



**ZTEST ELECTRONICS INC.
523 McNICOLL AVENUE
NORTH YORK, ONTARIO
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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**ZTEST CLOSSES \$225,000 PRIVATE PLACEMENT & INVESTS IN PRIVATE
TECHNOLOGY COMPANY**

NORTH YORK, December 16, 2016 - ZTEST Electronics Inc. (the “**Company**”) (CSE - “**ZTE**”) is pleased to announce that it has closed its non-brokered private placement (the “**Offering**”) with the sale of 4,500,000 working capital units (“**WC Units**”) at \$0.05 per WC Unit for proceeds of \$225,000. 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 \$0.06 until five (5) years from closing.

Insiders of the Company subscribed for 1,050,000 WC Units under the Offering. The insider private placements are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (“**MI 61-101**”) by virtue of the exemptions contain in section 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 insiders does not exceed 25% of its market capitalization.

ZTEST is also pleased to announce that it has acquired (the “**Acquisition**”) a 15.05% equity interest in Conversance Inc., a private Waterloo based technology company, for \$210,000 in cash consideration, and the issuance of 1,325,000 common shares of ZTEST at a deemed price of \$0.0525 per share. For further particulars, see the Press Release issued December 13, 2016.

All securities issued pursuant to the Offering and the Acquisition are subject to a statutory four month hold period expiring on April 16, 2017.

J. T. Risty Limited (“**Risty**”), an insider of the Company, acquired 500,000 WC Units pursuant to the private placement and now holds 2,245,790 common shares representing 13.39% of the issued and outstanding capital of the Company and 500,000 Warrants after giving effect to the private placement. If Risty were to exercise all of its Warrants, it would hold 2,745,790 common shares representing 15.90% of outstanding capital on a partially diluted basis.

Risty has advised that the WC Units were acquired for investment purposes and that it has no present intention to either increase or decrease its holdings in the Company. Notwithstanding the foregoing, it has advised that it may increase or decrease its beneficial ownership, control or direction over common shares of the Company through market transactions, private agreements, exercise of warrants, other treasury issuances or otherwise.

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Wojciech (“**Ted**”) Drzazga, CEO and a director of the Company, acquired 350,000 WC Units pursuant to the private placement and now holds 1,222,512 common shares representing 7.29% of the issued and outstanding capital of the Company and 350,000 Warrants after giving effect to the private placement. His wife, Joanna (“**Joanna**”) Drzazga, acquired 650,000 WC Units pursuant to the private placement and now holds directly and indirectly 664,545 common shares representing 3.96% of the issued and outstanding capital of the Company and 650,000 Warrants plus an additional 300,000 warrants to acquire common shares of ZTEST after giving effect to the private placement. Collectively they hold 1,887,057 common shares representing 11.25% of the issued and outstanding capital of the Company. If Ted and Joanne were to exercise all of their Warrants and existing convertible securities, they would hold 3,187,057 common shares representing 18.29% of outstanding capital on a partially diluted basis.

Ted and Joanna have advised that the WC Units 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, exercise of warrants, other treasury issuances or otherwise.

Ed (“**Ed**”) Blasiak acquired 1,180,000 WC Units pursuant to the private placement and now holds 1,360,000 common shares representing 8.11% of the issued and outstanding capital of the Company and 1,180,000 Warrants after giving effect to the private placement. If Ed were to exercise all of his Warrants, he would hold 2,540,000 common shares representing 14.15% of outstanding capital on a partially diluted basis.

Ed has advised that the WC Units were acquired for investment purposes and that he has no present intention to either increase or decrease his holdings in the Company. Notwithstanding the foregoing, he has advised that he may increase or decrease his beneficial ownership, control or direction over common shares of the Company through market transactions, private agreements, exercise of warrants, other treasury issuances or otherwise.

Franklin (“**Frank**”) Zolnai acquired 680,000 WC Units pursuant to the private placement and now holds 1,208,540 common shares representing 7.20% of the issued and outstanding capital of the Company and 680,000 Warrants after giving effect to the private placement. If Frank were to exercise all of his Warrants, he would hold 1,888,540 common shares representing 10.82% of outstanding capital on a partially diluted basis.

Frank has advised that the WC Units were acquired for investment purposes and that he has no present intention to either increase or decrease his holdings in the Company. Notwithstanding the foregoing, he has advised that he may increase or decrease his beneficial ownership, control or direction over common shares of the Company through market transactions, private agreements, exercise of warrants, 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 early warning reports to be filed with the applicable



securities regulators containing additional information with respect to the foregoing matters. Copies of the early warning reports in respect of these transactions will be available on ZTEST's issuer profile on SEDAR at www.sedar.com.

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.

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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.

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