

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

ZTEST ELECTRONICS INC. (the "Company" or "ZTEST")
523 McNicoll Avenue
North York, Ontario M2H 2C9

Item 2. Date of Material Change

The material change took place on December 19, 2017.

Item 3. News Release

The News Release attached hereto was disseminated on December 20, 2017.

Item 4. Summary of Material Change

ZTEST announced that at the Annual and Special Meeting of Shareholders held on December 19, 2017, a director was nominated from the floor by a shareholder in compliance with the requirements of Section 3.05 of the Company's General By-Law Number 1- B entitled "Advance Notice of Nominations of Directors" (the "Advance Notice Provisions"). Following a vote of the shareholders present in person and represented by proxy at the Meeting, the nominee, Mr. Steve Smith, was elected to the Board of Directors along with four (4) management nominees; Ted Drzazga, Mike Guerreiro, Bill Brown and John Perreault. Mike Hiscott was not re-elected to the Board. Immediately following the Meeting, John Perreault resigned as an officer and director of the Company and Mr. Brendan Purdy, who had been presented to the Company as a nominee but his nomination was not made in accordance with the Advance Notice Provisions, was appointed to the Board to fill the vacancy created by the resignation of Mr. Perreault.

Item 5. Full Description of Material Change

The Company would like to thank Mr. Hiscott for his many years of service as a director of the Company. The Company would also like to thank Mr. Perreault for his many years as an officer and director of the Company. Mr. Perreault continues in his role as the President and Chief Operating Officer of the Company's operating subsidiary, Permotech Electronics Corporation.

The Board of Directors would like to welcome Messrs Smith and Purdy to the Board.

Steve Smith brings over 28 years' experience in the capital markets to the Board of ZTEST. Steve obtained his Bachelor of Arts (Economics) from the University of Toronto. Steve is a Founder and President of Tangent Management Corp., a financial management firm that provides financial consulting and management services to publicly listed companies. Steve

currently sits on the Board of Directors of Kontrol Energy Corp.

Brendan Purdy is a practicing securities lawyer focused on technology, cannabis, and resource issuers. In his private practice, he has developed domestic and international experience with respect to public companies, reverse takeovers, mergers and acquisitions (M&A) and many facets fundamental to the Canadian capital markets. Prior to receiving his J.D. from the commonlaw section at the University of Ottawa, Mr. Purdy completed a bachelor of management and organizational studies degree from the University of Western Ontario, majoring in finance and administration. Mr. Purdy currently serves on the board of Global Blockchain Technologies Inc., Enforcer Gold Corp., and High Hampton Holdings Corp., among other public and private companies. Additionally, Mr. Purdy has previously acted as CEO of Enforcer Gold Corp. (formerly Natan Resources Ltd.) and Seaway Energy Services Inc., both TSX-V listed mining issuers.

The election and appointment, respectively, of Mr. Smith and Mr. Purdy are subject to Canadian Securities Exchange approval.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

Ted Drzazga, CEO
(416) 297-5155
email: info@ztest.com

Item 9. Date of Report

December 28, 2017



**ZTEST ELECTRONICS INC.
523 McNICOLL AVENUE
NORTH YORK, ONTARIO
M2H 2C9**

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

ZTEST ANNOUNCES NEW DIRECTORS OF THE COMPANY

NORTH YORK, December 20, 2017 - ZTEST Electronics Inc. (“ZTEST” or the “Company”) (CSE - “ZTE”) is pleased to announce that at the Annual and Special Meeting of Shareholders held on December 19, 2017, a director was nominated from the floor by a shareholder in compliance with the requirements of Section 3.05 of the Company’s General By-Law Number 1-B entitled “Advance Notice of Nominations of Directors” (the “Advance Notice Provisions”). Following a vote of the shareholders present in person and represented by proxy at the Meeting, the nominee, Mr. Steve Smith, was elected to the Board of Directors along with four (4) management nominees; Ted Drzazga, Mike Guerreiro, Bill Brown and John Perreault. Mike Hiscott was not re-elected to the Board. Immediately following the Meeting, John Perreault resigned as an officer and director of the Company and Mr. Brendan Purdy, who had been presented to the Company as a nominee but his nomination was not made in accordance with the Advance Notice Provisions, was appointed to the Board to fill the vacancy created by the resignation of Mr. Perreault.

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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.

For more information contact:

Ted Drzazga, CEO
(416) 297-5155
email: info@ztest.com

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.