

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Hillcrest Energy Technologies Ltd. (the "Issuer" or the "Company").

Trading Symbol: HEAT

Number of Outstanding Listed Securities: 66,863,816

Number of Shares Reserved for Issuance: 20,697,270

Date: As of January 31, 2024

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Hillcrest is focused on developing and delivering value from its clean energy technology business through the continued development and commercialization of its technologies with the intent of licensing, partnering and/or selling accessible or owned clean energy technology and IP.

On January 3, 2024, Hillcrest announced that the Company had been awarded \$52,500 in funding support from Accelerate IP, provided an update on engagements with multiple customers for demonstrations of the Company's ZVS grid-tied inverter and announced that Outside the Box Capital Inc, had been retained to provide investor marketing services.

On January 17, 2024, Hillcrest announced a \$5 million drawdown equity facility with the first drawdown expected to close around the end of the month.

On January 30, 2024, Hillcrest provided updates on key activities and milestones for 2024, including advanced testing and demonstration opportunities secured in the first quarter with four automotive OEM's and a global Tier One supplier. The Company also that it would begin using its next-generation EV inverter for these programs.

On January 31, 2024, Hillcrest announced a non-brokered private placement of up to 8,000,000 units at a price of \$0.25 per unit for aggregate proceeds of up to \$2,000,000. Each unit will consist of a share and a warrant, with each warrant priced at \$0.30 per share.

2. Provide a general overview and discussion of the activities of management.

Hillcrest's management continues its commitment as a clean tech innovation company developing high value, high-performance control systems and electric power conversion devices for next-generation powertrains, charging applications and grid-connected renewable energy generation and storage systems.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Company is completing testing on its 350kW | 1,000V next generation EV inverter. This new EV inverter contains the Company's own power modules and will be used for advanced testing and demonstration programs with customers going forward.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Due to challenging market conditions, the Warrant Incentive Program announced on December 19, 2023, expired.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand

names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not Applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not Applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

In January, 345,000 common shares were issued as a result of stock options being exercised.

On January 31, 2024, Hillcrest granted restricted share units ("RSUs") to consultants of the Company to acquire up to 933,333 common shares of the Company, pursuant to the Company's RSU Plan dated July 28, 2021. 638,889 of these RSUs will vest immediately, 50,000 will vest on February 28, 2024, with the remaining 244,444 vesting on a quarterly basis as work is completed in 2024. The RSUs have a three-year term.

15. Provide details of any loans to or by Related Persons.

Not Applicable

16. Provide details of any changes in directors, officers or committee members.

Not Applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Company is subject to several categories of risk associated with the development of clean energy technologies. Among the factors that have a direct bearing on the Company's prospects are uncertainties inherent in technology product development; intellectual property risks including

litigation; access to additional capital; availability and cost of services, equipment and labor; and the presence of competitors with greater financial resources and capacity. The various risk factors are further described in the Company's Condensed Interim Consolidated Financial Statements and Management's Discussion and Analysis for the nine months ended September 30, 2023.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated February 2, 2024.

Jamie Hogue
Name of Director or Senior
Officer

s// "Jamie Hogue"
Signature
COO
Official Capacity

Issuer Details Name of Issuer Hillcrest Energy Technologies Ltd.	For Month End January 31, 2024	Date of Report YY/MM/D 24/01/02
Issuer Address 1170 – 1040 West Georgia Street		
City/Province/Postal Code Vancouver, BC V6E4H1	Issuer Fax No.	Issuer Telephone No. (604) 609-0006
Contact Name Jamie Hogue	Contact Position COO	Contact Telephone No. (604) 609-0006
Contact Email Address jhogue@hillcrestenergy.tech	Web Site Address https://hillcrestenergy.tech/	