best efforts” basis in connection with the Offering. The Units will be offered and sold pursuant to an agency agreement (the “ Agency Agreement ”) to be entered into between the Issuer and the Agents.
Concurrent Non-Brokered Private Placement:	In addition to the Offering, the Issuer may, at its discretion, complete a concurrent non-brokered private placement (the “ Concurrent Non-Brokered Private Placement ”) of up to 8,500,000 Units for gross proceeds of up to \$4,250,000 to purchasers pursuant to applicable exemptions under National Instrument 45-106 – <i>Prospectus Exemptions</i> (“ NI 45-106 ”). There is no minimum Concurrent Non-Brokered Private Placement and closing of the Offering is not

	<p>conditional upon the closing of the Concurrent Non-Brokered Private Placement. The closing of the Concurrent Non-Brokered Private Placement may take place in one or more tranches as determined by the Issuer.</p> <p>Purchasers who acquire Units pursuant to the Concurrent Non-Brokered Private Placement will have their Securities subject to a statutory hold period of four months and one day from the date of distribution, and will not be entitled to rely on the same rights contained in this Offering Document as those purchasers who acquire Units in the Offering.</p>
Closing Date:	The closing of the Offering is expected to take place on or around September 26, 2023 or such earlier or later date as may be agreed between the Issuer and the Agents.
Exchanges:	<p>The Shares are listed for trading on the Canadian Securities Exchange (the “CSE”) under the symbol “HEAT”, OTC pink sheets in the U.S. (the “OTCQB”) under the symbol “HLRTF”, and the Frankfurt Stock Exchange (the “FSE”) in Germany under the symbol “7HIA.F”.</p> <p>The Warrants are not listed on any exchange.</p>
Last Closing Price:	On September 8, 2023, the last trading date prior to the date of this Offering Document, the closing price of the Shares on the CSE was 0.55, on the OTCQB was US0.435, and on the FSE was 0.38.
Description of Shares	The holders of Shares are entitled to: (i) receive dividends as and when declared by the board of directors of the Issuer, out of the moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine; (ii) in the event of the dissolution, liquidation or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer among its shareholders for the purpose of winding-up its affairs, receive the remaining property and assets of the Issuer; and (iii) receive notice of and to attend all meetings of the shareholders of the Issuer and to have one vote for each Share held at all meetings of the shareholders of the Issuer, except for meetings at which only holders of another specified class or series of shares of the Issuer are entitled to vote separately as a class or series.
Description of Warrants:	<p>Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.60 until 5:00 p.m. (Pacific time) on the date that is 24 months following the date of distribution of the Warrant, after which time the Warrants will be void and of no value. The Warrants will be governed by the terms and conditions set out in the certificate representing the Warrants (the “Warrant Certificates”) delivered to you at the closing of the Offering. The Warrant Certificates will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain customary events. Notwithstanding the foregoing, the terms and conditions governing the Warrants may, at the election of the Issuer, be provided in an indenture entered into between the Issuer and a trustee, pursuant to which subscribers will be provided Warrant Certificates.</p> <p>No fractional Warrant Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Issuer or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Certificate. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Shares.</p>

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

The Units, the Shares and the Warrants comprising the Units, and the Warrant Shares issuable upon the exercise of the Warrants, 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 U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available at the time of exercise. Securities issued to, or for the account or benefit of, a U.S. person or a person in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein, and may be represented by definitive certificates or other instruments bearing a legend regarding such restrictions.

All references in this Offering Document to "dollars" or "\$" are to Canadian dollars, unless otherwise stated.

General Information

References to the 'offering' below are intended to be references to the Offering. The below does not apply to or restrict any portion of the Concurrent Non-Brokered Private Placement.

The Issuer is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this offering, the Issuer represents the following is true:

- The Issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing;
- The Issuer has filed all periodic and timely disclosure documents that it is required to have filed;
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000;
- The Issuer will not close this offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution; and
- The Issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.

Cautionary Note Regarding Forward-Looking Statements

This Offering Document contains forward-looking statements within the meaning of applicable securities legislation. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "will", "proposes", "expects", "estimates", "intends", "anticipates" or "believes", or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. All statements, other than statements of historical fact, that address activities, events or developments that the Issuer believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Issuer) are

forward-looking statements. Examples of such forward-looking statements in this Offering Document include the Issuer's business objectives, and the related proceeding significant events and costs, as well as the use of available funds. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Issuer based on information currently available to the Issuer. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or developments to be materially different from any future results, performance or developments expressed or implied by the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Issuer. The forward-looking statements and information contained in this Offering Document are based on certain key expectations and assumptions made by the Issuer, including public health risks including the COVID-19 pandemic, expectations and assumptions relating to prevailing commodity prices, exchange rates, inflation and supply chains, the availability of capital to undertake planned activities, and the availability and cost of labour and services.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results, performance or developments could differ materially from those anticipated in such statements. Although the Issuer believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer.

An investment in the Securities of the Issuer is speculative and subject to risks and uncertainties, and these risks and uncertainties may impact the factors and assumptions identified above, as well as the forward looking information contained in this Offering Document, including as it relates to anticipated use of funds and the Issuer's business objectives. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Issuer and the business, prospects, financial position, financial condition or results of operations of the Issuer. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems immaterial may also impair the Issuer's business operations.

Prospective investors should carefully consider all information contained in this Offering Document including information contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements", before deciding to purchase the Units. Additionally, purchasers should consider the risk factors set forth below and if purchasers would like additional information related to such risks, the Issuer recommends they review the risk factors set out in the other public filings made by the Issuer with Canadian securities regulatory authorities, available on the Issuer's profile on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

Risks which may impact the forward looking information contained in this Offering Document include, but are not limited to, the following:

- risks facing early-stage enterprises, such as under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources;
- the Issuer's ability to obtain and maintain existing financing on acceptable terms;
- demand for the technology of the Issuer;
- the Issuer's ability to develop and protect the Issuer's intellectual property;
- the Issuer's ability to commercialize its technology;
- risks related to current or future litigation;
- risks associated with global economic conditions;
- cybersecurity risks;
- breaches of confidentiality;
- the impact of competition;
- advances in clean energy technologies;
- demand for renewable energy;
- demand for electric vehicles ("EVs") including cars, trucks, commercial vehicles, buses, boats, and airplanes;

- developments of alternative technologies;
- dependence on suppliers;
- operating in an environment that is subject to regulation;
- the Issuer's ability to attract and retain skilled management and staff;
- risks associated with inflation;
- the Issuer's ability to maintain existing partners and attract new partners;
- risks associated with climate change;
- risks associated with acquisitions and strategic investments;
- environmental risks, including unknown environmental risks related to past activities;
- risks related to costs of land reclamation; and
- the Issuer's ability to exercise influence over third party contractors providing services, including development services, in respect of the Issuer's products.

Readers are cautioned that the foregoing list of factors and risks is not exhaustive. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements.

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What Is Our Business?

The Issuer is a development-stage clean energy technology company engaged in developing high-value, high-performance power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. The Issuer is currently developing and commercializing a core technology platform which would be deployed into several products, including an EV traction inverter, grid inverter and an enhanced powertrain solution (the "**Enhanced Powertrain Solution**") which may eliminate the need for an onboard charger.

Strategy and Business Objectives

The Issuer's business plan is to develop and commercialize high-value, high-performance power conversion devices, digital control systems and other clean energy technologies for next-generation powertrains and grid-connected renewable energy systems. The Issuer's immediate objectives include realizing value through the development and commercialization of its intellectual property and the development and commercialization of new technologies through its collaborative agreement with Systematec GmbH ("**Systematec**"), deploying its intellectual property and new technologies through co-development, joint venture, sale and/or licensing arrangements. The Issuer is actively in discussions with potential customers for the Issuer's electric vehicle inverter technology.

The Issuer is deploying a building block approach to its technology development and commercialization. As an illustration, the Issuer's Zero Voltage Switching ("**ZVS**") technology can be deployed into a wide variety of power conversion products and applications such as EV's, solar and wind generation, grid connection of renewable energy generation and storage and EV charging stations. Each of these products and applications offers the potential for multiple revenue opportunities diversified across numerous markets.

No revenue may be achieved from the Issuer's technology portfolio in the near term. At present, the Issuer's plans for intellectual property and related technology products will be contingent on the results of its research and development efforts, and commercialization of resulting intellectual property.

Principal Products and Revenue

Clean Energy Technology Products and Revenue

The Issuer is developing a clean energy technology portfolio, which it expects to monetize in the future through the joint development of products as well as the licensing of its technologies. The Issuer owns ZVS software intellectual property and electric machine control software intellectual property which is being leveraged in the development of the Issuer's first two EV products – the 350kW 1,000V ZVS inverter and the Enhanced Powertrain Solution. The technology will likely also be leveraged in future clean energy technology development projects. The Issuer also has filed several patent applications including applications related to its Enhanced Powertrain Solution (filed in May 2021) and its ZVS Technology (filed in March 2023).

The Issuer is completing research and development and commercialization activities with a growing, in-house development team which conducts such research and will also oversee subcontractors. It is uncertain when these products will reach commercial production, if at all, and the nature of these products is such that the costs of such production will be determined based on the application the product is designed for, and as such are unknown at this time.

Oil Products and Revenue

In November 2021, the Issuer's oil and gas property at West Hazel, Saskatchewan ceased production and oil wells were shut-in due to the lack of production and extended production interruptions, causing oil wells to be uneconomical to produce. On June 29, 2022, the Issuer formally ceased oil and gas operations. All wells have now been abandoned and surface equipment removed with only surface reclamation remaining. The Issuer also developed a final reclamation plan for the entire property with the intent to complete the work in 2024. Since the Issuer is the operator of inactive oil and gas wells, the Issuer is subject to certain environmental protection requirements. Specifically, there is a \$259,666 long-term liability expense for the end of life of the Issuer's wells in Saskatchewan.

Recent Developments

The following is a brief summary of the recent developments involving or affecting the Issuer.

- In January 2023, the Issuer completed the January 2023 Financing (defined herein).
- In April 2023, the Issuer added Dan Coker as a strategic advisor.
- In April 2023, the Issuer granted an aggregate of 1,750,000 restricted share units to several consultants of the Issuer.
- In April 2023, the Issuer engaged Craig-Hallum Capital Group as its capital markets advisory and investment banking firm in the United States.
- In April 2023, the Issuer completed the first bench demonstration with a global tier one automotive leader in mobility innovation, satisfying the first milestone of the memorandum of understanding with the global tier one automotive leader announced on October 20, 2022.
- In April and May 2023, the Issuer completed the April 2023 Financing (defined herein).
- In May 2023, the Issuer announced the successful completion of dynamic load bench tests involving the Issuer's cutting-edge 250-kilowatt, 800-volt SiC inverter with a prominent European Automotive Original Equipment Manufacturer (the "**European OEM**"). In June 2023, the Issuer announced that the European OEM has completed their analysis of the demonstration results and is proceeding with the next phase of co-development.
- On June 8, 2023, the Issuer completed the consolidation of its Shares on the basis of a one (1) post-consolidated common Share for each six (6) pre-consolidation Shares (the "**Consolidation**").
- In June 2023, the Issuer announced the completion of the design phase for the industry's first SiC power module optimized for the Issuer's proprietary ZVS technology. Subsequently, the Issuer announced it began

manufacturing the SIC power module optimized for the Issuer’s proprietary ZVS technology at Systematec’s facilities in Germany.

- In June 2023, the Issuer announced the commencement of dynamic load demonstration testing with a specialized motor provided by the global tier one automotive leader, pursuant to the terms of the memorandum of understanding announced on October 20, 2022.
- In July 2023, the Issuer announced the completion of the design concept for its 1,000-volt 350-kilowatt next generation EV inverter.

Material Facts

There are no material facts about the Issuer and the securities being distributed hereunder that have not been disclosed either in this Offering Document or in another document filed by the Issuer in the 12 months preceding the date of this Offering Document on the Issuer’s profile at sedarplus.ca. You should read these documents prior to investing.

What are the business objectives that we expect to accomplish using the available funds?

The following table sets out: (i) the business objectives the Issuer expects to accomplish using its available funds following the Offering; (ii) the significant event(s) that must occur for each business objective to be accomplished; and (iii) the anticipated time period for completion and estimated cost for each such event.

Business Objectives	Preceding significant event(s) (each, an “Event”)	Period in which Event is expected to occur	Cost Related to Event
Commissioning of Next Generation ZVS Inverter for EV applications	Purchase of components and fabrications services necessary to manufacture the inverter	September - October 2023	\$100,000
	Necessary testing and commissioning activities to be completed by the Issuer’s employees and Systematec’s staff.	October - November 2023	\$558,000
Demonstration testing of Next Generation ZVS inverter with potential development partners	Complete commissioning of Next Generation ZVS Inverter	December 2023 -2024	\$248,000
Completion of demonstration testing with existing Memorandum of Understanding (“MOU”) partners	Complete milestone 2 with global tier one automotive leader	September 2023	\$28,000
	Complete milestone 3 with global tier one automotive leader	January 2024	\$48,000
	Complete in-boat demonstration with Hercules Electric Mobility	March 2024	\$139,000

Secure commercial supply agreement	Complete commissioning of Next Generation ZVS Inverter for EV applications	September - November 2023	\$20,000
	Complete demonstration testing of Next Generation ZVS Inverter with potential new partners	December 2023 – 2024	\$80,000
	Complete demonstration testing with ZVS Inverter with existing MOU partners	September 2023 - March 2024	\$20,000
Completion of grid inverter proof of concept	Complete grid-connect software	September 2023	\$40,000
	Complete design and commissioning of grid inverter proof of concept	October - November 2023	\$40,000
	Validation testing of grid inverter proof of concept device	December 2023 - January 2024	\$61,000
		TOTAL	\$1,382,000

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

Following the closing of the Offering and the Concurrent Non-Brokered Private Placement, the Company will have funds available as set out in the following table:

		Minimum Aggregate Offering⁽¹⁾
A	Amounts to be raised by the Offering	\$5,000,000
B	Selling commissions and fees ⁽²⁾	\$350,000
C	Estimated Offering costs (e.g., legal, accounting, audit)	\$175,000
D	Net proceeds of Offering: $D = A - (B+C)$	\$4,475,000
E	Working capital as at August 31, 2023	\$(177,000)
F	Additional sources of funding ⁽²⁾	\$-

G	Total available funds: G = D+E+F	\$4,298,000
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Note:

(1) The Issuer intends to use proceeds above the Minimum Aggregate Offering, if any, towards unallocated working capital which the Issuer expects to deploy to accelerate existing business objectives and evaluate or implement potential strategic investments.

(2) Assumes (a) there will be no president's list investors, (b) the Lead Agent elects that 100% of the Commission be paid in cash, and (c) subscriptions received in the Offering are the entirety of the Minimum Aggregate Offering.

How will we use the available funds?

The Issuer intends to use the available funds as follows:

Description of intended use of available funds listed in order of priority	Minimum Aggregate Offering ⁽¹⁾
Research and development (including contract labour and in-house personnel)	\$2,256,000
Capital expenditures (technical equipment)	\$147,000
Operating Expenses:	
• Technology commercialization	\$243,000
• Consulting fees	\$80,000
• Information technology	\$98,000
• Professional fees	\$182,000
• Personnel	\$961,000
• Listing and filing	\$103,000
General and administrative	\$225,000
Unallocated working capital	\$3,000
Total:	\$4,298,000

Note:

(1) The Issuer intends to use proceeds above the Minimum Aggregate Offering, if any, towards unallocated working capital which the Issuer expects to deploy to accelerate existing business objectives and evaluate or implement potential strategic investments.

The above noted allocation of capital and anticipated timing represents the Issuer's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Issuer intends to expend the proceeds from the Offering and its available funds as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Issuer's ability to execute on its business plan.

The Issuer anticipates that it will have negative operating cash flow beyond the 12 months after the closing date of the Offering. As a result, certain of the net proceeds from this Offering may be used to fund such negative cash flow from operating activities in future periods. See the "Cautionary Note Regarding Forward-Looking Statements" section above.

The most recent financial statements of the Issuer included a going concern note. Management is aware, in making its going concern assessment, of recurring losses, ongoing negative cash flow and an ongoing dependence on financing activities that may cast significant doubt on the Issuer’s ability to continue as a going concern. The Offering is intended to permit the Issuer to continue to develop and sell its technologies and fund its management costs and is not expected to affect the decision to include a going concern note in the next financial statements of the Issuer. The available funds will not be paid to an insider, associate, or affiliate of the Issuer, except for normal course salaries or consulting fees that are currently or may be paid by the Issuer to its officers and/or directors.

How have we used the other funds we have raised in the past 12 months?

January 2023 Financing

In January 2023, the Issuer completed a non-brokered private placement of an aggregate of 1,775,000 units at a price of \$0.72 per unit (on a post-Consolidation basis) for gross proceeds of \$1,278,000 (the “**January 2023 Financing**”).

The following table sets out the particulars of how the Issuer used proceeds from the January 2023 Financing, as well as an explanation of the variances, if any, from the Issuer’s anticipated use of proceeds, and the impact of any variances on the Issuer’s ability to achieve its business objectives and milestones:

Proposed Use of Funds of January 2023 Financing		Actual Use of Funds	Amount	Impact of Variance on the Issuer’s ability to achieve Business Objectives
Technology and product development, commercialization, and general administrative purposes	\$1,278,000	Research and development	\$1,278,000	N/A – Actual use of funds was consistent with proposed use of funds

April 2023 Financing

Between April and May 2023, the Issuer completed a non-brokered private placement of an aggregate of 4,193,750 units at a price of \$0.48 per unit (on a post-Consolidation basis) for gross proceeds of \$2,013,000 (the “**April 2023 Financing**”). The April 2023 Financing closed in three tranches, as follows: 1,752,083 units were issued on April 11, 2023, for gross proceeds of \$841,000, 629,167 units were issued on April 28, 2023 for gross proceeds of \$302,000, and 1,812,500 units were issued on May 15, 2023 for gross proceeds of \$870,000.

The following table sets out the particulars of how the Issuer used proceeds from the April 2023 Financing, as well as an explanation of the variances, if any, from the Issuer’s anticipated use of proceeds, and the impact of any variances on the Issuer’s ability to achieve its business objectives and milestones:

Proposed Use of Funds of April 2023 Financing		Actual Use of Funds	Amount	Impact of Variance on the Issuer's ability to achieve Business Objectives
Ongoing technology development, commercialization activities, and general working capital	\$2,013,000	Research and development	\$1,060,000	N/A – Actual use of funds was consistent with proposed use of funds
		Capital (equipment)	\$1,000	
		Operating expenses	\$952,000	

July 2023 Financing

On July 17, 2023, the Issuer completed a non-brokered private placement of an aggregate of 2,090,000 warrants at a price of \$0.006 per unit (on a post-Consolidation basis) for gross proceeds of \$12,540 (the “July 2023 Financing”).

The following table sets out the particulars of how the Issuer used proceeds from the July 2023 Financing, as well as an explanation of the variances, if any, from the Issuer’s anticipated use of proceeds, and the impact of any variances on the Issuer’s ability to achieve its business objectives and milestones:

Proposed Use of Funds of July 2023 Financing		Actual Use of Funds	Amount	Impact of Variance on the Issuer's ability to achieve Business Objectives
Ongoing technology development, commercialization activities, and general working capital	\$12,540	\$12,540	\$12,540	N/A – Actual use of funds was consistent with proposed use of funds

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

Agents:	The Issuer has entered into an engagement letter with the Lead Agent pursuant to which the Lead Agent has agreed to act, on its own behalf and, if applicable, on behalf of a syndicate of Agents, as agent on a “best efforts” basis in connection with the Offering. The Units will be offered and sold pursuant to the Agency Agreement to be entered into between the Issuer and the Agents.
Compensation Type:	Commission (payable in cash or Units) and non-transferable compensation warrants, as detailed below.

Commission:	7% of the gross proceeds of the Offering (1% for certain president’s list investors) (the “ Commission ”), payable in cash or Units, or any combination of cash or Units, at the option of the Lead Agent. If subscriptions received in the Offering are the entirety of the Minimum Aggregate Offering, Shares and Warrants comprising the Units issued by the Issuer in satisfaction of the Commission, if any, will be subject to a hold period of four months and one day pursuant to applicable Canadian securities laws. However, if the Minimum Aggregate Offering is a combination of subscriptions for the Offering and the Concurrent Non-Brokered Private Placement, Shares and Warrants comprising the Units issued by the Issuer in satisfaction of the Commission, if any, may be issued pursuant to the Listed Issuer Financing Exemption set forth in Part 5A of NI 45-106 and not be subject to a hold period.
Broker Warrants:	Non-transferable broker warrants equal to 7% of the aggregate number of Units issued by the Issuer under the Offering (each, a “ Broker Warrant ”) (1% for certain president’s list investors). Each Broker Warrant will entitle the holder thereof to acquire one Share at an exercise price of \$0.50 for a period of 24 months from the date of closing, or such higher exercise price as may be required pursuant to the policies of the CSE.

Do the Agents have a conflict of interest?

To the knowledge of the Issuer, it is not a “related issuer” or “connected issuer” of or to the Agents, as such terms are defined in National Instrument 33-105 - *Underwriting Conflicts*.

PART 5 PURCHASERS’ RIGHTS

Rights of action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- a) to rescind your purchase of these securities with the Issuer, or
- b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6 ADDITIONAL INFORMATION ABOUT THE ISSUER

Where can you find more information about us?

You can access the Issuer’s continuous disclosure under its profile at sedarplus.ca and at <https://hillcrestenergy.tech/>.

PART 7 DATE AND CERTIFICATE

Dated: September 11, 2023

This offering document, together with any document filed under Canadian securities legislation on or after September 11, 2022, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

"Don Currie"

Don Currie
Chief Executive Officer

"Samuel Yik"

Samuel Yik
Chief Financial Officer