

**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 January 30, 2018.

Item 3. News Release

The News Release attached hereto was disseminated on January 31, 2018.

Item 4. Summary of Material Change

ZTEST announced that it had closed the first tranche of its non-brokered private placement (the "**Offering**") announced on January 11, 2018 with the sale of 625,000 working capital units ("**WC Units**") at \$0.85 per WC Unit for gross proceeds of \$531,250. The Offering will remain open until the earlier of the sale of the remaining WC Units and February 23, 2018.

Each WC Unit consists of one (1) common share and one-half (½) of a common share purchase warrant. Each full warrant (a "**Warrant**") entitles the holder to acquire an additional common share of the Company at \$1.10 until the earlier of (i) January 31, 2019; and (ii) in the event that the closing price of the Common Shares on the Canadian Securities Exchange is at least \$2.00 for twenty (20) consecutive trading days, and the 20th trading day (the "**Final Trading Day**") is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the "**Trigger Date**").

Eligible Finders were paid \$37,187.50 and issued 43,750 broker warrants. Each broker warrant entitles the holder to acquire one (1) common share of ZTEST at \$0.85 until January 30, 2019.

All securities issued pursuant to the first tranche of the Offering are subject to a statutory hold period expiring on May 31, 2018.

Item 5. Full Description of Material Change

N/A.

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

February 6, 2018.



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

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**ZTEST ANNOUNCES CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT
OFFERING**

NORTH YORK, January 31, 2018 - ZTEST Electronics Inc. (“**ZTEST**” or the “**Company**”) (CSE - “**ZTE**”) is pleased to announce that it has closed the first tranche of its non-brokered private placement (the “**Offering**”) announced on January 11, 2018 with the sale of 625,000 working capital units (“**WC Units**”) at \$0.85 per WC Unit for gross proceeds of \$531,250. The Offering will remain open until the earlier of the sale of the remaining WC Units and February 23, 2018.

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About ZTEST Electronics Inc.

ZTEST Electronics Inc., thru its wholly owned subsidiary Permotech Electronics Corp. (“Permotech”), offers Electronic Manufacturing Services (EMS) to a wide range of customers. Permotech’s offering includes Materials Management, Printed Circuit Board (PCB) Assembly, Testing and Design services. Permotech 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.



As announced on January 10, 2018 ZTEST has increased to 19.91% its ownership in Conversance Inc. ("Conversance"), a Waterloo Ont. based private company focused on developing and marketing proprietary AI supported distributed ledger technologies.

For more information contact:

Ted Drzazga, CEO
(416) 297-5155 ext. 102
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.