

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.**

This report relates to the common shares (the “**Common Shares**”) in the capital of:

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.**

Not applicable. The transaction that triggered the requirement to file this report was a private transaction.

Item 2 - Identity of the Acquiror

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

Wojciech Drzazga (“**WDrzazga**” or the “**Acquiror**”)
12 Solway Avenue
Brampton, ON L6Z 4E4

- 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.**

As a result of the exercise of 450,000 warrants to acquire Common Shares of the Issuer by third parties (the “**Warrant Exercise**”), the issued and outstanding capital of ZTEST increased to 19,548,696 Common Shares decreasing the partially diluted interest of the Acquiror and his joint actor from 18.29% to 15.965% triggering the requirement to file this report.

A copy of the press release issued by the Acquiror on January 22, 2018 is attached hereto as Schedule “A”.

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

Joanna Drzazga (“**JDrzazga**”), wife of the Acquiror.

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.**

WDrzazga and JDrzazga (collectively the “**Acquirors**”) had exercised previously issued warrants of the Issuer but the requirement to file this report was triggered by an increase in the issued and outstanding capital of the Issuer through the exercise of warrants by third parties. See item 2.2 for details.

- 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.**

WDrzazga held 1,593,477 Common Shares representing 8.15% of the issued and outstanding capital of the Issuer both before and after the Warrant Exercise. JDrzazga held directly and indirectly 1,527,545 Common Shares representing 7.81% of the issued and outstanding capital of the Issuer both before and after the Warrant Exercise. Collectively they held 3,121,022 Common Shares representing 15.965% of the issued and outstanding capital of the Issuer both before and after the Warrant Exercise.

- 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 Acquirors beneficially own and have control over 3,121,022 Common Shares representing 15.965% of the issued and outstanding Common Shares on a partially diluted basis.

- (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.**

Not applicable.

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 Acquirors hold the Common Shares for investment purposes and intend to evaluate their investment and to increase or decrease their holdings in ZTEST as circumstances warrant. The Acquirors have advised that they have no present intention to either increase or decrease their holdings in ZTEST. Notwithstanding the foregoing, the Acquirors have advised that they may increase or decrease their 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

We, as the Acquirors, certify to the best of our knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: January 22, 2018.

“Joanna Drzazga”

“Wojciech Drzazga”

JOANNA DRZAZGA

WOJCIECH DRZAZGA

Schedule "A"

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

TED DRZAZGA ANNOUNCES CHANGE IN OWNERSHIP INTEREST OF ZTEST ELECTRONICS INC.

TORONTO January 22, 2018 – Wojciech (“**Ted**”) Drzazga, CEO and a director of ZTEST Electronics Inc. (“**ZTEST**” or the “**Company**”) announces that his ownership interest and that of his wife Joanna (“**Joanna**”) Drzazga in ZTEST has collectively decreased by more than 2%. Ted and Joanna previously filed an early warning report with respect to the securities of ZTEST on December 16, 2016, at which time they collectively had the ability to acquire 18.29% of ZTEST on a partially diluted basis. As a result of the exercise of 1,300,000 warrants and the sale of securities of ZTEST by Ted and Joanna and the increase in the issued and outstanding capital of ZTEST to 19,548,696 common shares as a result of the exercise of 450,000 warrants by third parties, Ted and Joanna collectively hold 15.965% of the Company.

Ted holds 1,593,477 common shares representing 8.15% of the issued and outstanding capital of the Company. Joanna holds directly and indirectly 1,527,545 common shares representing 7.81% of the issued and outstanding capital of the Company. Collectively they hold 3,121,022 common shares representing 15.965% of the issued and outstanding capital of the Company.

Ted and Joanna have advised that the securities were acquired for investment purposes and that they have no present intention to either increase or decrease their holdings in the Company. Notwithstanding the foregoing, they have advised that they may increase or decrease their beneficial ownership, control or direction over common shares of the Company through market transactions, private agreements, other treasury issuances or otherwise.

This news release is issued pursuant to National Instrument 62-103 – *The Early Warning System and related Take-Over Bid and Insider Reporting Issues* of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of the early warning report in respect of the foregoing matters will be available on ZTEST’s issuer profile on SEDAR at www.sedar.com.

For more information contact:

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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.