

Hillcrest Announces Private Placement and Termination of Equity Drawdown Facility

Vancouver, British Columbia--(Newsfile Corp. - December 13, 2024) - Hillcrest Energy Technologies (CSE: HEAT) (OTCQB: HLRTF) (FSE: 7HI) ("**Hillcrest**" or the "**Company**"), announces a non-brokered private placement of up to an aggregate of 11,111,111 units of the Company (a "**Unit**") at a price of \$0.18 per Unit for aggregate gross proceeds of up to \$2,000,000 (the "**Offering**"). A portion of the Offering is completing as a settlement of outstanding debt, for up to \$1,500,000 on the same terms as the other Units being distributed as new subscriptions.

"This combined Offering is expected to strengthen the Company's balance sheet by reducing outstanding payables while also supporting our commercialization efforts," said Don Currie, CEO of Hillcrest. "It positions us to further accelerate Hillcrest's growth in the clean technology sector."

Each Unit will consist of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.30 per Common Share for a period of 24 months from the date of issuance. However, the Warrants will be subject to an accelerated expiry upon thirty (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 "**CSE**").

The Company intends to use the proceeds from the Offering for retirement of existing accounts payable, technology development, general working capital and, where feasible, enhanced marketing and investor relations activities. As noted, up to \$1.5 million of the Offering is a settlement of current and outstanding debt, and as such does not form part of the proceeds that will be available to the Company following closing of the Offering.

The Company may pay finders fees to eligible finders for services in connection with any new subscriptions forming part of the Offering in cash and/or finder's warrants ("**Finders Warrants**"), in accordance with the policies of the CSE. Finders Warrants will entitle the holder to acquire one Common Share at an exercise price of \$0.30 per Common Share for a period of 24 months from issuance.

All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day following the date of issuance in accordance with applicable Canadian 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.

Termination of Equity Drawdown Facility

The Company also announces the termination of the equity drawdown facility originally announced on January 17, 2024, including amendments announced on February 9, 2024, and March 4, 2024. The mutually agreed termination is effective December 12, 2024.

Hillcrest CEO, Don Currie, stated, "Having access to the facility has been valuable during this particularly challenging time for raising funds in the small cap market. We currently have several new financing

initiatives under consideration and believe now is the time to move forward with those alternatives. We appreciate the support and confidence in the Company demonstrated by the investor."

About Hillcrest Energy Technologies Ltd.

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. 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, 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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