

Hillcrest Announces Closing of Oversubscribed Non-Brokered Private Placement

Vancouver, British Columbia--(Newsfile Corp. - June 4, 2024) - Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FSE: 7HI) ("**Hillcrest**" or the "**Company**"), announces that, further to its news release on May 27, 2024, the Company has completed a non-brokered private placement of 3,530,000 units of the Company (the "**Units**") at a price of \$0.25 per Unit for gross proceeds of \$882,500 (the "**Offering**"). Each Unit is comprised of one common share in the capital of the Company (a "**Share**") and one Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one additional Share (a "**Warrant Share**") at a price of \$0.30 per Warrant Share for a period of 36 months from the date of closing (the "**Closing Date**"). The Warrants are subject to an accelerated expiry upon thirty (30) business days notice from the Company in the event the Shares trade for ten (10) consecutive trading days anytime after four (4) months from closing of the Offering at a volume-weighted average price of at least \$0.50 on the Canadian Securities Exchange (the "**CSE**").

In connection with closing of the Offering, the Company issued 36,000 non-transferable Share purchase warrants (the "**Compensation Warrants**") to an arm's length service provider, with each Compensation Warrant exercisable into a Share (a "**Compensation Share**") at a price of \$0.30 per Compensation Share for a period of 36 months from the Closing Date. The Compensation Warrants are subject to an accelerated expiry upon thirty (30) business days notice from the Company in the event the Shares trade for ten (10) consecutive trading days anytime after four (4) months from closing of the Offering at a volume-weighted average price of at least \$0.50 on the CSE.

In connection with the Offering, one subscriber sold an aggregate of 600,000 Shares and used the proceeds to facilitate their participation in the Offering.

The Company intends to use the proceeds from the Offering for increased marketing and investor relations activities as well as technology development and general working capital, including retirement of existing accounts payable. Active investor relations contracts of the Company have been disclosed pursuant to the policies of the CSE, and the Company intends to disclose any future Promotional Activity (as such term is defined in the policies of the CSE) as the Company arranges for the provision of such services.

The subscribers in the Offering 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 Offering, as the Units do not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

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 focused on providing advanced 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 on the Frankfurt 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 anticipated use of proceeds from the Offering. 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. 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, 2023, available at <https://www.sedarplus.ca/> 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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