

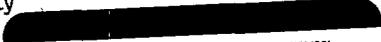


Johnstone & Company

Barristers & Solicitors

Experience, dedication, integrity

Exemption no. 82-4637



05005651

PLEASE REPLY TO: KATHLEEN E. SKERRETT, LL.B.
Direct Line: (416) 860-7150 Ext. 2251
Direct Email: kathleen@jcolaw.com

January 26, 2005

DELIVERED

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

SUPPL

COPY

Attention: Continuous Disclosure

Dear Sirs/Mesdames:

RE: ZTEST Electronics Inc. ("ZTEST")
File No.: 1067-T-58

RECEIVED
2005 FEB 11
OFFICE OF THE
CORPORATE
COUNCIL

Enclosed please find an original and a copy of a Form 45-501F1 dated **January 25, 2005** relating to the sale of a convertible debenture and warrants of ZTEST as indicated in the form.

Please note that pursuant to paragraph 5 of the Form, a Certified List has been prepared and is in our possession for disclosure as may be required by the Ontario Securities Commission.

Yours very truly,

JOHNSTONE & COMPANY

PROCESSED

FEB 11 2005

FINANCIAL

Per: Kathleen E. Skerrett

- cc: Alberta Securities Commission (with enclosures)
- British Columbia Securities Commission (with enclosures)
- TSX Venture Exchange (with enclosures)
- ZTEST Electronics Inc. (with enclosures)
- United States Securities and Exchange Commission - 12g3-2(b) (**Exemption No. 82-4637**) (with enclosures)

Encls.
KES/vl

FAWPDOC\LTR\ZTEST\F45501F1 jan05.wpd

Tel: 416 860 7150
 Email: jcolaw@jcolaw.com
 Fax: 416 860 9843
 Web: www.jcolaw.com
 Address: The Exchange Tower, Suite 2500, P.O. Box 433
 130 King Street West, Toronto, Ontario M5X 1E3

FORM 45-501F1
Securities Act (Ontario)

Exemption No. 82-4637

Report under Section 72(3) of the Act or Section 7.5(1) of Rule 45-501

(To be used for reports of trades made in reliance upon clause 72(1)(b) or (q) of the Act, or Section 2.3, 2.12, 2.13 or 2.14 of Rule 45-501)

1. Full name and address of the seller.

ZTEST Electronics Inc.
523 McNicoll Avenue
North York, Ontario
M2H 2C9

2. Full name and address of the issuer of the securities traded.

ZTEST Electronics Inc.
523 McNicoll Avenue
North York, Ontario
M2H 2C9

3. Description of the securities traded.

- (a) \$135,000 convertible debenture bearing interest at the rate of 10.00% per annum for a period of two (2) years and convertible into common shares at the rate of one (1) common share for each \$0.10 of debt converted; and
- (b) 135,000 warrants entitling the holder to acquire common shares at a price of \$0.10 per share until August 30, 2006.

(B) Date of trade(s).

January 17, 2005

(C) Particulars of the trade(s).

| <u>Name of Purchaser and Municipality and Jurisdiction of Residence</u> | <u>Amount or Number of Securities Purchased</u> | <u>Purchase Price</u> | <u>Total Purchase Price (Canadian \$)</u> | <u>Exemption Relied Upon</u> |
|---|---|-----------------------|---|-----------------------------------|
| R.J. Risty Limited Kitchener, Ontario | \$135,000 Debenture 135,000 Warrants | \$0.10 | \$135,000 | Section 2.3 of OSC Rule 45-501 |

(D) The seller has prepared and certified a statement containing the full legal name and the full residential address of each purchaser identified in section 5 and a certified true copy of the list will be provided to the Commission upon request.

Yes.

(E) State the name and address of any person acting as agent in connection with trade(s) and the compensation paid or to be paid to such agent.

Minjay Holdings Ltd., 398 New Dundee Road, RR#2, Kitchener, Ontario, N2G 3W5, has received finder's fee of \$11,025.

(F) Has the seller paid a participation fee for the current financial year in accordance with Rule 13-502?

Yes.

- (G) State the name (or title) and the telephone number of the person who may be contacted with respect to any question regarding the contents of this report.

Kathleen E. Skerrett (416) 860-7150 Ext. 2251

The undersigned seller hereby certifies, or the undersigned agent of the seller hereby certifies to the best of the agent's information and belief, that the statements made in this report are true and correct.

DATED at Toronto, Ontario

this 25th day of January, 2005.

ZTEST ELECTRONICS INC.

(Name of seller or agent - please print)

(Signature)

SECRETARY

(Official capacity - please print)

WILLIAM R. JOHNSTONE

(Please print name of individual whose signature appears above, if different from name of seller or agent printed above)

Notice + Collection and Use of Personal Information

The personal information prescribed by this form is collected on behalf of and used by the Ontario Securities Commission for purposes of administration and enforcement provisions of the securities legislation in Ontario. All of the information prescribed by this form, except for the information contained in the statement required to be prepared and certified by the seller under section 6 of this form, is made available to the public under the securities legislation of Ontario. If you have any questions about the collection and use of this information, contact the Ontario Securities Commission at the address below:

Ontario Securities Commission
 Suite 1903, Box 55
 20 Queen Street West
 Toronto, Ontario M5H 3S8
 Attention: Administrative Assistant to the Director of Corporate Finance
 Telephone: (416) 593-8200
 Facsimile: (416) 593-8177

Instructions:

1. In answer to section 7 give the name of the person or company who has been or will be paid remuneration directly related to the trade(s), such as commissions, discounts or other fees or payments of a similar nature. It is not necessary to include payments for services incidental to the trade such as clerical, printing, legal or accounting services.
2. If the space provided for any answer is insufficient, additional sheets may be used and must be cross-referred to the relevant item and properly identified and signed by the person whose signature appears on the report.
3. Cheques must be made payable to the Ontario Securities Commission in the amount determined in section 8 above.
4. Please print or type and file two signed copies with:

Ontario Securities Commission
 Suite 1900, Box 55
 20 Queen Street West
 Toronto, Ontario M5H 3S8