



**ZTEST ELECTRONICS INC.
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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**ZTEST ANNOUNCES PRIVATE PLACEMENT & INVESTMENT IN PRIVATE
TECHNOLOGY COMPANY**

NORTH YORK, December 13, 2016 - ZTEST Electronics Inc. (the “**Company**”) (CSE - “**ZTE**”) is pleased to announce that it is proceeding with a non-brokered private placement (the “**Offering**”) for the sale of 4,500,000 working capital units (“**WC Units**”) at \$0.05 per WC Unit for proceeds of \$225,000. Each WC Unit consists of one (1) common share and one (1) common share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder to acquire an additional common share of the Company at \$0.06 until five (5) years from closing.

Insiders of the Company will subscribe for 1,050,000 WC Units under the Offering. The insider private placements are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“**MI 61-101**”) by virtue of the exemptions contain in section 5.5(a) and 5.7(1) (a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company issued to the insiders does not exceed 25% of its market capitalization.

ZTEST is also pleased to announce that it will be using the proceeds of the private placement to make an investment (the “**Investment**”) into Conversance Inc., a private Waterloo based technology company, to acquire a 15.05% equity ownership position for a total investment of \$279,562.50. The \$279,562.50 investment comprises \$210,000 in cash consideration, and the issuance of 1,325,000 common shares of ZTEST at a deemed price of \$0.0525 per share.

Additionally, ZTEST has the option to further expand this equity ownership position to 19.91% by investing a further \$140,000 in cash and issuing a further of 275,000 common shares of ZTEST on or before April 14, 2017. ZTEST will have a pre-emptive right to maintain its equity interest by participating in further funding of the company.

ZTEST is making the investment to provide working capital that will be used to continue development of a prototype software platform for businesses that helps manage communications with customers across the entire spectrum of instant communications, including, but not limited to, texts, instant messengers and social media.

All securities issued pursuant to the Offering and the Investment are subject to a statutory four month hold period. The Offering and the Investment are scheduled to close on December 15, 2016.



About ZTEST Electronics Inc.

ZTEST Electronics Inc., thru its wholly owned subsidiary Permatest Electronics Corp. (“Permatest”), offers Electronic Manufacturing Services (EMS) to a wide range of customers. Permatest’s offering includes Materials Management, Printed Circuit Board (PCB) Assembly, Testing and Design services. Permatest operates from a 20,000 square foot, ISO 9001:2008 certified facility in North York, Ontario, Canada. The company serves customers in the Medical, Power, Computer, Telecommunication, Wireless, Industrial and Consumer Electronics markets requiring high quality, quick-turn, small and medium size production runs.

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The CSE has neither approved nor disapproved the contents of this press release. The CSE does not accept responsibility for the adequacy or accuracy of this release.