



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

**ZTEST ANNOUNCES PROPOSED STRATEGIC INVESTMENT AND PRIVATE
PLACEMENT**

Toronto, Ontario, December 17, 2018 - ZTEST Electronics Inc., (**CSE:ZTE**) today announced that it has entered into a non-binding letter of intent (the “**LOI**”) to invest **\$293,200** CDN in exchange for a 27.14% equity ownership interest in Twenty49 Ltd (“**Twenty49**”), based in Waterloo, Ontario, and operating in the US through its wholly owned subsidiary. **Twenty49** is a technology company, developing technology for 4 business units:

- (i) Data420, Fiscal420 and AI420 which focus on collecting information through proprietary hardware and software, and then packaging and selling data to all operational levels of the cannabis industry; and
- (ii) (ii) Fiscal420 which will provide US cities and townships with the ability to automate the collection of cannabis sales taxes from all companies selling cannabis in their jurisdictions.

Among other things, the LOI provides that ZTE will have certain pre-emptive rights with respect to future offerings of Twenty49 securities, and a right of first refusal on any sales or other transfers of Twenty49 shares among existing Twenty49 shareholders, as well as representation on the board of Twenty49. The LOI also contemplates that ZTE’s subsidiary, Permotech Electronics Corp., will have certain rights with respect to the manufacture of electronic hardware for Twenty49 and that Twenty49 will have the right to obtain a non-exclusive license, on commercially reasonable terms, to use the distributed ledger software developed by Conversance Inc., in connection with its business. Conversance is a Waterloo, Ontario based software company in which ZTE currently holds a 25.29% equity interest.

In connection with the completion of the Twenty49 investment, ZTE proposes to complete a non-brokered private placement of up to 1,700,000 units (each unit consisting of one common share and one-half a common share purchase warrant) at an issue price of \$0.30 per unit, for aggregate proceeds of \$510,000. Each whole warrant is exercisable for one additional common share of ZTE at an exercise price of \$0.40 during the period of 18 months from closing of the financing.

Eligible Finders may receive up to 7% of the value of proceeds of the sale of units in cash and up to 7% of the number of units sold in the form of broker warrants. Each broker warrant issued in respect of the sale of units entitles the holder to acquire one (1) common share of ZTEST at \$0.30 for a period of eighteen (18) months from the closing of the financing.

All securities issued pursuant to the above referenced financing are subject to a statutory four month hold period.

The completion of the strategic investment is conditional upon ZTE raising at least \$350,000 pursuant to the private placement and is subject to a number of terms and conditions, including completion of satisfactory due diligence, negotiation of mutually acceptable definitive agreements, and the receipt of all required board and regulatory approvals.

Steve Smith, Chief Executive Officer, of ZTE commented as follows: “Every business today is operating in the world of big data. One of the greatest tasks any industry faces isn’t obtaining material on customers, products, or sales. Rather, it’s drawing something beneficial from the data they’re already amassing. ZTEST is pleased to be working with David Hwang and his team to assist with the launch of their proprietary software and hardware products”

About Twenty49 Technologies Inc.

Twenty49, based in Waterloo, Ont., and founded by David Hwang, is focused on providing a suite of technologies that enable Cannabis entities to boost operational efficiencies and increase revenues. Mr. Hwang is a physicist by training with a wide-ranging background including startup CEO (with several successful exits mostly in the Hospitality space), Hedge Fund Quant, and Cannabis entrepreneur. Mr. Hwang will be leveraging his data monetization experience in hospitality technology and simply applying these past learnings to the nascent Cannabis vertical. Mr. Hwang is a sought-after speaker on the subject of data monetization (TEDx Raleigh, BigDataTech Talks, etc.) and has received several honors including; RSPA Most Innovative Solution Award, Big Data Innovation Summit (Finalist).

Mr. Hwang commented as follows: "Data is where business optimization begins. Without data, we are left to guess and blindly react rather than plan and optimize. We are very pleased to be working with the ZTEST team on improving our current software and hardware stacks. These improvements will enhance the ability of customers to collect data and benefit from world leading process improvements."

About ZTEST Electronics Inc.

ZTEST Electronics Inc., through 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 9001:2015 certified facility in North York, Ontario, Canada. The company serves customers in the Medical, Power, Computer, Telecommunications, Wireless, Industrial and Consumer Electronics markets

requiring high quality, quick-turnaround, small and medium size production runs. ZTEST also holds a 25.29% equity interest in Conversance Inc. ("Conversance").

About Conversance Inc.

Conversance, a private company based in Waterloo, Ont., founded by Mr. Chen, is focused on developing and marketing proprietary artificial-intelligence supported distributed ledger technologies. Mr. Chen is an electrical engineer with a strong background in radio frequency, digital signal processing, VLSI (very-large-scale integration), complex systems, chemistry and physics. Mr. Chen joined Research in Motion (now BlackBerry) in 1999, becoming a senior member of the office of the chief technology officer, where he was instrumental in many of BlackBerry's key telephony innovations and patents. While at BlackBerry, the office of the CTO first began looking into blockchain in 2008.

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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.