FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: Valdor Technology International Inc. **Website:** https://valdortech.com/ **Listing Statement Date:** June 16, 2021 **Description(s) of listed securities(symbol/type):** Common shares; the Issuer trades on the CSE under the ticker "VTI".
Brief Description of the Issuer's Business: The Issuer has an operating subsidiary company, Valdor Fiber Optics, Inc., headquartered near San Francisco, California which assembles optical fiber components and specializes in the design, manufacture and sale of passive fiber optic equipment.
Description of additional (unlisted) securities outstanding Warrants Stock Options Restricted Share Units
Jurisdiction of Incorporation: British Columbia

Fiscal Year End: December 31		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): The last AGSM was held on August 3, 2022.		
Financial Information as at: December 31, 2023		
	Current ($USD)	**Previous ($USD)**
Cash	49,464	80,188
Current Assets	91,150	172,780
Non-current Assets	-	-
Current Liabilities	204,928	54,420
Non-current Liabilities	-	-
Shareholders' equity	(118,360)	118,360
Revenue	284,283	210,249
Net Income (Loss)	(265,994)	(878,420)
Net Cash Flow from (utilized for) Operations	(79,848)	(321,872)

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the 12-month period ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5A - Annual Listing Summary as Appendix B.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

(a) summary of securities issued during the period,

The following securities were issued during the period of October 1, 2023 to December 31, 2023:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
The Issuer did not grant any securities during the period of October 1, 2023 to December 31, 2023.								

(b) summary of options granted during the period,

The following options were issued during the period of October 1, 2023 to December 31, 2023:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
The Issuer did not grant any options during the period of October 1, 2023 to December 31, 2023.						

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at December 31, 2023, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which 65,922,033 common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

(b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

The Company adopted a 20% rolling stock option plan (the "**Option Plan**") which was approved by shareholders on August 3, 2022. Options granted under the Option Plan may have a maximum term of 10 years. The exercise price of options granted under the Option Plan shall be determined by the Company's directors, provided that such price shall not be lower than the closing share price on the day before the grant date less the applicable discount permitted under CSE policies. Stock options granted under the Option Plan may be subject to vesting terms that are set at the discretion of the directors at the time of grant.

The Issuer adopted a restricted share unit plan (the "**RSU Plan**"). The maximum aggregate numbers of shares reserved for issuance under the RSU Plan, together with the existing Option Plan shall not exceed a combined total of 20% of the Issuer's issued and outstanding shares. In addition, the RSU Plan sets out certain other restrictions in respect of grants to certain participants under the Option Plan.

As at December 31, 2023, the following Options were outstanding:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
December 1, 2021	6,500,000	$0.30	December 1, 2026	$1,577,140
September 19, 2022	6,550,000	$0.10	September 19, 2027	$653,056
Total	**13,050,000**			

As at December 31, 2023, the following Warrants were outstanding:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
February 8, 2021	53,800,000	$0.10	February 8, 2026	-
February 8, 2021	6,200,000	$0.30	February 8, 2026	-
Total	**60,000,000**			

Convertible Securities:

As at December 31, 2023, there were no other convertible securities outstanding.

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at December 31, 2023, no Common shares of the Issuer were subject to a prescribed escrow agreement pursuant to National Policy 46-201.

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Name of Party	Position with Issuer	Date of Appointment
Arthur Francis Rowe	Director CFO	Mar 1, 2021 Dec 14, 2021
Steven James Inglefield	Director	Dec 1, 2021
Lucas Stemshorn-Russell	Director President CEO	Jul 12, 2021 Nov 5, 2021 Nov 5, 2021
Dorian Banks	Director	Dec 1, 2022
Kristin Fedchuk	Corporate Secretary	July 18, 2023

5. Financial Resources

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

See the Issuer's Financial Statements for the year ended December 31, 2023 attached as Schedule A and Management Discussion and Analysis attached as Schedule B.

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

<u>See the Issuer's Financial Statements for the year ended December 31, 2023 attached as Schedule A and Management Discussion and Analysis attached as Schedule B.</u>

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

<u>As at December 31, 2023, the company's working capital deficiency was USD$113,778.</u>

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

<u>USD$113,778 of working capital as per preceding paragraph.</u>

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

<u>The funds will be used for general business operations and working capital.</u>

<u>For additional information, see the Issuer's Financial Statements for the year ended December 31, 2023 attached as Schedule A and Management Discussion and Analysis attached as Schedule B.</u>

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or

<u>No</u>

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

<u>No</u>

Provide details:

<u>This is not applicable to the Issuer.</u>

7. Business Activity

(a) Activity for a mining or oil and gas Listed Issuer

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details.

This is not applicable to the Issuer.

(ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details.

This is not applicable to the Issuer.

(b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details.

The Issuer realized USD$284,283of revenue in 2023.

(ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details.

This is not applicable to the Issuer.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated April 25, 2024

Francis Rowe
Name of Director or Senior Officer

"/s/ *Francis Rowe"*
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Valdor Technology International Inc.	For Year Ended December 31, 2023	Date of Report YY/MM/DD 2023/04/25
Issuer Address 810 – 789 West Pender Street		
City/Province/Postal Code Vancouver, BC V6C 1H2	Issuer Fax No. (604) 687-3141	Issuer Telephone No. (604) 687-2038
Contact Name Francis Rowe	Contact Position CFO	Contact Telephone No. (604) 687-2038
Contact Email Address Info@valdortech.com	Web Site Address https://valdortech.com/	

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Stated in US Dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
VALDOR TECHNOLOGY INTERNATIONAL INC.

Opinion
We have audited the accompanying consolidated financial statements of Valdor Technology International Inc., which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
Without qualifying our opinion, we draw attention to Note 2(b) in the consolidated financial statements, which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Revenue from Contracts with Customers
Key Audit Matter Description
The Company recognized revenue from the sale for products in accordance with IFRS 15 "Revenue from Contracts with Customers" as disclosed in Note 3 (e) Summary of Material Accounting Policies. We considered this to be a key audit matter due to materiality and the judgments and estimates made by management in determining the timing of deferred revenue recognition. Further disclosure regarding the Company's revenue is described in Note 10 to the consolidated financial statements.

Audit Response
We responded to this matter by conducting a detailed assessment of the Company's revenue recognition process. Our audit work in relation to this included but was not limited to obtaining an understanding of contracts and revenue streams, evaluating methodologies, assumptions, performance obligations and testing of revenue recognized.

Other Information
Management is responsible for the other information. The other information obtained at the date of the auditor's report includes Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

SERVICE

INTEGRITY

TRUST

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
April 25, 2024

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2023 and 2022
(Stated in US Dollars)

	Note	2023 $	2022 $
ASSETS			
CURRENT			
Cash		49,464	80,188
Accounts receivable		36,015	32,610
Loan receivable	5	-	59,982
Investment	5	5,671	-
		91,150	172,780
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		133,410	16,470
Due to related parties	6	2,621	4,725
Loan payable		34,873	-
Debentures	7	34,024	33,225
		204,928	54,420
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	25,198,874	25,198,874
Contributed surplus	8	5,910,749	5,910,749
Accumulated other comprehensive loss		(33,476)	(67,332)
Accumulated deficit		(30,554,454)	(30,288,841)
Attributable to parent		521,693	753,450
Non-controlling interest		(635,471)	(635,090)
		(113,778)	118,360
		91,150	172,780

Going Concern of Operations (Note 2b)
Fundamental Transaction (Note 14)
Subsequent Events (Note 15)

The accompanying notes are an integral part of these consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Lucas Russell"	*"Francis Rowe"*
Lucas Russell, Director	Francis Rowe, Director

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2023 and 2022
(Stated in US Dollars)

	Note	2023 $	2022 $
REVENUE			
Revenue	10	284,283	210,249
Direct costs	Schedule I	(283,348)	(203,001)
		935	7,248
EXPENSES			
Administration and general	Schedule II	218,501	196,830
Share-based payments	8	-	476,732
		218,501	673,562
LOSS BEFORE OTHER ITEMS		(217,566)	(666,314)
Other items			
Loan receivable provision	5	(14,818)	-
Impairment of loan receivables		(65,665)	(235,357)
Recovery of bad debt		24,090	23,251
Realized gain on sale of investment	5	2,686	-
Unrealized gain on fair value of investment	5	5,279	-
NET LOSS FOR THE YEAR		(265,994)	(878,420)
OTHER COMPREHENSIVE LOSS			
Exchange differences on translating into presentation currency		33,856	(121,697)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(232,138)	(1,000,117)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED		65,922,033	65,922,033

December 31, 2023:

Net loss attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the year	$ (265,613)	$ (381)	$ (265,994)
Total comprehensive loss for the year	$ (231,757)	$ (381)	$ (232,138)

December 31, 2022:

Net Income (losses) attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the year	$ (878,496)	$ 76	$ (878,420)
Total comprehensive loss for the year	$ (1,000,193)	$ 76	$ (1,000,117)

The accompanying notes are an integral part of these consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022
(Stated in US Dollars)

	2023 $	2022 $
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net loss for the year from operations	(265,994)	(878,420)
Charges to net loss not affecting cash:		
Share-based payments	-	476,732
Interest income	(2,487)	(20,583)
Impairment of loan receivable	65,665	235,357
Foreign exchange	37,305	(105,410)
Forgiveness of loan receivable	14,818	-
Recovery of debt	(370)	-
Realised gain on sale of investment	(5,279)	-
Unrealised fair value gain on investment	(2,686)	-
	(159,028)	(292,324)
Changes in non-cash working capital balances:		
Accounts receivable	(3,012)	(14,463)
Accounts payable and accrued liabilities	82,192	(15,085)
	(79,848)	(321,872)
INVESTING ACTIVITIES		
Line of credit	-	(206,734)
Loan receivable	48,839	(62,030)
Proceeds on disposition of investment	2,835	-
	51,674	(268,764)
Effect of unrealized foreign exchange loss on cash	(2,550)	(26,349)
DECREASE IN CASH	(30,724)	(616,985)
Cash, beginning of the year	80,188	697,173
CASH, END OF THE YEAR	49,464	80,188

The accompanying notes are an integral part of these consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the Years Ended December 31, 2023 and 2022
(Stated in US Dollars)

	Share capital		Equity portion of convertible debentures	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Non-Controlling Interest	Total
	Issued Shares #	Amount $	$	$	$	$	$	$
Balance, December 31, 2021	65,922,033	25,198,874	45,385	5,434,017	54,365	(29,455,730)	(635,166)	641,745
Exchange differences on translating to presentation currency	-	-	-	-	(121,697)	-	-	(121,697)
Stock options granted	-	-	-	476,732	-	-	-	476,732
Convertible debenture	-	-	(45,385)	-	-	45,385	-	-
Net loss for the period	-	-	-	-	-	(878,496)	76	(878,420)
Balance, December 31, 2022	65,922,033	25,198,874	-	5,910,749	(67,332)	(30,288,841)	(635,090)	118,360
Exchange differences on translating to presentation currency	-	-	-	-	33,856	-	-	33,856
Net loss for the period	-	-	-	-	-	(265,613)	(381)	(265,994)
Balance, December 31, 2023	65,922,033	25,198,874	-	5,910,749	(33,476)	(30,554,454)	(635,471)	(113,778)

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

The Company was incorporated under the British Columbia Company Act on March 19, 1984 and is publicly traded on the Canadian Securities Exchange. During the years ended December 31, 2023 and 2022, the Company's principal business was developing, manufacturing and marketing of fiber optic products. The address of the Company's corporate office 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

On July 7, 2023, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with 1000175307 Ontario Ltd. ("1000175307") pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "1000175307 Transaction"). 1000175307 is party to an option agreement pursuant to which 1000175307 has the option to acquire up to an 85% interest in and to mining rights located in Paraguay, South America (Note 14).

On December 16, 2021, the Company entered into a share purchase agreement (the "SPA") with Layer 2 Ventures Ltd. ("Layer 2") and the Layer 2 shareholders respecting the acquisition by the Company of all of the issued and outstanding shares of Layer 2 (the "Layer 2 Transaction"). As consideration, the Company will issue an aggregate of 16,666,667 common shares (the "Consideration Shares") at CAD$0.30 per share, representing aggregate consideration of CAD$5,000,000. As at the financial statement date, the Layer 2 Transaction has been terminated.

NOTE 2 - BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and which were in effect as of December 31, 2023.

The consolidated financial statements were authorized for issue by the Board of Directors on April 25, 2024.

b) Going Concern of Operations

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company has not achieved profitable operations, has accumulated losses of $30,554,454 (2022 - $30,288,841) since inception and expects to incur further losses in the development of its business which is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations and management is intending to secure additional financing as may be required, there is no assurance it will be able to do so in the future. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

c) Basis of Measurement

The preparation of financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

NOTE 2 - BASIS OF PREPARATION (continued)

c) Basis of Measurement (continued)

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and fair value through other comprehensive income.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in US dollars.

NOTE 3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently in all material respects to all years presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and the accounts of the following companies which the Company has control:

Company	Country of Incorporation	Percentage Held 2023	2022	Principal Activity
Fiberlight Optics, Inc.	USA	94%	94%	Inactive
Valdor Fiber Optics, Inc.	USA	94%	94%	Sale of fiber optics products

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All inter-company transactions and balances have been eliminated.

b) Cash Equivalents

The Company considers all highly liquid instruments which are readily convertible into cash with maturities of three months or less when purchased to be cash equivalents. As at December 31, 2023 and 2022, the Company did not hold any cash equivalents.

c) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in-first-out method and includes the cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company held no inventory as at December 31, 2023 and 2022.

d) Foreign Currency Translation

The Company’s functional currency is the Canadian dollar as it is the currency in which the majority of the funding is obtained to continue operations and uses the US dollar as its presentation currency. The functional currency of the US subsidiaries is US dollars as it is the currency in which the majority of their sales and expenses are incurred.

Monetary assets and liabilities of a company that are denominated in a currency other than the functional currency are translated at the exchange rate in effect at the period end. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Revenue and expense items are translated at the average rates of exchange prevailing during the year. Gains or losses from translation are recognized in profit or loss in the period in which they occur.

NOTE 3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

d) Foreign Currency Translation(continued)

The financial results and position of operations whose functional currency is different from the Company's presentation currency is translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation to the presentation currency are transferred directly to the Company's currency translation reserve in accumulated other comprehensive income.

e) Revenue Recognition

Revenue is measured based on the consideration specified in the related contract with the customer. Most of the Company's revenues have a single performance obligation as the promise to transfer the individual goods. The Company recognizes revenue from the sale of products upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

f) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. The Company's options and warrants are classified as equity when a fixed amount of options or warrants are issuable for a fixed amount of cash.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

The proceeds from the exercise of stock options, share purchase warrants and escrow shares are recorded as share capital in the amount for which the stock options, share purchase warrants or escrow shares enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred charges. Share issue costs related to uncompleted share subscriptions are charged to operations.

g) Basic and Diluted Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted earnings (loss) per share are the same for the years presented.

h) Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of shares that will eventually vest on a tranche-by-tranche basis. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

NOTE 3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Share-based Payments (continued)

Share-based payments to non-employees are measured at fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The Company also makes an estimate of the forfeiture rate based on historical information.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid. If the options expire unexercised, the amount remains in contributed surplus.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

i) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of the statement of financial position and are expected to apply when the deferred tax asset or liability is settled.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities, if any, are presented as non-current.

NOTE 3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Classification

At initial recognition, the Company classifies its financial assets in the following categories depending on the business model in which they are held and the characteristics of their contractual cash flows: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Measurement

Subsequent measurement and changes in fair value will depend on their initial classification. Financial instruments at FVTPL are measured at fair value and changes in fair value are recognized in profit or loss. Financial instruments at FVOCI are measured at fair value with changes in fair value recorded in other comprehensive income. The remaining financial instruments are measured at amortized cost using the effective interest rate method less any impairment.

The Company's financial assets are comprised of cash and accounts receivable, both of which are measured at amortized cost.

The Company's liabilities include accounts payable and accrued liabilities, due to related parties, loans payable and convertible debentures which are measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 12(a) for further details.

For financial assets that are measured at amortized cost, an entity will now always recognize (at a minimum) 12 month expected losses in profit or loss, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Lifetime expected losses will be recognized on assets for which there is a significant increase in credit risk after initial recognition.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial

NOTE 3 - SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

j) Financial Instruments (continued)

instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is accreted over the life of the loan using the effective interest method and measured at amortized cost. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

k) New accounting standards and interpretations

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of its significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023.

NOTE 4 - USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

a) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in Note 2(b).

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Deferred income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of tax assets not recognized. Tax assets not recognized are based on estimates of the probability of the Company utilizing certain tax pools and losses in future periods.

NOTE 4 - USE OF ESTIMATES AND JUDGMENTS (continued)

c) Functional currency

The analysis of the functional currency for each entity of the Company is a significant judgment. In concluding that the Canadian dollar is the functional currency of the parent and the US dollar is the functional currency of the US subsidiaries, management considered the currency that mainly influences the costs of providing goods and services in each jurisdiction in which the Company operates.

d) Write-off of accounts payable

Assessing the likelihood for which certain of the Company's accounts remain payable requires significant judgment. In determining whether any contractual liability remains where no settlement or release arrangement exists, management applies the statute of limitations.

e) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

NOTE 5 - LINE OF CREDIT

In connection with the Layer 2 Transaction (Note 1), the Company has provided a "line of credit" (the "Loan") to Layer 2 for up to $200,064 (CDN$250,000) pursuant to a loan agreement and general security agreement between the Company and Layer 2 dated December 16, 2021. The Company entered into an amending agreement on June 3, 2022 and increased the Loan to $217,273 (CDN$280,000). The Loan is secured, bears interest at 10% per annum, and is repayable by Layer 2 on the earlier of December 16, 2023 and the date which is 30 days after the termination of the SPA. During the year ended December 31, 2022, the Company recorded interest income of $20,183 and recorded a loan receivable provision of $235,357 due to collection uncertainty. During the year ended December 31, 2023, the Company received 5,000 common shares of Layer 2 (now Haller.Ai Technologies Inc.) at a fair value of $370 (CDN$500) and the 5,000 common shares were acquired by Anonymous Intelligence Company Inc. for 1,000,000 shares of Anonymous Intelligence Company Inc.

During the year ended December 31, 2023, 250,000 Anonymous Intelligence Company Inc. common shares were sold for cash proceeds of $2,778 and the Company recorded a realized gain on sale of securities of $2,686. As at December 31, 2023, the fair value of the 750,000 Anonymous Intelligence Company Inc. common shares was $5,671 (CDN$7,500) and the Company recorded an unrealized gain on fair value of investment of $5,279.

Loan Receivable

In connection with the 1000175307 Transaction (Note 1), the Company will make a loan (the "Loan") to 1000175307 for up to CDN$100,000 (advanced $59,982 (CDN$80,718) during the year ended December 31, 2022) pursuant to a loan agreement and general security agreement between the Company and 1000175307 dated December 21, 2022. The Loan is secured, bears interest at 10% per annum, and is repayable by 1000175307 on or before the date (the "Maturity Date") which is 30 days after: (a) the date of termination of the LOI (unless the LOI is terminated in conjunction with the execution of the Definitive Agreement) or the Definitive Agreement; or (b) the date that is two (2) years following the Effective Date; provided however that the Company will forgive CDN$20,000 of the unpaid Loan Amount if 1000175307 has repaid the remaining aggregate unpaid Loan Amount together with all accrued and unpaid interest on or prior to the Maturity Date. During the year ended December 31, 2023, the Company recorded interest income of $2,487 (2022 - $Nil) and recorded a loss on forgiveness of loan of $14,818 (CDN$20,000).

During the year ended December 31, 2023, the Company was owed $32,832.50 (CDN$44,313.50) from 1000466938 Ontario Inc. and $32,832.50 (CDN$44,313.50) from 1000466963 Ontario Inc. As at December 31, 2023, the Company recorded an impairment of a loan receivable of $65,665 to reduce the loan receivable balance to $Nil due to collection uncertainty.

NOTE 6 – DUE TO RELATED PARTIES

Due to related parties, representing amounts due to current directors and officers of the Company and companies controlled by directors and officers, are non-interest bearing, unsecured and are due on demand.

(Stated in US Dollars)

NOTE 7 – DEBENTURES

During the year ended December 31, 2014, the Company issued CDN$401,000 convertible debentures of which 20% of the principal amount of the debentures may be convertible into units consisting of one common share and one non-transferable share purchase warrant at CDN$0.10 of principal outstanding (i.e. up to 802,000 units may be issued upon conversion). Each warrant has a term of three years from the date of issuance of the debentures and entitle the holder to purchase one common share. The non-transferable share purchase warrants are exercisable at the price of CDN$0.20 per share. The convertible debentures are unsecured, bear interest at 12% per annum and matured on February 18, 2017. The Company defaulted on the repayment. On initial recognition, the Company bifurcated CDN$49,710 to equity and CDN$351,290 to the carrying value of the loan, which was accreted to CDN$401,000 over the term of the convertible debentures.

On November 30, 2018, the Company entered into loan amendment agreements with respect to CDN $351,290 of the balances outstanding, whereby the Company agreed to repay 10% of the principal amount owing and agreed to repay the remaining 90% within three days of the Company completing a private placement of common shares to raise gross proceeds in the minimum amount of $400,000. The lenders also agreed to waive all accrued and future interest and agreed to the termination of the conversion option. During the year ended December 31, 2022, the Company reclassified $45,385 from equity portion of convertible debenture to accumulated deficit.

In February 2021, the Company paid cash to settle $254,163 (CDN$318,500) of convertible debt. A summary of the convertible debenture balance is shown below:

	Liability $	Equity $	Total $
Balance, December 31, 2021	35,496	45,385	80,881
Conversion feature termination	-	(45,385)	(45,385)
Foreign exchange	(2,271)	-	(2,271)
Balance, December 31, 2022	33,225	-	33,225
Foreign exchange	799	-	799
Balance, December 31, 2023	34,024	-	34,024

NOTE 8 – SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value

50,000,000 preferred shares without par value

<u>Nature and Purpose of Equity and Reserves:</u>

The reserves recorded in equity on the Company's consolidated statements of financial position include 'Contributed Surplus', 'Accumulated Other Comprehensive Income (Loss)', 'Accumulated Deficit' and 'Non-Controlling Interest'.

'Contributed Surplus' is used to recognize the value of stock option grants prior to exercise and the allocated value of the warrants issued as part of unit issuances.

'Accumulated Other Comprehensive Income (Loss)' is used to record the change in cumulative foreign currency adjustment on conversion from the functional currency of the parent company to the presentation currency.

'Accumulated Deficit' is used to record the Company's change in deficit from profits or losses from year to year.

'Non-Controlling Interest' is used to record the change in equity in subsidiaries not attributable, directly or indirectly, to the Company.

(Stated in US Dollars)

NOTE 8 – SHARE CAPITAL (continued)

b) Issued:

Shares issued during the years ended December 31, 2023 and 2022

No shares were issued during the years ended December 31, 2023 and 2022.

c) Commitment

Stock-Based Compensation Plan

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, employees and consultants to acquire up to 20% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years prior to listing on an exchange, and 10 years after being listed on an exchange. Vesting periods are determined by the Board of Directors.

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price in accordance with the stock option plan.

A summary of the status of the stock options as of December 31, 2023 and 2022 and changes during the years then ended is presented below:

	Number of options #	Weighted average exercise price $
Balance, January 1, 2022	6,550,000	CDN$0.30
Granted	6,550,000	CDN$0.10
Expired	(50,000)	CDN$0.30
Balance, December 31, 2022 and 2023	13,050,000	CDN$0.20

There were no stock options granted, expired, cancelled in fiscal 2023.

As at December 31, 2023 and 2022, the Company has 13,050,000 options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Expiry date	**Exercise price** $	**Outstanding** #	**Exercisable** #
December 1, 2026	CDN $0.30	6,500,000	6,500,000
September 19, 2027	CDN $0.10	6,550,000	6,550,000
Total		13,050,000	13,050,000

As of December 31, 2023, the 13,050,000 (December 31, 2022 – 13,050,000) options outstanding have a weighted average remaining contractual life of 3.35 (December 31, 2022 – 4.32) years.

During the year ended December 31, 2022, the Company recorded stock-based compensation expense of $476,732 for stock options vested during the year. The fair value of share purchase options granted was estimated on the grant date of September 19, 2022 using the Black Scholes Option Pricing Model. The assumptions used in calculating fair value of options granted were as follows: CDN$0.095 share price on grant date, 3.41% risk free rate, 0% dividend yield, 263.33% expected annualized volatility, 5.00 years expected stock option life and 0% forfeiture rate. Expected annualized volatility was estimated by reference to historical volatility of the Company with a comparable period in their lives.

(Stated in US Dollars)

NOTE 8 – SHARE CAPITAL (continued)

c) Commitment (continued)

Share Purchase Warrants

A summary of the status of share purchase warrants as of December 31, 2023 and 2022 and changes during the years then ended on those dates is presented below:

	Warrants Outstanding #	Weighted average exercise price (*) $
Balance, January 1, 2022	60,000,000	CDN 0.30
Issued and exercised	-	-
Balance, December 31, 2022 and 2023	60,000,000	CDN 0.12

At December 31, 2023 and 2022, the Company has 60,000,000 share purchase warrants outstanding and exercisable as follows:

Expiry date	Exercise price $	Number of warrants
February 8, 2026	CDN $0.10	53,800,000
February 8, 2026	CDN $0.30	6,200,000
Total		60,000,000

(*) On October 2022, the Company amended the exercise price of a total of 53,800,000 share purchase warrants of the Company (the "Amended Warrants"). Each Amended Warrant is exercisable for one common share of the Company at an exercise price of $0.10 per share (reduced from the original exercise price of $0.30 per share).

NOTE 9 – RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility for planning and controlling the activities of the Company. Key management of the Company are considered directors and officers. The Company incurred the following expenses with directors and officers of the Company and companies controlled by the directors:

Key management compensation	December 31, 2023 $	December 31, 2022 $
Consulting fees	-	4,227
Management fees	29,962	38,654
Share-based payments	-	36,393
	29,962	79,274

NOTE 10 – SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE

During the years ended December 31, 2023 and 2022, the Company had one reportable segment.

During the year ended December 31, 2023, the Company was economically dependent on two (2022: two) customers who accounted for 97% (2022: 97%) of revenue.

During the years ended December 31, 2023 and 2022, all of the revenue was generated from the sale of products.

(Stated in US Dollars)

NOTE 10 – SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE (continued)

The Company's revenues are allocated to geographic segments for the years ended December 31, 2023 and 2022 as follows:

	2023 $	2022 $
United States of America	284,283	210,249

The Company's net income (loss) are allocated to geographic segments for the years ended December 31, 2023 and 2022 as follows:

	2023 $	2022 $
Canada	(259,646)	(879,679)
United States of America	(6,348)	1,259
	(265,994)	(878,420)

NOTE 11 - FINANCIAL INSTRUMENTS

A fair value hierarchy prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, convertible debentures, and due to related parties approximate their fair values due to their short term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent losses. The Company's maximum exposure to credit risk is the carrying amounts of cash and accounts receivable on the consolidated statements of financial position.

The aging analysis of accounts receivable is as follows:

	December 31, 2023 $	December 31, 2022 $
Current to 3 months	32,995	16,249
Trade receivables	32,995	16,249
Goods and services tax recoverable	3,020	16,361
	36,015	32,610

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

NOTE 11 - FINANCIAL INSTRUMENTS (continued)

a) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. As at December 31, 2023, the Company has a working capital deficiency of $113,778 (2022 – working capital surplus of $118,360). There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through equity and debt offerings and advances from related parties, but there can be no assurance that such financing will be available on terms acceptable to the Company.

b) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

c) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's operations are carried out in the United States of America; however the majority of financing is carried out in Canada. The parent company's operations are in Canada and operate in Canadian dollars. As at December 31, 2023, the Company has Canadian dollars cash of CDN$17,764, accounts receivable of CDN$3,994, accounts payable of CDN$179,653 and debentures payable of CDN$45,000. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the ultimate profitability of the Company. A 10% change in the exchange rate would change other comprehensive income by approximately USD$3,000 (2022 - $5,000). The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 12 – INCOME TAXES

The total income tax recovery varies from the amounts that would be computed by applying the statutory income tax rate to loss before income taxes as follows:

	2023 **$**	**2022** **$**
Net loss before income taxes	(265,994)	(878,420)
Statutory rates	27%	27%
Expected income tax recovery	(72,000)	(237,000)
Change in statutory foreign tax, foreign exchange rates and others	(54,000)	148,000
Permanent differences	15,000	186,000
Non-capital losses expired	183,000	217,000
Adjustment to prior years provision versus statutory tax returns	-	-
Change in unrecognized tax benefits	(75,000)	(314,000)
Other	3,000	-
	-	-

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balances on the consolidated statements of financial position and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes to the extent that it is probable that future taxable profit will allow the deferred tax assets to be recovered.

(Stated in US Dollars)

NOTE 12 – INCOME TAXES (continued)

Significant components of the Company's deferred tax assets, after applying enacted corporate income tax rates, are as follows:

	2023 $	2022 $
Deferred income tax assets		
Non-capital and net operating losses	3,266,000	3,353,000
Capital losses	514,000	502,000
Capital assets and other	5,000	5,000
	3,785,000	3,860,000
Less: deferred income tax assets not recognized	(3,785,000)	(3,860,000)
Net deferred income tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023 ($)	Expiry Date	2022 ($)	Expiry Date
Temporary Differences				
Allowable capital losses	1,903,000	No expiry date	1,985,000	No expiry date
Non-capital losses available for future periods	13,647,000	See below	15,433,000	See below
Canada	6,663,000	2028 to 2043	6,541,000	2028 to 2042
USA	6,984,000	2024 to 2036	8,892,000	2023 to 2036
	13,647,000		15,433,000	

NOTE 13 - MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its business and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' deficit, as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its main source of operating capital and the Company's capital resources are largely determined by the strength of the technology and telecommunications markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support.

The Company is not subject to any external capital requirements. There is no change to the Company's approach to capital management since the year ended December 31, 2023.

NOTE 14 - FUNDAMENTAL TRANSACTIONS

Proposed Fundamental Transaction - 1000175307

On July 7, 2023, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with 1000175307 pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "Transaction"). 1000175307 is party to an option agreement pursuant to which 1000175307 has the option to acquire up to an 85% interest in and to mining rights located in South America.

As consideration under the 1000175307 Transaction, the Company will issue to holders of 307 Shares one common share in the capital of Valdor (the "Consideration Shares") at a deemed price of $0.10 per share for each one 307 share, representing aggregate consideration of approximately $12.17 million.

In addition, in connection with the 1000175307 Transaction, the Company will make a loan (the "Loan") to 1000175307 for up to CDN$100,000 (advanced CDN$80,718 during the year ended December 31, 2022) pursuant to a loan agreement and general security agreement between the Company and 1000175307 dated December 21, 2022.

The Loan is secured, bears interest at 10% per annum, and is repayable by 1000175307 on or before the date (the "Maturity Date") which is 30 days after: (a) the date of termination of the LOI (unless the LOI is terminated in conjunction with the execution of the Definitive Agreement) or the Definitive Agreement; or (b) the date that is two (2) years following the Effective Date; provided however that the Company will forgive CDN$20,000 of the unpaid Amount if 1000175307 has repaid the remaining aggregate unpaid Loan Amount together with all accrued and unpaid interest on or prior to the Maturity Date.

Note 15 – SUBSEQUENT EVENTS

On March 15, 2024, the Company entered into share exchange agreements with 1000466963 Ontario Inc. ("1000466963") and 1000466938 Ontario Inc. ("1000466938"). The Company agreed to issue an aggregate of 48,600,000 common shares of the Company to the shareholders each entity on a pro rata basis as consideration for the purchase by the Company of all the issued and outstanding shares of the 1000466963 and 1000466938. 1000466963 is party to an option agreement pursuant to which 1000466963 has the option to acquire up to a 90% interest in and to mining rights located in South America. 1000466938 is party to an option agreement pursuant to which 1000466938 has the option to acquire up to a 90% interest in and to mining rights located in South America.

As at reporting date, the transactions are not closed.

(Stated in US Dollars)

SCHEDULE I
CONSOLIDATED SCHEDULE OF DIRECT COSTS

	2023 $	2022 $
DIRECT COSTS		
Inventories recognized as an expense	4,718	880
Freight	2	620
Subcontractor	278,628	201,501
	283,348	203,001

SCHEDULE II
CONSOLIDATED SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2023 $	2022 $
ADMINISTRATIVE AND GENERAL EXPENSES			
Consulting fees	9	24,450	131,545
Legal and accounting fees		84,779	82,924
Management fees	9	29,962	38,655
Office and miscellaneous		38,069	74,164
Foreign exchange		37,619	(109,875)
Interest income		(2,722)	(20,583)
Marketing fees		6,344	-
		218,501	196,830

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of Valdor Technology International Inc. (the "Company") is dated April 25, 2024. This MD&A should be read in conjunction with the Audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2023, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in U.S. dollars unless otherwise indicated.

FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance of achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks that could cause the actual results to differ materially from those in forward-looking statements. These factors include market prices, continued availability of capital and financing and general economic or business conditions.

CORPORATE OVERVIEW

The Company was incorporated under the British Columbia Company Act on March 19, 1984 and is publicly traded on the Canadian Securities Exchange under the symbol VTI. The address of the Company's corporate office is 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

The Company's subsidiary, Valdor Fiber Optics, Inc., is headquartered near San Francisco, California and is an optical fiber components company specializing in the design, manufacture and sale of passive fiber optic components. The Company manufactures its products in California and earns sales revenue by selling the passive fiber optic components via delivery to customers in the United States.

On July 7, 2023, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with 1000175307 Ontario Ltd. ("1000175307") pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "1000175307 Transaction"). On December 1, 2022, the Company entered into a binding letter of intent (the "LOI") with 1000175307 Ontario Ltd. ("1000175307") which contemplates the acquisition by the Company of all of the issued and outstanding common shares of 1000175307 (the "1000175307 Transaction") from the shareholders of 1000175307. 1000175307 is party to an option agreement letter of intent that contemplates a transaction pursuant to which 1000175307 may have the option to acquire up to an 85% a 90% interest in and to mining rights located in South America.

On December 16, 2021, the Company entered into a share purchase agreement (the "SPA") with Layer 2 Ventures Ltd. ("Layer 2") and the Layer 2 shareholders respecting the acquisition by the Company of all of the issued and outstanding shares of Layer 2 (the "Transaction"). As consideration, the Company will issue an aggregate of 16,666,667 common shares (the "Consideration Shares") at CDN$0.30 per share, representing aggregate consideration of CDN$5,000,000. As of the date of this MD&A, the Company agreed to terminate the transactions relating to the acquisition of all of the issued and outstanding shares of Layer 2. During the year ended December 31, 2022, the Company and Layer 2 have agreed to mutually terminate the agreement and the parties are negotiating settlement terms for the outstanding loan.

(Stated in U.S. Dollars)

OVERALL PERFORMANCE AND HIGHLIGHTS

On March 15, 2024, the Company entered into share exchange agreements with 1000466963 Ontario Inc. ("1000466963") and 1000466938 Ontario Inc. ("1000466938"). The Company agreed to issue an aggregate of 48,600,000 common shares of the Company to the shareholders each entity on a pro rata basis as consideration for the purchase by the Company of all the issued and outstanding shares of the 1000466963 and 1000466938. 1000466963 is party to an option agreement pursuant to which 1000466963 has the option to acquire up to a 90% interest in and to mining rights located in South America. 1000466938 is party to an option agreement pursuant to which 1000466938 has the option to acquire up to a 90% interest in and to mining rights located in South America.

As at reporting date, the transactions are not closed.

RESULTS OF OPERATIONS

Year ended December 31, 2023

During the year ended December 31, 2023, the Company had a comprehensive loss of $232,138 as compared to a comprehensive loss of $1,000,117 for the corresponding year ended December 31, 2022. The revenue from operations was $284,283 and $210,249 and direct costs were $283,348 and $203,001 for the years ended December 31, 2023 and 2022, respectively. Gross profit of $935 for the year ended December 31, 2023 remained consistent with the gross profit of $7,248 for the year ended December 31, 2022. Total operating expenses for the year ended December 31, 2023 amounted to $218,501 as compared to total operating expenses of $673,562 for the corresponding period. Consulting fees decreased from $131,545 to $24,450 and management fees decreased from $38,655 to $29,962, due to the decrease use of incurring external consulting services in the current period. The Company has incurred various expenditures related to the Transaction in the comparative period, leading to a decrease in general and administrative expenditures.

Three months ended December 31, 2023

During the three months ended December 31, 2023 the Company had a comprehensive loss of $117,916 as compared to a comprehensive loss of $278,897 for the corresponding three months ended December 31, 2022. The revenue from operations of $84,512 has increased from $50,384 for the corresponding three months ended December 31, 2022. Total operating expenses for the three months ended December 31, 2023 amounted to $90,091 as compared to total operating expenses of $45,569 for the corresponding three months ended December 31, 2022. In the current period, an overall increase in operating expenditures and share-based compensation resulted in an increase of net loss. The change in foreign exchange is attributed to fluctuations in the US and Canadian dollar.

Selected Annual Information

		2023		2022		2021
Total revenues	$	284,283	$	210,249	$	262,551
Net income (loss) for the year	$	(265,994)	$	(878,420)	$	(1,715,231)
Basic and diluted loss per share	$	(0.00)	$	(0.02)	$	(0.03)
Total assets	$	91,150	$	172,780	$	715,572
Total long-term liabilities	$	-	$	-	$	-
Cash dividends	$	-	$	-	$	-

(Stated in U.S. Dollars)

RESULTS OF OPERATIONS (CONTINUED)

Summary of Quarterly Results

FOR THE THREE MONTHS ENDED

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenues	$84,512	$57,821	$73,428	$68,522
Net loss for the period	$(148,270)	$(36,547)	$(55,742)	$(25,435)
Per Share – Basic and diluted	$(0.00)	$(0.00)	$(0.00)	$(0.00)

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Revenues	$50,384	$67,546	$33,508	$58,811
Net loss for the period	$(278,897)	$(428,684)	$(54,898)	$(115,941)
Per Share – Basic and diluted	$(0.00)	$(0.01)	$(0.00)	$(0.00)

There can be material fluctuations in quarterly results. These fluctuations are mainly due to the timing of consulting and management services relating to reviewing potential business acquisitions.

LIQUIDITY

The Company's working capital deficiency as at December 31, 2023 was $113,778 compared to the December 31, 2022 working capital surplus of $118,360. To date, the Company has been able to fund operations primarily through short term loans and through its creditors. The continued volatility in the financial equity markets has made it difficult to raise capital. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

CAPITAL RESOURCES

During the reporting period the Company remains dependant upon funds provided by directors, business associates and equity markets for financing.

OFF-BALANCE SHEET ARRANGEMENTS

During the reporting period there were no off – balance sheet arrangements.

(Stated in U.S. Dollars)

RELATED PARTY TRANSACTIONS

The Company accrued or paid the following expenses with directors and officers of the Company: Dorian Banks (Director), Patrick O'Flaherty (former Director), and private companies controlled by officers and directors Lucas Russell (CEO, President and Director) and Francis Rowe (CFO):

	Relationship	2023	2022
Key management compensation			
Management fees	A private company controlled by Lucas Russell (CEO)	12,181	24,053
Management fees	A private company controlled by Francis Rowe (CFO)	8,891	14,601
Management fees	Dorian Banks (Director)	8,891	-
Consulting fees	Patrick O'Flaherty (former Director)	-	4,227
Share-based payments	A private company controlled by Francis Rowe (CFO)	-	3,639
Share-based payments	A private company controlled by Lucas Russell (CEO)		29,115
Share-based payments	Patrick O'Flaherty (former Director)		3,639
		$ 29,963	$ 79,274

These transactions were measured by the amounts agreed upon by the related parties. The Company owed $2,621 (December 31, 2022 - $4,725) to related parties. Amounts owed to related parties are unsecured and due on demand.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

a) Recoverability of accounts receivable and allowance for doubtful accounts

The Company makes allowances for lifetime expected credit losses based on an assessment of the recoverability of account receivables. Allowances are applied to account receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

b) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8 to the consolidated financial statements.

c) Going Concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern.

d) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Deferred income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of tax assets not recognized. Tax assets not recognized are based on estimates of the probability of the Company utilizing certain tax pools and losses in future periods.

e) Functional currency

The analysis of the functional currency for each entity of the Company is a significant judgment. In concluding that the Canadian dollar is the functional currency of the parent and the US dollar is the functional currency of the subsidiaries, management considered the currency that mainly influences the costs of providing goods and services in each jurisdiction in which the Company operates.

International Financial Reporting Standards ("IFRS")

<u>Future Accounting Pronouncements</u>

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within significant accounting policies.

FINANCIAL AND OTHER INSTRUMENTS

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

A fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash, accounts receivable, accounts payable and accrued liabilities, loans payable, convertible debentures and due to related parties' carrying amounts approximate their fair values due to their short term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent losses. The Company's maximum exposure to credit risk is the carrying amounts of cash and accounts receivable on the consolidated statements of financial position.

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. As at December 31, 2023, the Company has a working capital deficiency of $113,778 (December 31, 2022 – surplus of $118,360). There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through equity and debt offerings and advances from related parties, but there can be no assurance that such financing will be available on terms acceptable to the Company.

c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The company is not exposed to significant risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

FINANCIAL AND OTHER INSTRUMENTS (CONTINUED)

d) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The majority of the Company's operations are carried out in the United States of America; however the majority of financing is carried out in Canada. The parent company's operations are in Canada and operate in Canadian dollars. As at December 31, 2023, the Company has Canadian dollars cash of CDN$17,764, accounts receivable of CDN$3,994, accounts payable of CDN$179,653 and debentures payable of CDN$45,000. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the ultimate profitability of the Company. A 10% change in the exchange rate would change other comprehensive income by approximately USD$3,000 (2022 - $5,000). The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

PROPOSED FUNDAMENTAL TRANSACTION - 1000175307

On July 7, 2023, the Company entered into a definitive arrangement agreement dated July 7, 2023 (the "Arrangement Agreement") with 1000175307 pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "Transaction"). 1000175307 is party to an option agreement pursuant to which 1000175307 has the option to acquire up to an 85% interest in and to mining rights located in South America.

As consideration under the 1000175307 Transaction, Valdor will issue to holders of 307 Shares one common share in the capital of Valdor (the "Consideration Shares") at a deemed price of $0.10 per share, representing aggregate consideration of approximately $12.17 million.

In addition, in connection with the 1000175307 Transaction, the Company will make a loan (the "Loan") to 1000175307 for up to CDN$100,000 (advanced CDN$80,718 during the year ended December 31, 2022) pursuant to a loan agreement and general security agreement between the Company and 1000175307 dated December 21, 2022.

The Loan is secured, bears interest at 10% per annum, and is repayable by 1000175307 on or before the date (the "Maturity Date") which is 30 days after: (a) the date of termination of the LOI (unless the LOI is terminated in conjunction with the execution of the Definitive Agreement) or the Definitive Agreement; or (b) the date that is two (2) years following the Effective Date; provided however that the Company will forgive CDN$20,000 of the unpaid Loan Amount if 1000175307 has repaid the remaining aggregate unpaid Loan Amount together with all accrued and unpaid interest on or prior to the Maturity Date.

OUTSTANDING SHARE DATA

As at the date of this MD&A

Common Shares issued	65,922,033
Share purchase options	13,050,000
Share purchase warrants	60,000,000

OTHER

Additional information and other publicly filed documents relating to the Company, including its press releases and quarterly and annual reports, are available on SEDAR and can be accessed at www.sedarplus.ca.