

**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 November 1, 2023.

**Item 3. News Release**

A News Release was disseminated on November 2, 2023.

**Item 4. Summary of Material Change**

The Company announced that it would settle an aggregate of \$357,490 of debt owed to two officers and one director of the Company, and one other creditor for management fees and directors fees in consideration for the issuance of 4,468,625 common shares of the Company at a price of \$0.08 per share (the "**Debt Settlement**"). The Debt Settlement is anticipated to close on or after November 24, 2023.

All securities issued pursuant to the Debt Settlement will be subject to a statutory 4 month and 1 day hold period.

**Item 5. Full Description of Material Change**

Insiders of the Company agreed to settle an aggregate of \$316,500 for 3,956,250 common shares. The debt settlements are 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 to be issued to the insiders does not exceed 25% of its market capitalization.

As a result of the Debt Settlement Steve Smith, President, CEO and a director of the Company will hold greater than 10% of the issued and outstanding shares and has filed an early warning report as of the date hereof.

The insider debt settlement with Steve Smith was approved by the disinterested directors of the Company voting on the Debt Settlement. The insider debt settlement with Yellowhead Equipment Finance Ltd. in respect of fees for services rendered by Dean Tyliakos as a Director of the Company was also approved by the disinterested directors of the Company voting on the Debt Settlement.

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 <sup>(1)</sup>	% of Post-Closing Outstanding Listed Shares on a Partially Diluted Basis <sup>(2)</sup>
Steve Smith	2,875,000	3,950,000 Common Shares 200,000 Options	12.68%	13.24%
Yellowhead Equipment Finance Ltd. (Dean Tyliakos, Director of ZTEST)	456,250 (as to Yellowhead Equipment Finance Ltd.)	795,350 Common Shares (held as to 179,100 personally and 616,250 as to Yellowhead Equipment Finance Ltd.)  150,000 Options (held by Yellowhead Equipment Finance Ltd.)	2.55%	3.02%
Cryo-Line M.D.I. Inc. (Mike Kindy, CFO of ZTEST)	625,000 (as to Cryo-Line M.D.I. Inc.)	889,166 Common Shares (held as to 264,166 personally and 625,000 as to Cryo-Line M.D.I. Inc.)  150,000 Options (held personally)	2.85%	3.32%

(1) Based on issued and outstanding capital of 31,155,821 common shares after giving effect to the Debt Settlement and before giving effect to the partial dilution calculations.

(2) Calculated on the basis of partially diluted outstanding capital for each insider separately assuming the exercise of all options held by each insider.

**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**

November 3, 2023.