

**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 February 28, 2020.

Item 3. News Release

A News Release was disseminated on February 27, 2020.

Item 4. Summary of Material Change

ZTEST announced that it would be closing the first tranche of its non-brokered private placement (the “**Offering**”) with the sale of 750,000 working capital units (“**WC Units**”) at \$0.15 per WC Unit for gross proceeds of \$112,500. The first tranche closed on February 28, 2020.

The Company also announced that it would settle an aggregate of \$153,500 of debt owed to insiders of the Company for management fees and directors fees on February 28, 2020 in consideration for the issuance of 1,023,000 common shares of the Company at a price of \$0.15 per share (the “**Debt Settlement**”).

All securities issued pursuant to the first tranche of the Offering and the Debt Settlement are subject to a statutory hold period expiring on June 29, 2020.

Item 5. Full Description of Material Change

Each WC Unit consists of one (1) common share and one (1) common share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder to acquire an additional common share of the Company at \$0.25 until February 28, 2021.

A finder was paid \$1,575 and issued 10,500 broker warrants. Each broker warrant entitles the holder to acquire one (1) common share of ZTEST at \$0.15 until February 28, 2021.

An Insider of the Company settled \$136,500 of debt for 910,000 common shares. The debt settlement is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“MI 61-101”) by virtue of the exemptions contained in sections 5.5(a) and 5.7(1) (a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company issued to the insider did not exceed 25% of its market capitalization.

The insider debt settlement with Steve Smith was approved by the disinterested directors of the Company. Brendan Purdy resigned as a director of the Company on January 17, 2020 before the Board of Directors approved his debt settlement. The insider debt settlement closed concurrently with the arm's length private placement.

The following table indicates the common shares acquired by the Insider pursuant to the Debt Settlement, the post-closing direct and indirect holdings in the Company held and the percentage the holding represents in the post-closing outstanding shares:

Name	# of Listed Shares Purchased	Post-closing Direct & Indirect Holdings in the Issuer	% of Post-Closing Outstanding Listed Shares ⁽¹⁾
Steve Smith	910,000 common shares	1,318,000 common shares 85,000 warrants 200,000 options	6.92%

(1) Calculated based on partially-diluted outstanding capital for the holder assuming the exercise of all warrants and options held by such holder. Based upon outstanding capital of 22,876,696 after giving effect to the first closing of the Offering and the Debt Settlement before giving effect to the partial dilution calculations.

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

Steve Smith, CEO
(604) 837-3751
email: stevesmith15@shaw.ca

Item 9. Date of Report

March 3, 2020.