

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

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the “**Meeting**”) of ZTEST Electronics Inc. (“**ZTEST**” or the “**Corporation**”) will be held at the offices of **Gardiner Roberts LLP, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 3600, Toronto, Ontario, M5H 4E3, in the Islands Boardroom at the hour of 4:00 o'clock in the afternoon (Toronto time), on Friday, the 24th day of October, 2025**, for the following purposes:

1. to elect the directors as nominated by Management;
2. to appoint Kreston GTA LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration; and
3. to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

A copy of the Management Information Circular (the “**Circular**”), the Audited Financial Statements of the Corporation for the years ended June 30, 2024 and 2023 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the year ended June 30, 2024 (the “**Annual MD&A**”) accompany this Notice of Meeting.

Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of Proxy or voting instruction form delivered to them with the Notice-and-Access Notification (defined below).

NOTICE-AND-ACCESS

Notice is also hereby given that ZTEST has decided to use the notice-and-access method of delivery of meeting materials for the Annual General Meeting of Shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, the annual financial statements and related management’s discussion and analysis and other meeting materials (collectively the “**Meeting Materials**”), shareholders receive a notification (the “**Notice-and-Access Notification**”) with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce

the cost of printing and mailing materials to shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under the Corporation's profile at www.sedarplus.com or on <https://docs.tsxtrust.com/2088>.

How to Obtain Paper Copies of the Meeting Materials

Registered holders or non-registered holders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call TSX Trust toll free at 1-866-600-5869 or email TSX Trust at tsxtis@tmx.com.

Requests should be received by Wednesday October 15, 2025 in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.

RECORD DATE AND PROXY DELIVERY DATE

The Board of Directors of the Corporation has, by resolution, fixed the close of business on September 9, 2025 as the Record Date, being the date for determination of the registered holders of Common Shares entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof.

The Board of Directors of the Corporation has, by resolution, fixed the hour of 4:00 p.m. in the afternoon (Toronto time) on Wednesday October 22, 2025, being not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the day of the Meeting, or any adjournment thereof, as the time before which the instrument of proxy to be used at the Meeting must be deposited with the Transfer Agent of the Corporation, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of proxy or voting instruction form delivered to them with the Notice-and-Access Notification.

DATED the 9th day of September, 2025.

**BY ORDER OF THE
BOARD OF DIRECTORS**

"Steve Smith"

STEVE SMITH
Chief Executive Officer

**ZTEST ELECTRONICS INC.
523 McNICOLL AVENUE
NORTH YORK, ONTARIO
M2H 2C9**

**INFORMATION CIRCULAR
MANAGEMENT SOLICITATION**

SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of ZTEST Electronics Inc. (the “Corporation”) for use at the Annual General Meeting of Shareholders (the “Meeting”) of the Corporation to be held at the offices of Gardiner Roberts LLP, 22 Adelaide Street West, Suite 3600, Toronto, ON M5H 4E3 in the Islands Boardroom, at the hour of 4:00 o’clock in the afternoon (Toronto time), on Friday, the 24th day of October, 2025, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the Directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees, and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“**Common Shares**”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

NOTICE-AND-ACCESS

The Corporation has elected to use the “notice-and-access” process under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI-54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and non-registered Shareholders of the Corporation as set out in the “Advice to Non-Registered Shareholders” section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDARplus and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Corporation anticipates that utilizing the notice-and-access process will substantially reduce both postage and printing costs.

The Corporation has posted the Circular, the Corporation’s audited financial statements for the years ended June 30, 2024 and 2023 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the year ended June 30, 2024 (the “**Annual MD&A**”) on the websites www.sedarplus.com and <https://docs.tsxtrust.com/2088>.

Although the Circular, Annual Financial Statements and Annual MD&A (collectively, the “**Meeting Materials**”) will be posted electronically online, as noted above, the registered and non-registered Shareholders (subject to the provisions set out below under the heading “Advice to Non-Registered Shareholders”) (collectively the “**Notice-and-Access Shareholders**”) will receive a “notice package” (the “**Notice-and-Access Notification**”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Notice-and-Access Shareholders are reminded to review the Circular before voting.

Notice-and-Access Shareholders will not receive a paper copy of the Meeting Materials unless they contact TSX Trust Company (“**TSX Trust**”) in which case TSX Trust will mail the requested materials within three business days following receipt of any request provided the request is made prior to the Meeting. Notice-and-Access Shareholders with questions about notice-and-access may contact TSX Trust toll free at 1-866-600-5869 or by email at tsxtis@tmx.com. **In order to receive a paper copy of the Meeting Materials in time to vote before the Meeting, your request should be received by October 15, 2025.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy or voting instruction form are Officers or Directors of the Corporation (the “**Management Designees**”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy or voting instruction form and depositing the completed proxy with the Transfer Agent of the Corporation, **TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1**. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Notice-and-Access Notification from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) or an Intermediary (as defined in the “Advice to Non-Registered Shareholders” section below) must return the voting instruction form, once voted, to Broadridge or their Intermediary, as applicable, for the voting instruction form to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED BY 4:00 P.M. (TORONTO TIME) ON WEDNESDAY, OCTOBER 22, 2025, BEING NOT LESS THAN FORTY EIGHT (48) HOURS, EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS, PRECEDING THE DATE OF THE MEETING, OR ANY ADJOURNMENT THEREOF, WITH THE TRANSFER AGENT OF THE CORPORATION, TSX TRUST COMPANY**, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant (a “**Non-Registered Holder**”).

The Corporation has decided to use Notice-and-Access in accordance with the requirement of NI 54-101 to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://docs.tsxtrust.com/2088>. The

Meeting Materials will be available on the website on or before **September 24, 2025**, and will remain on the websites for a full year thereafter. The Meeting Materials will also be available on the Corporation's profile on SEDARplus at www.sedarplus.com. The Corporation will only be mailing the Notice-and-Access Notification to Non-Registered Holders as set out below.

Non-Registered Holders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agent. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

If you are a Non-Objecting Beneficial Owner and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Corporation's decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a Voting Instruction Form (“**VIF**”) from TSX Trust Company. Please complete and return the VIF to TSX Trust Company in the envelope provided or by facsimile. In addition, instructions in respect of the procedure for internet voting can be found in the VIF. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by TSX Trust Company.

*Non-Registered Shareholders who are NOBOs or OBOs may make their request for paper copies of the Meeting Materials **without charge** by calling TSX Trust toll free at 1-866-600-5869 or emailing TSX Trust at tsxtis@tmx.com on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-297-5155 or by email at info@ztest.com.*

In order to receive a paper copy of the Meeting Materials in time to vote before the Meeting, your request should be received by October 15, 2025.

OBOs may expect to receive their materials related to the Meeting from Broadridge or other Intermediaries. If a reporting issuer does not intend to pay for an Intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their Intermediary assumes the cost of delivery. The Corporation does not intend to pay for Intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Notice-and-Access Notification to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Notice-and-Access Notification will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Non-Registered Holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In any case, the purpose of this procedure is to permit Non-Registered Holders including NOBOs to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives a form of proxy or VIF wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in such form of proxy and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions on the VIF or the instructions received from their Intermediary including those regarding when and where the form of proxy, VIF is to be delivered.

All references to Shareholders in this Circular, the accompanying Notice of Meeting and any proxy or voting instruction form sent to Shareholders with the Notice-and-Access Notification are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the form of proxy or voting instruction form for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the Shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED “FOR”:**

- (a) the election of the Directors as nominated by Management;
- (b) the appointment of Kreston GTA LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration; and
- (c) to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The form of proxy or voting instruction form confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE COMMON SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of the Circular is September 9, 2025.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each Shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on September 9, 2025 (the “**Record Date**”) will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them.

The authorized capital of the Corporation presently consists of an unlimited number of Common Share of which 36,795,321 Common Shares are issued and outstanding as fully paid and non-assessable on the Record Date. The Common Shares of the Corporation are listed and posted for trading on the Canadian Securities Exchange (the “**CSE**”), under the symbol “ZTE”.

To the knowledge of the Directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of outstanding voting securities of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the Directors or executive officers of the Corporation, no proposed nominee for election as a Director of the Corporation, none of the persons who have been Directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of Directors and the appointment of officers except as disclosed herein.

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the “**Form**”) as such term is defined in National Instrument 51-102.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation’s executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers (“**Named Executive Officers**”) listed in the Summary Compensation Table that follows. During its fiscal year ended June 30, 2024 the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- Steve Smith, President and Chief Executive Officer (“**CEO**”);
- Mike Kindy, CPA, CA, Chief Financial Officer (“**CFO**”) and V.P. Finance; and
- Suren Jeyanayagam, President of the Corporation’s wholly-owned operating subsidiary, Permotech Electronics Corporation (“**Permotech**”), (for June 30, 2023 and June 30, 2024)

The Corporation does not employ or retain any other individuals who would qualify as a “Named Executive Officer” because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of \$150,000.

The Corporation’s Compensation Committee, which comprised the full Board of Directors, with the CEO declaring his interest and abstaining from voting, is responsible for the compensation program for the Corporation’s CEO and CFO. The compensation for Suren Jeyanayagam is set by the Board of Directors of Permotech.

Compensation Objectives and Principles

The Corporation is a manufacturing company with operations located in Ontario. To ensure that funds are available for operations, the Compensation Committee has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The other element of the compensation the Corporation awards to its Named Executive Officers is base cash salary and/or consulting fees. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of its employees. In addition to his salary, Suren Jeyanayagam, President of Permotech, is entitled to a bonus of 5% of Permotech's net income before tax.

Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Corporation's Named Executive Officers. The Compensation Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers).

The Corporation relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation's Directors, and for reviewing the Compensation Committee's recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of Shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of Management with the interests of the Corporation's Shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

The Implementation of the Corporation's Compensation Policies

Base Employment/Consulting Fee

Pursuant to a resolution of the board of directors, the Chief Executive Officer was entitled to receive \$10,000 per month commencing July 1, 2018. The terms of this compensation were amended January 1, 2020 to \$5,000 per month until June 30, 2024. Pursuant to an employment agreement dated July 1, 2024, the CEO is entitled to receive a base salary of \$150,000 per year, subject to annual review. This amount was agreed upon between the Chief Executive Officer and the Corporation taking into account the following considerations:

- the Chief Executive Officer's public company and regulatory experience; and

- the financing raised by the Corporation while the Chief Executive Officer has been in office.

The payment of this salary was not dependent on the Chief Executive Officer's fulfillment of any specific performance goals or similar criteria.

During the year ended June 30, 2024, the Corporation paid the Chief Financial Officer a consulting fee at a per hour rate based upon the number of hours of service provided by the Chief Financial Officer. Pursuant to an employment agreement dated July 1, 2024, the CEO is entitled to receive a base salary of \$108,000 per year, subject to annual review. This amount was agreed upon between the Chief Financial Officer and the Corporation taking into account the following considerations:

- the Chief Financial Officer's prior public company and specialized financial reporting experience gained through his senior financial management roles at a number of public companies;
- the Chief Financial Officer's experience as a Chartered Professional Accountant for over 30 years; and
- the Chief Financial Officer's previous record of success with junior public companies in creating value for Shareholders.

The payment of this consulting fee was not dependent on the Chief Financial Officer's fulfillment of any specific performance goals or similar criteria.

During the year ended June 30, 2024, the President of Permtech was paid a base salary of \$140,385 pursuant to an employment agreement. See subheading Employment/Consulting Contracts for particulars.

Stock Options

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create Shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee in developing its recommendations with respect to the granting of new options. For the year ended June 30, 2024, Suren Jeyanayagam was granted 250,000 stock options exercisable at \$0.27 per share until March 28, 2029. No stock options were granted to the other Named Executive Officers for the year ended June 30, 2024.

The granting of options to the non-management Directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these Directors to provide proper independent oversight to the Corporation with a view to maximizing Shareholder value. The number of options the Corporation grants to each of these Directors reasonably reflects each Director's contributions to the Corporation in his capacity as a Director and as a member of one or more committees of the Board of Directors (if applicable), including without limitation the Audit Committee. Previous grants of options awarded to the independent Directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent Directors. No stock options were granted to the non-management Directors during the year ended June 30, 2024.

In addition, to the granting of options under the Stock Option Plan, the compensation of Directors, in fiscal 2024 includes a Director's fee of \$1,000 per month for non-management Directors, plus \$500 per month for a director acting as Chair of a sub-committee and \$250 per month for independent directors of the Company's subsidiary. These fees are determined by the Board of Directors of the Company. The payment of the Directors' fees to the non-management Directors recognizes their contributions to the Corporation in their capacities as Directors and members of one or more committees of the Board of Directors (if applicable), including without limitation the Audit Committee.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation’s Chief Executive Officer, Steve Smith, and Chief Financial Officer, Mike Kindy, for the fiscal years ended June 30, 2024, June 30, 2023 and June 30, 2022 and the President of Permtech, Suren Jeyanayagam, for June 30, 2024 and June 30, 2023. In accordance with the Form, the Corporation does not have any other “Named Executive Officers” given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)⁽³⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Steve Smith, President and C.E.O	2024	Nil	Nil	Nil	Nil	Nil	Nil	60,000 ⁽¹⁾	60,000
	2023	Nil	Nil	9,252 ⁽⁴⁾	Nil	Nil	Nil	60,000 ⁽¹⁾	69,252
	2022	Nil	Nil	Nil	Nil	Nil	Nil	60,000 ⁽¹⁾	60,000
Mike Kindy, C.F.O and V.P. Finance	2024	Nil	Nil	Nil	Nil	Nil	Nil	90,000 ⁽²⁾	90,000
	2023	Nil	Nil	6,939 ⁽⁴⁾	Nil	Nil	Nil	90,000 ⁽²⁾	96,939
	2022	Nil	Nil	Nil	Nil	Nil	Nil	88,255 ⁽²⁾	88,255
Suren Jeyanayagam	2024	140,385	Nil	61,394 ⁽³⁾	4,741 ⁽⁶⁾	Nil	Nil	132,679 ⁽⁵⁾	339,199
	2023	118,192	Nil	4,626	2,392 ⁽⁶⁾	Nil	Nil	27,059 ⁽⁵⁾	152,270

Notes:

- ⁽¹⁾ Mr. Smith was retained as a consultant and therefore did not receive a salary.
- ⁽²⁾ Mr. Kindy was retained as a consultant and therefore did not receive a salary. He also provided financial reporting and income tax reporting services through his public accounting practice.
- ⁽³⁾ The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil; risk free interest rate of 3.41%; estimated life of 5 years and expected volatility of 147.76%.
- ⁽⁴⁾ The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil; risk free interest rate of 3.24%; estimated life of 5 years and expected volatility of 135.92%.
- ⁽⁵⁾ Bonus paid to Suren Jeyanayagam pursuant to the terms of his employment agreement with Permtech.
- ⁽⁶⁾ Group benefit plan premiums.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of June 30, 2024

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of June 30, 2024.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Steve Smith, President and C.E.O	Nil	N/A	N/A	Nil	Nil	Nil
Mike Kindy, C.F.O. and V.P. Finance	150,000	0.10	September 30, 2027	16,500	Nil	Nil
Suren Jeyanayagam	250,000	0.27	March 28, 2029	Nil	Nil	Nil
	100,000	0.10	September 30, 2027	11,000	Nil	Nil

Notes:

⁽¹⁾ Based on the closing price of the Common Shares on the Exchange on **June 28, 2024** (being the last day of the fiscal year on which the shares were traded) of **\$0.21** per Common Share.

Value Vested or Earned by Named Executive Officers During the Years Ended June 30, 2024 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended June 30, 2024.

Name	Option-Based Awards- Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Steve Smith	Nil	Nil	Nil
Mike Kindy	Nil	Nil	Nil
Suren Jeyanayagam	Nil	Nil	Nil

Note:

⁽¹⁾ Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Employment/Consulting Contracts

There was no written agreement between the Corporation and Steve Smith for the year ended June 30, 2024. Steve Smith billed the Corporation as a consultant on a monthly basis at the rate of \$5,000 per month. Effective July 1, 2024, the Corporation entered into an employment contract with Steve Smith as Chief Executive Officer pursuant to which he is entitled to receive a base salary of \$150,000 per year payable semi-monthly, subject to annual review. In the event of a termination by the Corporation other than for cause, he is entitled to a severance payment of one year's base salary plus one month's base salary for each full and complete year of service and 1/12 of one month's base salary for

each full month for any partial year calculated from December 19, 2017 to a maximum of two (2) years' base salary. The one year's base salary is payable within 60 days of his termination of employment with the additional one month's base salary to a maximum of one year's base salary payable monthly commencing 90 days following termination. His severance payment in the event of a Change of Control, as defined below, is set out under the heading "Termination and Change of Control Benefits".

There was no written agreement between the Corporation and Mike Kindy for the year ended June 30, 2024. Mr. Kindy billed his time for being the C.F.O. at a fixed hourly rate on an as needed basis. Effective July 1, 2024, the Corporation entered into an employment contract with Mike Kindy as Chief Financial Officer pursuant to which he is entitled to receive a base salary of \$108,000 per year payable semi-monthly, subject to annual review. In the event of a termination by the Corporation other than for cause, he is entitled to a severance payment of one year's base salary plus one month's base salary for each full and complete year of service calculated from April 1, 1998 for a maximum payment of three (3) years' base salary. The one year's base salary is payable within 60 days of his termination of employment with the additional one month's base salary to a maximum of two years' base salary payable monthly commencing 90 days following termination. His severance payment in the event of a Change of Control, as defined below, is set out under the heading "Termination and Change of Control Benefits".

Suren Jeyanayagam, in his capacity as President of Permotech, is subject to an employment agreement dated December 29, 2022, as amended effective July 1, 2023, which entitles him to a base salary of \$140,000 plus a bonus (the "**Annual Bonus**") equal to 5% of the net income before income tax of Permotech. In the event of a termination by the Corporation other than for cause, he is entitled to a severance payment of 2.5 times his base salary plus 2.5 times the Annual Bonus payable as at the last completed fiscal year of the Corporation ("**SJ Severance Payment**") within 60 days following termination of his employment. In the event of a Change of Control, as defined below, Mr. Jeyanayagam is entitled to be paid the SJ Severance Payment within 60 days following termination of his employment.

Termination and Change of Control Benefits

In the event of a termination of the Chief Executive Officer within 12 months following a Change of Control, as defined below, Mr. Smith is entitled to a payment equal to two years' base salary under his employment contract payable on or before the fifth day after the last day of his employment with the Corporation. In the event of a termination of the Chief Financial Officer within 12 months following a Change of Control, as defined below, Mr. Kindy is entitled to a payment equal to three years' base salary under his employment agreement payable on or before the fifth day after the last day of his employment with the Corporation.

A Change of Control is defined as: (i) a change of more than half of the directors of the Corporation unless approved by a majority of the Board; (ii) the sale or disposition of all or substantially all of the Corporation's assets (or any transaction having similar effect) is consummated; (iii) any "person" (as such term is defined in Section 1 of the *Business Corporations Act* (Ontario) ("**OBCA**")) acquires the "beneficial ownership" (as defined in Section 1 of the OBCA), directly or indirectly, of the securities of the Corporation representing more than thirty percent (30%) of (a) the outstanding voting securities of the Corporation; or (b) the combined voting power of the Corporation's then-outstanding securities; or (iv) the Corporation is party to a merger or consolidation that results in the holders of voting securities of the Corporation outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation; or (v) the dissolution or liquidation of the Corporation.

Other than as noted above, the Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation’s Directors, other than its Named Executive Officers, the compensation of whom is detailed above under “Summary Compensation Table”, for the fiscal year ended June 30, 2024.

Director Compensation Table								
Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Dean Tyliakos	15,000	Nil	Nil	Nil	Nil	Nil	Nil	15,000
William R. Johnstone ⁽²⁾	4,500	Nil	Nil	Nil	Nil	Nil	Nil	4,500
K. Michael Guerreiro	19,500	Nil	Nil	Nil	Nil	Nil	Nil	19,500
Derrick Strickland	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
Donald Beaton ⁽¹⁾	9,000	Nil	Nil	Nil	Nil	Nil	Nil	9,000

Notes:

⁽¹⁾ Don Beaton resigned as a director on April 19, 2024.

⁽²⁾ William R. Johnstone was appointed a director and named as Chair of the Audit Committee on April 23, 2024.

All Directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending Directors and Shareholders meetings and meetings of Board committees. Directors are also entitled to a Director’s fee of \$1,000 per month for non-management Directors, plus \$500 per month for a director acting as Chair of a sub-committee and \$250 per month for acting as the ZTEST nominee on another Board. These fees are determined by the Board of Directors of the Company and Permtech. The payment of the Directors’ fees to the non-management Directors recognizes their contributions to the Corporation in their capacities as Directors and members of one or more committees of the Board of Directors (if applicable), including without limitation the Audit Committee.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who Are Named Executive Officers) as of June 30, 2024

The following table summarizes all share-based and option-based awards granted by the Corporation to its Directors (other than Directors who are Named Executive Officers whose share-based and option-based awards outstanding as of June 30, 2024 are detailed above) which are outstanding as of June 30, 2024.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Dean Tyliakos	150,000	0.10	September 30, 2027	16,500	Nil	Nil
William R. Johnstone	150,000	0.10	September 30, 2027	16,500	Nil	Nil
K Michael Guerriero	200,000	0.10	September 30, 2027	22,000	Nil	Nil
Derrick Strickland	Nil	Nil	Nil	Nil	Nil	Nil
Donald Beaton	Nil	N/A	N/A	Nil	Nil	Nil

Notes:

⁽¹⁾ Based on the closing price of the Common Shares on the Exchange on **June 28, 2024** (being the last day of the fiscal year on which the shares were traded) of **\$0.21** per Common Share.

Value Vested or Earned During the Year Ended June 30, 2024 by Directors (Other Than Directors Who Are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended June 30, 2024 by Directors of the Corporation (other than Directors who are Named Executed Officers whose value vested or earned during the year ended June 30, 2024 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Dean Tyliakos	Nil	Nil	Nil
William R. Johnstone	Nil	Nil	Nil
K Michael Guerreiro	Nil	Nil	Nil
Derrick Strickland	Nil	Nil	Nil
Donald Beaton	Nil	Nil	Nil

Note:

⁽¹⁾ Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of June 30, 2024 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,100,000	\$0.15	1,344,739
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	1,100,000	\$0.15	1,344,739

Note:

⁽¹⁾ Currently, the only applicable plan is the 2024 Plan (as defined under the heading “Stock Option Plan”).

STOCK OPTION PLAN

For fiscal 2024, the grant of stock options was subject to the 2017 Plan, as set out below.

The Directors of the Corporation adopted a Stock Option Plan (the “**Plan**”) to encourage Common Share ownership in the Corporation by Directors, officers, employees (full or part-time) and consultants of the Corporation or its subsidiaries from time to time which was approved by the majority of disinterested Shareholders at the annual and special meeting of Shareholders held on June 28, 1996. The Plan permits the number of shares reserved for issuance pursuant to stock options granted to insiders to exceed 10% of the outstanding issue and the issuance to insiders within a one (1) year period of a number of shares to exceed 10% of the outstanding issue. The maximum number of options that can be granted to any person in any twelve (12) month period cannot exceed 5% of outstanding capital. Options granted to any one consultant in any twelve (12) month period cannot exceed 2% of the Corporation’s issued and outstanding shares. Options granted to persons providing investor relations services cannot exceed more than 2% of the Corporation’s issued and outstanding capital in any twelve (12) month period. Options granted to persons providing investor relation activities must vest over a twelve (12) month period with no more than 25% of the options vesting in any quarter. On December 10, 2013, shareholders approved certain amendments to the Plan to comply with the rules of the TSX Venture Exchange (“**TSXV**”).

The Plan provides that eligible persons thereunder include any Director, employee, (full-time or part-time), officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or a subsidiary has a contract for substantial services. The Plan allows the Corporation to attract new officers and Directors by allowing it to offer stock options as inducements to join the Corporation.

The Plan is administered by the Board of Directors of the Corporation. The Board of Directors has the authority to determine, among other things, subject to the terms and conditions of the Plan, the terms, limitations, restrictions, and conditions respecting the grant of stock options under the Plan.

Pursuant to Shareholder approval on June 28, 1996, Shareholders of the Corporation authorized the reservation of up to 20% of outstanding capital for stock options based upon a fixed number of shares reserved under the Plan. On December 19, 2017, the Shareholders approved amendments to certain terms of the Plan and approved an increase in the Plan to a total of 3,494,739 Common Shares (being approximately 20% of outstanding capital) reserved under the Plan, by returning 700,000 previously exercised options to the Plan and by adding an additional 1,365,011 Common

Shares to the Plan (the “**2017 Plan**”). The principal changes in the 2017 Plan include the addition of a provision automatically extending the expiry date of an option, which would otherwise expire during a blackout period, for ten (10) days following the end of the blackout period in accordance with the provisions of TSX Venture Exchange Policy 4.4 Section 3.8 and minor administrative and wording changes. Any options granted subject to the 2017 Plan that are cancelled or terminated without having been exercised shall again be available to be granted under the 2017 Plan.

The Board of Directors has the authority under the 2017 Plan to establish the option price at the time each stock option is granted which shall in all cases be not less than the closing price of the Common Shares on the trading day immediately preceding the date of the grant. Common shares of the Corporation currently trade on the CSE. Any repricing of stock options granted to insiders must be approved by a majority of the disinterested Shareholders of the Corporation.

Options granted under the 2017 Plan must be exercised no later than ten (10) years after the date of grant and options are not transferable other than by will or the laws of descent and distribution. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding one hundred and eighty (180) days following the termination of the optionee’s position with the Corporation. If an optionee dies, the legal representative of the optionee may exercise the optionee’s options for a period of one (1) year after the date of the optionee’s death but only up to and including the original option expiry date.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the 2017 Plan.

The 2024 10% rolling stock option plan

The principal changes in the 2024 Plan from the 2017 Plan are as follows:

- (a) the elimination of the ability of insiders of the Corporation to be granted options that exceed 10% of the outstanding capital of the Corporation;
- (b) the elimination of the ability of the Corporation to reserve up to 20% of issued and outstanding capital for the grant of stock options; and
- (c) minor administrative and wording changes to the 2017 Plan.

In 2024, the directors of the Corporation adopted a new 2024 Stock Option Plan (the “**2024 Plan**”), which was approved by the Shareholders of the Corporation on July 11, 2024. The purpose of the 2024 Plan is to provide certain directors, officers, and key employees of, and certain other persons who provide services to, the Corporation and any subsidiaries of the Corporation with an opportunity to purchase Common Shares of the Corporation and benefit from any appreciation in the value of the Corporation’s Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Corporation and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Corporation.

The 2024 Plan provides for a floating maximum limit of 10% of the outstanding Common Shares. As at September 9, 2025, this represents 3,679,532 Common Shares which are available under the 2024 Plan, of which 1,550,000 are currently issued and 2,129,532 are reserved and available for issuance under the 2024 Plan.

Under the 2024 Plan, the option price must not be less than the closing price of the Common Shares listed on the CSE on the day immediately preceding the date of grant. An option must be exercised within a period of ten years from the date of granting. Within this ten year period, the Board may determine the limitation period during which an option

may be exercised. Any amendment to the 2024 Plan requires the approval of the CSE and may require shareholder approval.

The material terms of the 2024 Plan are as follows:

1. The term of any options granted under the 2024 Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten (10) years.
2. The exercise price of any options granted under the 2024 Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Corporation's Common Shares on the last trading day prior to the date on which the directors grant such options.
3. No vesting requirements will apply to options granted under the 2024 Plan except in respect of option grants to persons providing investor relations services with no more than 25% of the options granted vesting in any quarter and otherwise as may be imposed by the Board.
4. All options will be non-assignable and non-transferable.
5. No more than 5% of the issued Common Shares may be granted to any one individual in any 12-month period; and no more than 2% of the issued Common Shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-month period.
6. If the option holder ceases to be a director or officer of the Corporation or ceases to be employed by the Corporation (other than by reason of death or disability), as the case may be, then the options granted shall expire on no later than twelve (12) months following the date that the option holder ceases to be a director or officer or ceases to be employed by the Corporation, subject to the terms and conditions set out in the 2024 Plan. However, if the option holder is engaged in investor relations activities the options must expire within 30 days after the option holder ceases to be employed by the Corporation to provide investor relations activities.
7. If the option holder dies or is terminated for a permanent disability, the options granted may be exercised for a period of twelve (12) months following the date of death or date of termination, as the case may be.
8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option or the extension of any stock option grants granted to individuals that are insiders at the time of the proposed amendment; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Corporation's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Corporation's issued Common Shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion, or exchange of the Corporation's Common Shares.
10. The automatic extension of the expiry date of an option for a period of ten (10) business days following the expiry of a blackout period without shareholder approval where the option expires during a blackout period. Any option that has an expiry date that occurs within ten (10) Business Days from the end of a Blackout Period shall not be extended and shall expire if unexercised by the original expiry date.

As of the date of this Circular, there are 1,550,000 stock options outstanding under the 2024 Plan and 2,129,532 options available for grant as follows:

Name and Position	Common Shares Under Option	Exercise Price Range (per Common Share)	Expiry Date
Directors	600,000	\$0.10 to \$0.30	September 30, 2027 to August 15, 2029
Directors who are also Executive Officers	200,000	\$0.30	August 15, 2029
Senior Officers	550,000	\$0.10 to \$0.30	September 30, 2027 to August 15, 2029
Employees & Consultants	200,000	\$0.27 to \$0.40	March 28, 2029 to January 17, 2030
TOTAL	1,550,000		

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No Officer or Director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by a person other than the Directors or executive officers of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No insider of the Corporation, no proposed nominee for election as a Director of the Corporation, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation" and "Stock Option Plan" and as disclosed below.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

Composition of the Audit Committee

Effective April 23, 2024, William R. Johnstone was appointed a Director of the Corporation and appointed Chair of the Audit Committee. The June 30, 2024 audited financial statements of the Corporation were approved by the Audit Committee comprising three (3) Directors, William R. Johnstone (Chair), Dean Tyliakos and David Barnett who was appointed a director on July 17, 2024. As defined in NI 52-110, Mr. Barnett and Mr. Tyliakos are independent. Mr. Johnstone is the Corporate Secretary of the Corporation and legal counsel to the Corporation and therefore is not independent. Also as defined in NI 52-110, all members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's two most recently completed fiscal years, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee for fiscal 2024:

William R. Johnstone – Mr. Johnstone has been a securities lawyer acting for public companies for over forty (40) years. Mr. Johnstone is, and has been, an officer and/or Director of numerous public companies and sits, or has sat, on the Audit Committee of many of these companies. During this period of time, Mr. Johnstone has reviewed financial statements and management discussion and analysis of the financial statements and discussed financial issues with management, accountants and auditors. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Corporation.

Dean Tyliakos - Dean Tyliakos is the founder and President of Yellowhead Equipment Finance Ltd which has been in operation since 2012 and the former co-founder and Vice-President of Credit with Patron West Inc. In addition to serving as President he currently manages the operations of the company, working with existing clients, prospecting new relationships, and maintaining funding and financing partnerships. In his over 22 years serving small to mid-sized businesses, he was responsible for over \$750 million in financed/leased equipment transactions. Dean has set-up and works with several large funding partnerships including major publicly traded finance Co's, major banks and portfolio securitizers. Dean attended the Northern Alberta Institute of Technology where he earned a B. Comm (Finance) in 1996. He currently resides in St. Albert, Alberta with his wife and 4 children where he is active coaching hockey.

David Barnett - Mr. Barnett brings more than 25 years of professional experience spanning risk management, project management, mining, and investment banking. He is currently Vice President, Senior Risk Consultant with Aon, where he leads risk assessments for major domestic and international clients across the mining, forestry, and government sectors. He previously spent over six years in capital markets with BMO Nesbitt Burns in investment banking and corporate treasury, gaining extensive financial and capital markets expertise. Mr. Barnett is an experienced microcap investor with a 25-year track record of investing in companies with market capitalizations under \$300 million. He holds a Bachelor of Business Administration from Simon Fraser University and is a CFA charterholder.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The fees paid to the Corporation’s external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees⁽²⁾	All Other Fees ⁽³⁾
2024	55,650	Nil	Nil	Nil
2023	46,125	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

The securities regulatory authorities in Canada adopted National Instrument 58-101-Disclosure of Corporate Governance Practices (“**NI-58-101**”), which requires the Corporation to provide disclosure in this Circular of its corporate governance practices, and National Policy 58-201 Corporate Governance Guidelines (“**NP-58-201**”), which contains a series of guidelines for effective corporate governance relating to such matters as the constitution and independence of corporate boards, their functions and the experience and education of board members. Pursuant to NI-58-101, and in accordance with Form 58-101F2, the following disclosure is provided:

1. **Board of Directors** – On June 30, 2024 there were five (5) members of the Corporation’s Board of Directors. K. Michael Guerreiro, Derrick Strickland and Dean Tyliakos are independent Directors of the Corporation. Steve Smith is the C.E.O. and the President and William R. Johnstone is the Corporate Secretary.
2. **Directorships** - No Director of the Corporation is presently a Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except as follows:

Director	Name of Reporting Issuer	Market	Positions with Issuer
Steve Smith	Auston Capital Corp.	TSXV	Director, Audit Committee Member
William R. Johnstone	Appia Rare Earths & Uranium Corp.	CSE	Director & Assistant Secretary
	Romios Gold Resources Inc.	TSXV	Director & Assistant Secretary
	Big Tree Carbon Inc.	TSXV	Director, Audit Committee Chair & Corporate Secretary
	Bold Ventures Inc.	TSXV	Director, Audit Committee Chair & Corporate Secretary
	American Critical Elements Inc.	CSE	Director & Corporate Secretary
Dean Tyliakos	Canamera Energy Metals Corp.	CSE	Director

3. **Orientation and Continuing Education** - To date, the Board of Directors has not developed a policy for orienting new directors due to the small size of the Corporation. The Board of Directors continues to monitor the

needs of the Corporation and will implement such a policy when appropriate. Currently, the Board of Directors is responsible for vetting potential new Directors and ensuring they are provided with proper orientation. The Board of Directors has not currently established criteria for continuing education for Directors.

4. **Ethical Business Conduct** - The Directors understand their fiduciary obligations as Directors of a public company. The Corporation has only a few employees and the Corporation instructs them in appropriate business practices. The Corporation has implemented an Insider Trading Policy, which imposes basic trading restrictions on all officers, directors, employees and consultants of the Corporation. All Directors are required to notify fellow Directors of any material personal interest in any matter under the Board's consideration. Having regard to the nature and extent of such interest, the affected Director may be required to remove himself from discussion and consideration of, and voting on, such matter.

5. **Nomination of Directors** - The Board of Directors is currently responsible for identifying new candidates for the Board of Directors including members to fill any vacancies on the Board of Directors. It will consider candidates submitted by Directors, officers, employees, shareholders and others and may retain search firms for the purpose of identifying suitable candidates who meet the level of personal and professional integrity and ability the Board of Directors deems appropriate for Directors of the Corporation.

6. **Compensation** - The Board of Directors reviews the compensation of Directors and officers including the granting of stock options.

7. **Other Board Committees** - The Board of Directors has assessed the Corporation's needs and at this point in time believe it is not necessary for the Corporation to have any other standing committees of the Board.

8. **Assessments** - The full Board of Directors will establish procedures for satisfying itself that the Board, its committees, and its individual Directors are performing effectively.

PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

The Annual Financial Statements for the fiscal years ended June 30, 2024 and 2023 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors' reports and the Annual Financial Statements for the Corporation's last completed fiscal periods will not constitute approval or disapproval of any matters referred to therein. The Annual Financial Statements and the Annual MD&A can be obtained from the Corporation's profile on the SEDARplus website at www.sedarplus.com and on the Corporation's website at www.ztest.com or at <https://docs.tsxtrust.com/2088>. Shareholders may receive paper copies of the Circular and the Annual Financial Statements and Annual MD&A by following the procedure referred to under the heading "Notice-and-Access" on the first page of this Circular. In the alternative, upon receiving a written request to the address on the second page of this Circular, the Corporation will mail a copy of the Annual Financial Statements and Annual MD&A to you.

ELECTION OF DIRECTORS

The Board of Directors of the Corporation currently consists of four (4) Directors. The Directors have passed a resolution fixing the number of Directors to be elected at four (4). The persons named in the enclosed form of proxy intend to vote for the election as Directors of each of the four (4) nominees of management whose names are set forth in the table below. The Board of Directors has adopted a majority voting policy in order to promote enhanced Director accountability. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each Director. If the number of shares “withheld” for any nominee exceeds the number of shares voted “for” the nominee, then, notwithstanding that such Director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the Director’s suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain Shareholders “withheld” votes for the Director, the qualifications of the Director and whether the Director’s resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation’s management does not contemplate that any of the nominees will be unable or unwilling to serve as a Director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as Directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of September 9, 2025. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

Name and Municipality of Residence	Position with Corporation	Principal Occupation or Employment for the Last Five Years	Director From	Number of Shares Beneficially Owned or Controlled
Steve Smith Abbotsford, B.C.	President, C.E.O. and a Director	President and C.E.O of the Corporation since July 3, 2018. President of Target Management; a full service capital markets consulting firm, since March 2001	December 19, 2017	2,831,000 Common Shares
Dean Tyliakos ⁽¹⁾ St. Albert, Alberta	Director	President, Yellowhead Equipment Finance Ltd.	January 13, 2021	595,350 Common Shares
William R. Johnstone ⁽²⁾ Toronto, Ontario	Director and Corporate Secretary	Lawyer, Partner with Gardiner Roberts LLP	April 23, 2024	442,571 Common Shares
David Barnett ⁽¹⁾ Maple Ridge, B.C	Director	Vice President, Senior Risk Consultant – Aon. August 2025 to current; Risk Control Specialist – Northbridge Insurance. January 2023 to August 2025; Loss Control Representative – Aviva Canada. February 2019 to January 2023.	July 17, 2024	910,500 Common Shares

Notes:

⁽¹⁾ Member of the Audit Committee.

⁽²⁾ Chair of the Audit Committee.

Each of the individuals in the preceding chart, proposed to be nominated for election as Directors, was elected as a Director of the Corporation at the Annual General and Special Meeting of Shareholders held on July 11, 2024, with the exception of David Barnett who was appointed a Director on July 17, 2024.

David Barnett: Mr. Barnett brings more than 25 years of professional experience spanning risk management, project management, mining, and investment banking. He is currently Vice President, Senior Risk Consultant with Aon, where he leads risk assessments for major domestic and international clients across the mining, forestry, and government sectors. He previously spent over six years in capital markets with BMO Nesbitt Burns in investment banking and corporate treasury, gaining extensive financial and capital markets expertise. Mr. Barnett is an experienced microcap investor with a 25-year track record of investing in companies with market capitalizations under \$300 million. He holds a Bachelor of Business Administration from Simon Fraser University and is a CFA charterholder.

The Shareholders are urged to elect Management's nominees as Directors of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Corporation, no Director or proposed Director of the Corporation is, as at the date of this Circular, or has been in the last 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

- (a) was subject to an order that was issued while the Director or executive officer was acting in the capacity as Director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the Director or executive officer ceased to be a Director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as Director, chief executive officer or chief financial officer.

For the purposes of subsections (a) and (b) above, "order" means (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of the Corporation, no Director or proposed Director of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a Director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director or proposed Director.

Penalties or Sanctions

To the knowledge of the Corporation, none of the Directors or proposed Directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflict of Interest

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, Directors, officers or other members of management of the Corporation except that certain of the Directors, officers, promoters and other members of management serve as Directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a Director, officer, promoter or member of management of such other companies and their duties as a Director, officer, promoter or management of the Corporation.

The Directors and officers of the Corporation are aware of the existence of laws governing accountability of Directors and officers for corporate opportunity and requiring disclosure by Directors of conflicts of interest and the Corporation will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and officers.

APPOINTMENT OF AUDITOR

The persons named in the enclosed form of proxy intend to vote for the appointment of Kreston GTA LLP, Chartered Professional Accountants, of Markham, Ontario, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the Directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three (3) years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, Director, Officer or employee.

The Shareholders are urged by Management to appoint Kreston GTA LLP, Chartered Professional Accountants, as the Corporation's auditors and to authorize the Board of Directors to fix their remuneration.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedarplus.com.

Financial information concerning the Corporation is provided in the Corporation's comparative Annual Financial Statements and Annual MD&A for its fiscal year ended June 30, 2024 and 2023. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 523 McNicoll Avenue, North York, Ontario, M2H 2C9, fax (416) 297-5156 Attention: Chief Executive Officer.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to Shareholders have been approved by the Board of Directors of the Corporation.

DATED the 9th day of September, 2025.

**BY ORDER OF THE
BOARD OF DIRECTORS**

“Steve Smith”

STEVE SMITH
Chief Executive Officer

SCHEDULE “A”
ZTEST ELECTRONICS INC.
(the “Corporation”)
AUDIT COMMITTEE CHARTER

Purpose of the Audit Committee

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Corporation is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Corporation maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Corporation and to foster increased investor confidence in both the Corporation and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation’s Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Corporation to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Corporation. The Committee will monitor the independence and performance of the Corporation’s independent auditors.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Corporation. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Specific duties and responsibilities of the Audit Committee

- (1) The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditors.
- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
- (3) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation’s external auditors.
- (4) The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its

- subsidiary entities to the Corporation's external auditors during the fiscal year in which the services are provided;
- (b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5) (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
- (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
- (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
- (7) The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (8) The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
- (9) The Committee must establish procedures for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (10) The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (11) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
- (12) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Corporation's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

- (13) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.
- (14) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.\
- (15) The Committee shall review with Management and the external auditors the audit Plan for the year-end financial statements prior to the commencement of the year end audit.
- (16) The Committee shall review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (17) The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
- (18) The Committee shall review in consultation with the external auditors and Management the integrity of the Corporation's financial reporting process and internal controls.
- (19) The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgments made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.
- (20) The Committee shall conduct or authorize any review or investigation and consider any matters of the Corporation the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.
- (21)** The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.