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
12th Floor, Pacific Centre, 701 W. Georgia St.
Vancouver, B.C. V7Y 1L2
Attention: Continuous Disclosure

Alberta Securities Commission
4th Floor, 300-5th Avenue S.W.
Calgary, Alberta, T2P 3C4
Attention: Continuous Disclosure

TSX Venture Exchange
3rd Floor, 130 King Street West
Toronto, Ontario M5X 1E5
Attention: Market Operations

Dear Sirs/Mesdames:

RE: Material Change Report

1. The name of the Reporting Issuer is **ZTEST Electronics Inc.** ("ZTEST" or the "Corporation") whose principal office is at 523 McNicoll Avenue, North York, Ontario, Canada M2H 2C9.

2. The material changes occurred on November 25, 2005 and November 30, 2005.

3. Press Releases were published at Toronto on the CCN Matthews - TSX Venture Exchange Disclosure Wires on November 28, 2005 and November 30, 2005.

4. On November 28, 2005, ZTEST announced that:

   (i) three (3) debenture holders had converted their unit debentures or share debentures in an aggregate principal amount of $330,367.50 into units or common shares of ZTEST at a price of $0.10 per unit or per common share **(the "November 25 Conversions")**;

   (ii) another one (1) debenture holder had delivered notice that it would convert its unit debentures in the aggregate amount of $458,423.50 into units at a price of $0.10 per unit on November 30, 2005; and

   (iii) J.T. Risty Limited **("Risty")** had acquired privately two (2) convertible debentures in the principal amount of $291,040 **(the "Acquisition").**

On November 30, 2005, ZTEST announced that a debenture holder and Risty had converted their unit debentures in an aggregate principal amount of $932,970.50 into units of ZTEST at a price of $0.10 per unit **(the "November 30 Conversions")**.

5. **<u>November 25 Conversions</u>**

As a result of the November 25 Conversions, 3,303,675 common shares, 2,222,925 warrants to acquire common shares at a price of $0.10 per share until November 30, 2005 and 750,750 warrants to acquire common shares at a price of $0.10 per share until November 25, 2007 have been issued. The share issuance increased the outstanding capital of ZTEST to 49,680,589 common shares on November 25, 2005.

<u>Acquisition of Convertible Debentures by Risty</u>

As a result of the Acquisition on November 25, 2005, Risty had the ability to acquire more than 10% of the capital of ZTEST. As of November 25, 2005 Risty held 4,202,279 common shares and $609,720 of convertible debentures convertible into units of ZTEST at the rate of one (1) unit for each $0.10 converted. Each unit is comprised of one (1) common share and one (1) share purchase warrant. If Risty were to convert all of the debentures and to exercise all of its warrants, it would hold approximately 26.5% of the outstanding capital of ZTEST. Risty also notified the Corporation that it would convert $474,720 principal amount of debentures into 4,747,200 common shares and 4,747,200 warrants on November 30, 2005.

Risty informed the Corporation that except as disclosed herein, it had acquired the units for investment purposes and that it may decrease or increase its beneficial ownership, control, or direction over common shares of the Corporation through market transactions, private agreements, conversion of debentures, exercise of warrants, other treasury issuances or otherwise.

<u>November 30 Conversions</u>

As a result of the November 30 Conversions, 9,329,705 common shares, 7,700,255 warrants to acquire common shares at a price of $0.10 per share until November 30, 2006 and 1,629,450 warrants to acquire common shares at a price of $0.10 per share until November 30, 2007 have been issued. The share issuance increased the outstanding capital of ZTEST to 59,012,024 common shares on November 30, 2005.

As of November 30, 2005, Risty owned 8,949,479 common shares of ZTEST representing approximately 15.17% of the outstanding capital of the Corporation together with a share debenture in the principal amount of $135,000 convertible into common shares at the rate of one (1) common share for each $0.10 in principal amount converted, 1,350,000 warrants to acquire common shares at a price of $0.10 per share until August 30, 2006, 3,980,400 warrants to acquire common shares at a price of $0.10 per share until November 30, 2006 and 766,800 warrants to acquire common shares at a price of $0.10 per share until November 30, 2007. If Risty were to convert the $135,000 debenture and exercise all of its 6,097,200 warrants, it would own approximately 24.67% of the outstanding capital of ZTEST.

6. This report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. No information has been omitted because it is believed it should remain confidential.

8. For further information, please contact Mr. Ted Drzazga, Tel. #: (416) 297-5155 or Email: info@ztest.com.

9. The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario this 5th day of December, 2005.

"William R. Johnstone"

WILLIAM R. JOHNSTONE
Secretary

U:\WPDOC\PUBLIC\MCR\ZTEST dec5-05 pr.doc