

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: ZTEST ELECTRONICS INC. (the "Issuer").

Trading Symbol: ZTE

Number of Outstanding Listed Securities: 31,155,821 common shares

Date: May 3, 2024.

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer, through its wholly owned subsidiary Permatest Electronics Corporation (“**Permatest**”), offers Electronic Manufacturing Services (“**EMS**”) to a wide range of customers.

Permatest’s offerings includes Materials Management, Printed Circuit Board (“**PCB**”) Assembly, and Testing services. Permatest operates from a 21,000 square foot, ISO 9001:2015 certified facility in North York, Ontario, Canada. The Corporation serves customers in the Medical, Power, Computer, Telecommunication, Wireless, Industrial, Trucking, Wearables and Consumer Electronics markets requiring high quality, quick-turn, small and medium size production runs. The Issuer is a contract manufacturer of complex circuit boards. It specializes in servicing customers who are looking for high yield and require high quality and rapid-turnaround on low and mid-volume production of high complexity products. The Issuer provides both thru-hole and surface mount production, including BGA (Ball Grid Array), Micro BGA and 0201 placement.

With its consignment, assembly only services, the customer can provide the Issuer with a kit comprised of the PCBs and all other components and the Issuer will then assemble the circuit boards. Utilizing in-house expertise, the Issuer can also provide complete turnkey service and materials management, which includes the sourcing and procurement of all required components and PCBs to facilitate assembly. The Issuer also provides a partial turnkey service wherein it will source and procure the components necessary to augment parts the customer already has available. Regardless of the method of supply of components, the Issuer can deliver the circuit boards, assembled in accordance with the customer’s design specifications, usually within four weeks from the receipt of all required components.

The Issuer handles a diverse range of customers and is adept and experienced in dealing with many different PCB assembly production issues. Unlike many less versatile contract manufacturers, the Issuer works daily with thru-hole, SMT, automated and hand placement requirements. The Issuer also offers lead free RoHS services and has the necessary RoHS equipment in place. The Issuer offers functional testing of PCBs as well as burn in testing per procedures supplied by the customer. The Issuer also completes boxed builds and final assembly products as required by customers.

Like many other entities, the Company continues to be impacted by supply chain issues. What originated during the pandemic as sporadic delays later escalated into more frequent and prolonged delays accompanied by increases in both component prices and shipping costs. While the frequency and duration of delays has declined significantly, and prices have normalized, it remains unclear as to when, or if, they may end. The resulting inability to secure delivery of certain parts on a timely basis will continue to cause the deferral of some production and the resulting revenues.

On April 24, 2024, the Issuer announced that Don Beaton had resigned as a director of the Issuer and William R. Johnstone was appointed to the Board of Directors to fill the vacancy. Mr. Johnstone will serve as the Chair of the Audit Committee.

2. Provide a general overview and discussion of the activities of management.

Management of Permtech is continuously involved in every aspect of the business including contacting customers and prospective customers in need of contract manufacturing services.

See paragraph 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer is in the contract manufacturing business. The Issuer assembles PCBs at its facility in North York based upon customer specifications. The Issuer does not produce any generic products; it provides contract services only.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer has a number of repeat customers as well as new customers who may or may not become repeat customers. The Issuer assembles PCBs based on customer specifications, pursuant to purchase orders that have terms from two weeks to several months. The Issuer has a small number of customers that each represent approximately 10% of the Issuer's business during a financial reporting period but these customers vary from period to period and the mix of business changes on a month-to-month basis. The Issuer reviews this on a quarterly basis. It has no material contracts or long-term commitments from its customers. There have been no new material business relationships that were created in the prior month.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

The Company has placed an order with an unrelated party for new manufacturing equipment to augment its production capabilities. This new equipment, valued at US\$463,525 plus delivery costs, is currently being manufactured and is expected to be delivered and installed in May 2024.

8. Describe the acquisition of new customers or loss of customers.

See paragraph 5 above.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

One of the greatest assets of the Issuer is its long-term, loyal production staff who are experienced and motivated to manufacture high quality and reliable products. The Permatech personnel take pride in the quality of work they do and the products they produce. Having said that, ongoing efforts to augment the production staff have revealed that this industry is not exempt from well documented market-shortage of skilled labour at a reasonable cost. At this point it remains an inconvenience, rather than a problem, but if this situation should worsen it may impact upon the Company's ability to grow its production volumes.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer has a bank operating line of credit which is currently unutilized and a bank equipment term loan which is being repaid in the ordinary course.

The Issuer has gained approval from its financial institution for financing to help fund the acquisition of new equipment. This approved loan facility is for a term loan, with a term of up to 5 years, and is capped at 90% of the purchase price of the equipment. The actual amount to be funded under the term loan, and the interest rate, will each be determined at the time the machinery is delivered, which is expected to be May 2024.

Disclosure of the repayment terms of all indebtedness is made on a quarterly basis in the Issuer's Financial Statements.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds
Common shares	150,000	150,000 stock options were exercised on April 26, 2024 at \$0.10 per share	Working capital

15. Provide details of any loans to or by Related Persons.

See disclosure in the Issuer's interim and annual Financial Statements.

16. Provide details of any changes in directors, officers, or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Except as disclosed in item 1 above relating to procurement challenges, there are no trends or commitments known to the Issuer that can reasonably be expected to have a material effect on the Issuer's business, financial condition, or results of operations other than as described in Section 17 – "Risk Factors" of the Issuer's Listing Statement filed on the CSE website.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 3, 2024.

William R. Johnstone
Name of Director or Senior
Officer

"William R. Johnstone"
Signature

Corporate Secretary
Official Capacity

Issuer Details Name of Issuer ZTEST Electronics Inc.	For Month End April 2024	Date of Report 2024/05/03
Issuer Address 523 McNicoll Avenue, North York		
City/Province/Postal Code North York, ON M2H 2C9	Issuer Fax No. (416)297-5156	Issuer Telephone No. (416) 297-5155
Contact Name Steve Smith	Contact Position CEO	Contact Telephone No. (604) 837-3751
Contact Email Address stevesmith15@shaw.ca	Web Site Address www.ztest.com	