

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF COMPANY

Valdor Technology International Inc. (the "**Company**")
6th Floor – 905 West Pender Street
Vancouver, BC V6C 1L6
Canada

ITEM 2. DATE OF MATERIAL CHANGE

February 6, 2025

ITEM 3. NEWS RELEASE

A news release announcing the material change was disseminated on February 6, 2025, through The Newswire distribution network and a copy filed on the Company's SEDAR+ profile at www.sedarplus.ca.

ITEM 4. SUMMARY OF MATERIAL CHANGE

On February 6, 2025, the Company announced the resignation of Francis Rowe as Chief Financial Officer and from the Board of Directors. In connection with these changes, the Company is pleased to announce that Amar Purewal and Kelly Abbott have been appointed to the Board of Directors effective immediately and Mr. Purewal will assume the role of Chief Financial Officer.

The Company also announced that it has closed its previously announced debt settlement agreements to settle outstanding debts owed to creditors totaling \$181,500.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Please see news release attached.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTION

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Contact: Dorian Banks, Chief Executive Officer & Director
Telephone: (604) 629-5400

ITEM 9. DATE OF REPORT

February 6, 2025



February 6, 2025

CSE: VTI

Valdor Technology International Announces Plan to Explore Quantum Security and AI-Fraud Detection Technologies to Augment Fiber Optic Business, Management Changes and Completion of Debt Settlement

Vancouver, B.C. – February 6, 2025 –Valdor Technology International Inc. (“**Valdor**” or the “**Company**”) (CSE: VTI), a provider of advanced fiber optic components, announces its plan to explore quantum security and AI-fraud detection software to augment its existing fiber optics business. This strategic initiative aims to enhance the security and reliability of Valdor’s fiber optic products and position the Company as a leader in secure communication solutions.

“We believe that, as the world becomes increasingly reliant on fiber optic networks, the need for robust security measures has never been greater,” said Dorian Banks, CEO of Valdor. “Quantum computing poses a significant threat to traditional encryption methods, potentially jeopardizing the confidentiality of information transmitted through fiber optic cables. By exploring ways to integrate quantum-resistant security measures, we are aiming to enhance the security and reliability of our fiber optic products and ensure the long-term integrity of our customers’ communication networks.”

Vulnerabilities of Traditional Fiber Optics

Traditional fiber optic networks, while offering high bandwidth and speed, are not immune to security threats. Information transmitted through fiber optic cables can be intercepted and stolen through various methods, including:

- **physical tapping:** accessing the fiber optic cable and using a device to split the light signal, allowing the eavesdropper to capture the data;
- **light leakage:** exploiting weaknesses in cable connectors or splices to capture leaked light signals, potentially revealing transmitted data; and
- **man-in-the-middle attacks:** intercepting and manipulating data between the sender and receiver, potentially compromising sensitive information.

Valdor's Security Initiative

Valdor plans to explore quantum security and AI-fraud detection software to augment its existing fiber optic business. Specifically, the Company plans to investigate the potential of:

- **quantum-resistant encryption:** implementing post-quantum cryptography (PQC) algorithms to protect data from potential decryption by quantum computers; and
- **AI-powered fraud detection:** developing or implementing AI-driven software to detect and prevent fraudulent activities within fiber optic networks, such as unauthorized access or data manipulation.

This strategic initiative aligns with Valdor's commitment to innovation and providing cutting-edge solutions that meet the evolving needs of the industry.

Market Size and Comparable Initiatives

The global fiber optic market was valued at USD\$11.9 billion in 2023 and is projected to be worth USD\$25 billion by 2032¹. This projected growth is expected to be driven by increasing demand for high-speed internet and data connectivity, the rising adoption of cloud computing and data centers, and the growing need for reliable and secure communication networks.

Several companies are actively involved in developing and implementing quantum-resistant security solutions for fiber optic networks. Notable examples include:

- **Quantum Xchange**, which provides quantum key distribution (QKD) solutions to secure fiber optic networks²; and
- **ID Quantique**, which offers quantum-safe cryptography solutions for various applications, including fiber optic communications.³

Management Changes

Valdor also announces the resignation of Francis Rowe from the Board of Directors and from the position of Chief Financial Officer. Valdor thanks Mr. Rowe for his contributions to the Company and wishes him well in his future endeavours. To fill the vacancy, the Company is pleased to announce that Amar Purewal and Kelly Abbott have been appointed to the Board of Directors, effective immediately, and that Mr. Purewal will also assume the role of Chief Financial Officer.

Amar Purewal brings a wealth of experience in the capital markets and with debt financing. Mr. Purewal comes from a commercial lending background, where he underwrote, structured and provided over \$45 million in debt financings across manufacturing, industrial, commercial farming, research and development, and product development projects with the Royal Bank of Canada.

¹ <https://www.globenewswire.com/news-release/2024/10/09/2960309/0/en/Fiber-Optic-Cable-Market-to-cross-USD-25-billion-by-2032-Says-Global-Market-Insights-inc.html>

² <https://quantumxc.com/media-coverage/quantum-acts-in-the-holland-tunnel/>

³ <https://www.idquantique.com/quantum-safe-security/quantum-key-distribution/>

Kelly Abbott has over 10 years of experience in entrepreneurship and has founded multiple companies ranging in size and industry. He has extensive experience in the public markets and has helped raise millions of dollars in capital for private and public companies. Mr. Abbott's expertise is in marketing, corporate strategy, venture capital and business development. He has overseen the corporate development function of various private and public companies within the mining and resource, technology, cannabis and psychedelic sectors.

Closing of Debt Settlement

The Company announces that it has closed its previously announced debt settlement agreements (the "**Settlement Agreements**") to settle outstanding debts owed to creditors (the "**Creditors**") totaling \$181,500 (the "**Debt Settlement**").

Pursuant to the Settlement Agreements, the Company has issued an aggregate of 981,081 units ("**Units**") at a deemed price of \$0.185 per Unit. Each Unit is comprised of one common share in the capital of the Company (a "**Common Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant is exercisable for one Common Share at a price of \$0.25 per share for a period of two (2) years. All securities issued pursuant to the Settlement Agreements are subject to a four month and one day hold period, pursuant to National Instrument 45-106 – *Prospectus Exemptions*.

The Debt Settlement included the issuance of 170,270 Units to Francis Rowe (the "**Insider Debt Settlement**"), a former director of the Company. This Insider Debt Settlement was considered to be a "related party transaction", as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), but was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, given the fair market value of the transaction did not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The board of directors of the Company determined that it was in the best interests of the Company to complete the Debt Settlement in order to preserve the Company's cash for working capital.

About Valdor Technology International Inc.

Valdor Technology International Inc. is a provider of advanced fiber optic components, specializing in the design, manufacture, and sale of passive fiber optic connectors, enclosures, and other optical components. The company provides high-quality, rugged, and field-installable solutions for a wide range of applications. Valdor Technology International Inc. is committed to innovation and delivering cutting-edge fiber optic solutions to meet the growing demands of the global market.

Contact:

Valdor Technology International Inc.
(<https://www.valdortech.com>)

**ON BEHALF OF THE BOARD OF DIRECTORS OF
VALDOR TECHNOLOGY INTERNATIONAL INC.**

Dorian Banks
CEO & Director

Forward-Looking Statements

The information in this news release includes certain information and statements about management's view of future events, expectations, plans, and prospects that constitute forward-looking statements. These statements are based upon assumptions that are subject to risks and uncertainties. Forward-looking statements in this news release include, without limitation, statements respecting: the Company's investigation of quantum security and AI-fraud detection technologies and the purpose of same; the World's increasing reliance on fiber optic networks and the increasing need for robust security measures; the Company's commitment to innovation and providing cutting-edge solutions that meet the evolving needs of industry; and projected growth in the global fiber optic market and the drivers of such growth. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statement will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements, or otherwise.

No securities regulatory authority has either approved or disapproved of the contents of this news release.