

**ZTEST ELECTRONICS INC.**  
**523 McNicoll Avenue**  
**North York, Ontario**  
**M2H 2C9**

**VIA SEDAR**

Ontario Securities Commission  
19th Floor, 20 Queen Street West  
Toronto, Ontario M5H 3S8

Attention: Continuous Disclosure

Alberta Securities Commission  
10025 Jasper Avenue  
Edmonton, Alberta T5J 3Z5

Attention: Continuous Disclosure

British Columbia Securities Commission  
12<sup>th</sup> Floor, Pacific Centre, 701 W. Georgia St.  
Vancouver, B.C. V7Y 1L2

Attention: Continuous Disclosure

Canadian Venture Exchange  
3<sup>rd</sup> Floor, 130 King Street West  
Toronto, Ontario M5X 1E5

Attention: Market Operations

Dear Sirs/Mesdames:

**RE: Material Change Report**  
**Ontario Securities Act. Sec. 75 (2)**

1. The name of the Reporting Issuer is **ZTEST Electronics Inc.** ("ZTEST" or the "Company") whose principal office is at 523 McNicoll Avenue, North York, Ontario, Canada M2H 2C9.
2. The material change occurred on December 31, 2001.
3. A Press Release was published at Toronto on the BCE Emergis e-News Services - Canadian National Compliance Disclosure Wires on December 31, 2001.
4. The Company announced that it had agreed to sell a promissory note (the "Note") in the principal amount of \$318,019.95 owed to it by Permotech Electronics Corporation, a subsidiary of ZTEST, to 1114377 Ontario Inc. 1114377 Ontario Inc. is controlled by Joanna Drzazga who is the spouse of Wojciech Drzazga, the President and Chief Executive Officer of ZTEST. The transaction is subject to the approval of the Canadian Venture Exchange and the board of directors of ZTEST.

ZTEST also announced that further to its press release of November 28, 2001, ZTEST had completed the settlement of \$18,300 in debt owed to its five directors for services rendered for 143,529 common shares priced at \$0.1275 per share.

5. The Note bears interest at the rate of 8.5% per annum. Interest accrues without payment until September 30, 2002. From October 1, 2002 until June 30, 2003 interest only payments shall be made and after June 30, 2003 the principal amount shall be amortized over 3 years and repaid in blended interest and principal payments. The Note becomes due on June 30, 2006 together with all accrued interest. In consideration for the Note, 1114377 Ontario Inc. will issue to ZTEST a promissory note in the principal amount of \$190,811.67 on the same terms and conditions as the Note and agree to release an option to acquire 375,000 common shares of Gametele Systems Inc. ("Gametele") at \$0.40 per share from ZTEST to facilitate the sale of ZTEST's interest in Gametele to Dion Entertainment Corporation.

6. This report is not being filed on a confidential basis in reliance on subsection 75(3) of the Ontario Securities Act.
7. No information has been omitted because it is believed it should remain confidential.
8. For further information, please contact Mr. Ted Drzazga, President, at (416) 297-5155 or visit our website at <http://www.ztest.com>.
9. The foregoing accurately discloses the material change referred to herein.

**DATED** at Toronto, Ontario this 3<sup>rd</sup> day of January, 2002.

“William R. Johnstone”

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**WILLIAM R. JOHNSTONE**  
**Secretary**