

**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

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

Alberta Securities Commission  
10025 Jasper Avenue  
Edmonton, Alberta T5J 3Z5  
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 changes occurred on February 14, 2002 and February 28, 2002.
3. Press Releases were published at Toronto on the BCE Emergis e-News Services - Canadian National Compliance Disclosure Wires on February 26, 2002 and February 28, 2002.
4. ZTEST announced that pursuant to the take-over bid made by Dion Entertainment Corp. of Surrey, BC ("Dion"), the Company sold its interest in Gametele Systems Inc. of Mississauga, Ontario ("Gametele") to Dion. The transaction closed on February 14, 2002 (the "Closing Date").

The Company also announced that it has negotiated with several arm's-length creditors to settle a total of up to \$150,000 of outstanding bona fide debt of the Corporation and its wholly owned subsidiary, Permotech Electronics Corporation, for 625,000 common shares priced at \$0.24 per share. The completion of these transactions are subject to the approval of the Canadian Venture Exchange.

Following the completion of the debt settlements, ZTEST will have up to 32,017,603 common shares outstanding.

5. The core business of Dion is the management of bingo games in various forms, including media bingo. Gametele owns BingoTrax technology capable of tracking the sales of bingo tickets, developed for Gametele by ZTEST. Dion common shares are listed on the Toronto Stock Exchange under the symbol DIO. Its shares closed February 25, 2002 at \$0.36. More information can be obtained from Dion's web site at [www.dion-bingo.com](http://www.dion-bingo.com).

As consideration for the 5,170,000 common shares of Gametele held by the Company, ZTEST received 1,034,000 common shares of Dion. These common shares are subject to a one (1) year hold period from the Closing Date and an escrow agreement ("Trading Restrictions") that will result in the release of shares as follows:

Quantity

Date of Release

10%	Feb. 14, 2002
40%	Dec. 27, 2002
30%	Dec. 27, 2003
20%	Jun. 27, 2004

As part of this transaction, ZTEST agreed to restructure Gametele's debt into one (1) \$4,964,615 debenture secured by all of the assets of Gametele (the "Debenture"). On the Closing Date Dion purchased 10% of the Debenture by the issuance to ZTEST of 400,000 common shares of Dion, subject to Trading Restrictions. The balance of the Debenture is repayable over the next 5 years and it starts to bear interest at 6% per annum in its second year. Dion has the ability to settle the instalments of the Debenture by issuance to ZTEST of Dion common shares at the rate of one (1) common share for every \$1.2412 due. ZTEST also retained a long term manufacturing contract for BingoTrax terminals.

The closing of this transaction signals a further step in completing the Company's transition from technology incubator to EMS provider as evidenced by the acquisition of Permotech Electronics Corporation and subsequent factory expansion. ZTEST will continue to increase Permotech's capacity while responding to continuing positive indications of customer demand.

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 28<sup>th</sup> day of February, 2002.

"William R. Johnstone"

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