This Management's Discussion and Analysis ("MD&A") of Valdor Technology International Inc. (the "Company") is dated April 30, 2013. This MD&A should be read in conjunction with the Audited Consolidated Financial Statements and accompanying notes for the fiscal year ended December 31, 2012.

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 TSX Venture Exchange under the symbol VTI.

The Company is a high technology fiber optic components company specializing in the design and manufacture of new generation fiber optic connectors, enclosures, laser pigtails and other optical and optoelectronic components using its proprietary and patented Impact Mount™ and HeptoPort™ technologies. The Impact Mount™ technology incorporated in the Company's line of connectors is user friendly and environmentally friendly. This technology is all-mechanical with no epoxy or index matching gel required. The Impact Mount™ technology field installable termination kits and connectors are ideal for harsh environment applications and quick repair in the field. The Company holds several patents on its connector technology in strategic global regions.

During the period the Company reported that it has expanded its business scope to include a full spectrum of innovative fiber optic products and solutions in addition to the Impact Mount™ product lines. The cost to end-users, of components that do not meet specifications in performance, quality and harsh environmental conditions, is very significant. The fiber optics industry requires solutions designed to meet the specific demands of unique environments and networks. With this objective, the Company is committed to supporting customers and their customers with the highest quality solutions available. Relative to this new business strategy, the Company has completed the design and procurement of a new splitter model directed at the growing telecom fiber-to-the-premises (FTTP) market.

OUTLOOK

Fiber optics is the future of communications and fiber optic connectors are one of the major profit centres within this market. The signal transmission business is in the early stages of a fiber optics bull market. All signal transmission, in their many and various forms, are being converted from electrical to fiber optics. A comprehensive global report on the fiber optic components market projects that it will reach US$42 billion by the year 2017.

(Stated in U.S. Dollars)

RESULTS OF OPERATIONS

During the year ended December 31, 2012 the Company had a comprehensive loss of $1,368,433 as compared to a comprehensive loss of $1,013,329 for the corresponding year ended December 31, 2011. The revenues decreased to $130,593 as compared to $169,285 for the corresponding year ended December 31, 2011. Expenses decreased to $1,431,648 as compared to $1,699,916 for the corresponding year ended December 31, 2011. The most notable changes from the previous year were decreases in marketing, research and development, interest, stock-based compensation and salaries, wages and benefits offset by an increase in consulting fees.

Selected Annual Information

	2012	2011	2010
Total revenues	$ 130,593	$ 169,285	$ 239,600
Net comprehensive income (loss)	$ (1,368,433)	$ (1,013,329)	$ (1,182,883)
Basic and diluted loss per share	$ (0.03)	$ (0.02)	$ (0.04)
Total assets	$ 103,015	$ 148,241	$ 460,674
Total long-term liabilities	$ -	$ -	$ -
Cash dividends	$ -	$ -	$ -

Summary of Quarterly Results

FOR THE THREE MONTHS ENDED

	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Revenues	$33,921	$30,295	$23,165	$43,212
Net Comprehensive Income (Loss)	($367,557)	($479,024)	($141,302)	($380,550)
Per Share - Basic	($0.00)	($0.01)	($0.00)	($0.01)
Diluted	($0.00)	($0.01)	($0.00)	($0.01)

FOR THE THREE MONTHS ENDED

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Revenues	$30,027	$31,675	$75,138	$32,445
Net Comprehensive Income (Loss)	($53,114)	($238,267)	($306,159)	($415,789)
Per Share - Basic	($0.00)	($0.00)	($0.01)	($0.01)
Diluted	($0.00)	($0.00)	($0.01)	($0.01)

(Stated in U.S. Dollars)

LIQUIDITY

The Company's working capital deficiency as at December 31, 2012 was $736,649 as compared to a working capital deficiency of $803,136 as at December 31, 2011, a decrease of $66,487. The decrease in working capital deficiency was a result of the funding received from a private placement and short term loans net of losses from operations.

CAPITAL RESOURCES

During the reporting period the Company remains dependant upon funds provided by directors, business associates and equity markets for financing. However, assuming that the company continues to maintain its current level of sales and administrative and general expenditures, it should be able to cover its normal overhead expenses for the next twelve months.

During the year, the Company issued 13,836,000 common shares pursuant to the private placement of 13,836,000 units at CDN$0.10 per unit for gross proceeds of $1,387,474. Each unit was comprised of one common share and one share purchase warrant. Each share purchase warrant entitles the holder thereof the right to purchase one common share at $0.20 per share for a period of three years. The Company paid finder's fees of CDN$25,000 and issued 391,000 finders' units with similar terms as that of the private placement as noted above.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The Company incurred the following revenues and expenses with directors and current and former officers of the Company and companies with common directors:

	2012	2011
Inventory Purchases	$ -	$ 76,305
Research and development	-	187,340
Write-off of prepaid expenditures	64,736	-
Administrative expenses		
Office and miscellaneous – secretarial services	12,126	5,561
Rent	27,424	24,423
Salaries, wages and benefits	24,737	40,152
Stock-based compensation	9,135	2,420
	73,422	72,556

(Stated in U.S. Dollars)

Key management compensation		
Consulting fees	437,431	109,193
Management fees	90,005	46,508
Salaries, wages and benefits	28,513	72,001
Stock-based compensation	10,906	72,001
	566,855	227,702
	$ 640,277	$ 563,903

These transactions were measured by the amounts agreed upon by the related parties.

Included in prepaid expenses at December 31, 2012 is $Nil (2011: $2,091) of prepaid rent paid to a company with a common director.

Included in loans payable at December 31, 2012 is $40,500 (2011: $204,035) owing to a director.

1,240,000 of the Company's private placement units issued in the year of 2012 were issued to officers and directors of the Company (2011 – nil).

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 interim consolidated financial statements is included in the following notes:

a) 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.

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. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

International Financial Reporting Standards ("IFRS")

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

- IFRS 9, *Financial Instruments* (effective January 1, 2015) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

- IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interests in Other Entities* (all effective January 1, 2013) provide revised guidance on the accounting treatment and associated disclosure requirements for joint arrangements and associates, and a revised definition of "control" for identifying entities which are to be consolidated.

- IFRS 13, *Fair Value Measurements* (effective January 1, 2013) provides new guidance on fair value measurement and disclosure requirements.

- IAS 27, *Consolidated and Separate Financial Statements* (effective January 1, 2013) provides new guidance on fair value measurement and disclosure requirements and IAS 28, *Investments in Associates and Joint Ventures* were revised and reissued to align with the new consolidation guidance.

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. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings. The Company classifies and measures its financial instruments as follows:

- Cash is classified as "held-for-trading". They are measured at fair value and changes in fair value are recognized in the statements of operations.
- Accounts receivables are classified as loans and receivables and are initially measured at fair value and subsequently at amortized cost, using the effective interest method less provisions for impairment.
- Accounts payable and accrued liabilities, promissory notes payable, and due to related parties are classified as other financial liabilities and are measured at fair value at inception. Promissory notes payable are measured at amortized cost using the effective interest rate at subsequent periods. Accounts payable and accrued liabilities 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.

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. 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 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 exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

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, 2012, the Company has Canadian dollars cash of $16,575 (2011: $7,564), accounts payable of $251,924 (2011: $242,727), loans payable of $45,500 (2011: $250,500), due to related parties of $454,589 (2011: $119,185). These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

The Management of the Company, including the Certifying Officers have evaluated whether there were any changes in the Company's internal control over financial reporting during the year ended December 31, 2012. No material changes in the Company's internal controls and procedures have occurred during the Company's most recent interim period, which have materially affected, or are reasonably likely to materially affect, the Company's IFCR.

Similar to other small companies, certain inherent weaknesses in the Company's ICFR exist due to its small size and its inability to segregate incompatible functions. The risk associated with these weaknesses is associated with the Company's ability to safeguard assets.

These weaknesses in ICFR result in a more than remote likelihood that a material misstatement would not be prevented or detected on a timely basis. The existence of these weaknesses is being compensated for by Senior Management review and involvement to mitigate the risk of material misstatement. However, these mitigating procedures are not considered sufficient to reduce the likelihood that a material misstatement would not be prevented or detected. The Company currently has no plans to fully remediate these weaknesses, as Management believes that it is not currently economically feasible to achieve complete segregation of incompatible duties. As the Company grows, there would be plans to expand the number of individuals to segregate incompatible functions. It should be noted that a control system, no matter how well conceived or operated can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

(Stated in U.S. Dollars)

OUTSTANDING SHARE DATA

As at April 30, 2013

Common Shares issued	58,304,720
Share purchase options granted	6,442,500

SUBSEQUENT EVENTS

Subsequent to December 31, 2012:

The Company granted 735,000 share purchase options to consultants at a price of CDN$0.13 per share expiring on January 7, 2018.

The Company received loan advances of CDN$310,735 and US$24,985. The loan advances are non-interest bearing, unsecured and are due on demand.

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.sedar.com.