

**National Instrument 62-103**

**Form 62-103F1**

***REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS***

**Item 1 - Security and Reporting Issuer**

- 1.1 **State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

ZTEST ELECTRONICS INC. (the “**Issuer**” or “**ZTEST**”)  
523 McNicoll Avenue  
North York, Ontario  
M2H 2C9

- 1.2 **State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The reduction in the interest of the Estate of Arn Schoch in the Issuer was a result of the increase in the issued and outstanding capital of the Issuer.

**Item 2 - Identity of the Acquiror**

- 2.1 **State the name and address of the acquiror.**

The Estate of Arn Schoch (the “**Estate**”)  
c/o Mahrookh (Rooky) Driver, Executor of the Estate  
2196 W. 15<sup>th</sup> Avenue  
Vancouver, B.C. V6K 2Y5

- 2.2 **State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

Arn Schoch filed reports pursuant to National Instrument 62 – 103 (“**NI 62-103**”) on February 6, 2013 and August 1, 2013 indicating an ownership in the issued and outstanding Common Shares of ZTEST of 1,695,000 common shares, being 15.92% of the issued and outstanding capital of ZTEST on an undiluted as at August 1, 2013. Arn Schoch was a director of ZTEST at that time. On April 27, 2014 Arn Schoch died and Mahrookh (Rooky) Driver was appointed Executor of the Estate of Arn Schoch (the “**Estate**”). The Estate continued to be an insider of ZTEST as a result of holding more than 10% of the Common Shares of ZTEST, although the Estate had no ongoing relationship with ZTEST as a result of the passing of Arn Schoch. The Options and Warrants of ZTEST held by the Estate expired unexercised. Pursuant to various share issuances by ZTEST in December 2016, the Estate was reduced to a 10.1% interest in ZTEST. The outstanding capital of ZTEST was reported in its second quarter report for the period ending December 31, 2016 which was filed on SEDAR on March 1, 2017. Options were exercised by insiders of ZTEST in February and April of 2017 increasing outstanding capital of ZTEST to 17,173,696 Common Shares effective April 20, 2017. This outstanding capital was reported in a monthly filing on the Canadian Securities Exchange on May 3, 2017. The effect of the increased outstanding capital of ZTEST was to reduce the interest of the Estate in ZTEST to 9.8697%. The Estate recently became aware of this fact and sought assistance in the preparation of an updated NI 62 – 103

filing to reflect the material change in the interest held by the Estate in ZTEST being the fact that the Estate was no longer required to file under NI 62-103.

A copy of the press release issued by the acquiror on July 12, 2017 is attached hereto as Schedule "A".

**2.3 State the names of any joint actors.**

None.

**Item 3 - Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

See Item 2.2 above.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Not applicable.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

The Estate owns 1,695,000 Common Shares of ZTEST, representing 9.8697% of the issued and outstanding Common Shares of ZTEST after giving effect to the increase in outstanding capital of ZTEST by 300,000 Common Share to 17,173,696 Common Shares. Immediately prior to this, the Estate held 10.045% of the Issuer.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

The Estate owns 1,695,000 Common Shares of ZTEST, representing 9.8697% of the issued and outstanding Common Shares of ZTEST.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 **If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 **If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 **If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 Consideration Paid**

- 4.1 **State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Not applicable

- 4.2 **In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable

- 4.3 **If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

### **Item 5 - Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

The Common Shares were acquired for investment purposes. The Estate has advised that it has no present intention to either increase or decrease its holdings in ZTEST. Notwithstanding the foregoing, the Estate has advised that it may increase or decrease its beneficial ownership, control or direction over Common Shares of ZTEST through market transactions, private agreements, other treasury issuances or otherwise.

### **Item 6 - Agreements, Arrangements, Commitments Or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a**

**contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

**Item 7 – Change In Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

See Item 2.2 above.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**Item 9 – Certification**

**Certificate**

I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

July 12, 2017.

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Date

THE ESTATE OF ARN SCHOCH

*“Mahrookh (Rooky) Driver”*

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Signature

Mahrookh (Rooky) Driver, Executor of the  
Estate of Arn Schoch

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Name/ Title

## SCHEDULE "A"

**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**THE ESTATE OF ARN SCHOCH ANNOUNCES CHANGE IN THE OWNERSHIP INTEREST  
OF ZTEST ELECTRONICS INC.**

VANCOUVER, July 12, 2017 – The Executor of the Estate of Arn Schoch (the “**Estate**”) announces that Mr. Arn Schoch previously filed early warning reports with respect to the securities of ZTEST Electronics Inc. (the “**Company**”) on February 6, 2013 and August 1, 2013. Subsequent to the passing of Mr. Schoch on April 27, 2017, the Estate continued to own 1,695,000 Common Shares of the Company, being a 10% holder of the Company.

As a result of an increase in the issued and outstanding capital of ZTEST to 17,173,696 common shares, the interest of the Estate in ZTEST was reduce to approximately 9.8697% of the issued and outstanding common shares of the Company and the Estate is no longer required to file an early warning report under National Instrument 62-103. The final Early Warning Report of the Estate will be available at [www.sedar.com](http://www.sedar.com)

The Estate could increase or decrease its investment in ZTEST depending on market conditions or any other relevant factor.

### CONTACT INFORMATION

The Estate of Arn Schoch  
c/o Mahrookh (Rooky) Driver  
Executor of the Estate of Arn Schoch  
[rookydriver@gmail.com](mailto:rookydriver@gmail.com)