

Hillcrest Announces Closing of Second Tranche of Non-Brokered Private Placement

Vancouver, British Columbia--(Newsfile Corp. - April 16, 2024) - Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FSE: 7HI) ("**Hillcrest**" or the "**Company**"), is pleased to announce that, further to its news releases dated January 31, 2024 and February 9, 2024, the Company has closed the second tranche of its non-brokered private placement in the amount of 3,582,000 units of the Company (the "**Units**") at a price of \$0.25 per Unit for gross proceeds of \$895,500 (the "**Second Tranche**"). The total placement size, cumulative of all tranches, is anticipated to be a maximum of 8,000,000 Units for maximum gross proceeds of \$2,000,000 (the "**Private Placement**"). The Company intends to close the third tranche of the Private Placement in the near future.

Each Unit consists of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.30 per Common Share for a period of 36 months from the date of issuance. However, the Warrants will be subject to an accelerated expiry upon 30 business days' notice from the Company in the event the Common Shares trade for ten (10) consecutive trading days any time after four (4) months from the date of issuance at a volume-weighted average price of at least \$0.50 on the Canadian Securities Exchange.

The Company intends to use the net proceeds from the Private Placement, including the Second Tranche, for technology and product development, commercialization, and general working capital. All securities issued in connection with the Private Placement are subject to a four month and one day hold period in accordance with applicable securities laws.

The subscribers in the Private Placement included a director and officer of the Company (the "**Insider**") who subscribed for an aggregate of 600,000 Units. The issuance of Units to the Insider constitutes a "related party transaction" as defined in Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). The Company is relying on the exemption from valuation requirement and minority approval pursuant to subsection 5.5(a) and 5.7(a) of MI 61-101, respectively, for the insider participation in the Private Placement, as the Units do not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

The securities of the Company referred to in this news 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 news 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" and the Frankfurt Stock Exchange as "7HI." 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. Forward-looking information in this news release includes the completion of a third Tranche of the Private Placement and the use of proceeds from the Private Placement. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects the current expectations and assumptions of management 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. Additional risk factors can also be found in the Company's public filings under the Company's SEDAR+ profile at www.sedarplus.ca. 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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