VALDOR TECHNOLOGY INTERNATIONAL INC.
Management's Discussion & Analysis
Nine Months Ended September 30, 2013
(Stated in U.S. Dollars)

This Management's Discussion and Analysis ("MD&A") of Valdor Technology International Inc. (the "Company") is dated November 29, 2013. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for the nine months ended September 30, 2013 and 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 fiber optic connectors, laser pigtails, splitters, and other optical and optoelectronic components, including some that use the Company proprietary and patented Impact Mount™ technology. The Company specializes in harsh environment products and in particular splitters and connectors. The Company business plan incorporates growth by acquisition.

During the period, the Company received an initial purchase order from a Canadian telecom company. In January 2013, this telecom installed several units of one of the Company's harsh environment products into their fiber network and these units have met or exceeded all technical requirements. This purchase order has been filled and discussions are ongoing relative to the purchase of additional quantities of this and other of the Company's products, to help this telecom meet their FTTx (fibre- to-the-home, fiber-to-the-curb, fiber-to-the-business, etc) installation needs.

There are ten regional and national telecoms in Canada; ranging from the government owned SaskTel to the national and publically owned Bell Canada. Currently, the telecom sector, as it relates to FTTx, is the largest global market for fiber optic products, and this telecom FTTx market accounts for about 80% of global fiber optic expenditures. In North America fiber-to-the-home is at only 5% penetration. For the vendor, the telecom market is a difficult one to penetrate due to its extensive requirements for high quality products and services. It is estimated that the telecom market for passive and active FTTx products, for Canada only, will be in excess of $300 million/year, for at least the next five years. The telecom FTTx market is much larger in the USA. The Company's objective is to capture a significant share of this 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

Three months ended September 30, 2013

During the three months ended September 30, 2013 the Company had a comprehensive loss of $348,938 as compared to a comprehensive loss of $479,024 for the corresponding three months ended September 30, 2012. The revenues increased to $44,993 as compared to $30,295 for the corresponding three months ended September 30, 2012. Expenses decreased to $366,345 as compared to $419,875 for the corresponding three months ended September 30, 2012. The most notable changes from the previous period were decreases in consulting fees, entertainment and travel, and legal and accounting fees offset by an increase in stock-based compensation. The stock-based compensation charge recognizes the portion of the fair values of granted options attributable to the period using the Black-Scholes valuation model. The fair values of options are influenced by such parameters as stock price volatility and current interest rates incorporated into the valuation model. Stock-based compensation is a non-cash expenditure.

The Company financed its operations through a private placement.

Nine months ended September 30, 2013

During the nine months ended September 30, 2013 the Company had a comprehensive loss of $1,355,266 as compared to a comprehensive loss of $1,000,876 for the corresponding nine months ended September 30, 2012. The revenues increased to $97,892 as compared to $96,672 for the corresponding nine months ended September 30, 2012. Expenses increased to $1,439,078 as compared to $1,038,960 for the corresponding nine months ended September 30, 2012. The most notable changes from the previous period were increases in consulting fees, entertainment and travel, management fees, stock exchange filing fees and stock-based compensation offset by a decrease in salaries, wages and benefits. The Company's directors were actively involved with completing the private placement financing and pursuing potential business acquisitions. The stock-based compensation charge recognizes the portion of the fair values of granted options attributable to the period using the Black-Scholes valuation model. The fair values of options are influenced by such parameters as stock price volatility and current interest rates incorporated into the valuation model. Stock-based compensation is a non-cash expenditure.

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Summary of Quarterly Results

FOR THE THREE MONTHS ENDED

	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Revenues	$44,993	$32,361	$20,538	$33,921
Net Comprehensive Income (Loss)	($348,938)	($725,833)	($280,495)	($367,557)
Per Share - Basic	($0.00)	($0.01)	($0.00)	($0.00)
Diluted	($0.00)	($0.01)	($0.00)	($0.00)

(Stated in U.S. Dollars)

FOR THE THREE MONTHS ENDED

	September 30, 2012	**June 30, 2012**	**March 31, 2012**	**December 31, 2011**
Revenues	$30,295	$23,165	$43,212	$30,027
Net Comprehensive Income (Loss)	($479,024)	($141,302)	($380,551)	($53,114)
Per Share - Basic	($0.01)	($0.01)	($0.01)	($0.00)
Diluted	($0.01)	($0.01)	($0.01)	($0.00)

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

LIQUIDITY

The Company's working capital as at September 30, 2013 was $79,500 as compared to a working capital deficiency of $736,649 as at December 31, 2012, an increase of $816,149. The increase in working capital was a result of the completion of a private placement financing during the period.

To date, the Company has been able to fund operations primarily through equity financings and short term loans. The continued volatility in the financial equity markets may make it difficult to raise capital through the private placements of shares. 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. 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 nine month period ended September 30, 2013, the Company issued 20,175,000 common shares pursuant to the private placement of 20,175,000 units at CDN$0.10 per unit for gross proceeds of $1,953,554. 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 CDN$0.20 per share for a period of three years. The Company issued 699,000 finders' units with same terms as that of the private placement noted above. Using the residual value method, the Company valued the share component of the private placement units at CDN $0.10 and the share purchase warrant component at CDN $nil.

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 incurred the following expenses with directors and current and former officers of the Company (Ron Boyce, Rick Pogue, Raj Kapany and Mark Gustavson) and companies with common directors (Brian Findlay and Elston Johnston):

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Administrative expenses				
Office and miscellaneous – secretarial services	$ 5,350	$ 5,726	$ 8,647	$ 9,703
Salaries, wages and benefits	-	-	-	24,737
Stock-based compensation	(6)	-	766	-
	5,344	5,726	9,413	34,440
Key management compensation				
Consulting fees	114,505	105,885	317,005	141,682
Management fees	36,109	34,439	109,924	67,352
Rent	6,198	4,270	18,776	18,921
Salaries, wages and benefits	-	-	-	28,513
Stock-based compensation	19,425	-	47,044	-
	176,237	144,594	492,749	256,468
	$ 181,581	$ 150,320	$ 502,162	$ 290,908

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

Included in prepaid expenses at September 30, 2013 is $2,074 (December 31, 2012: $Nil) of prepaid rent paid to a company with a common director (Brian Findlay).

Included in advances on private placement at September 30, 2013 is $Nil (December 31, 2012: $40,500) advanced from a director and a company with a common director (Elston Johnston).

Due to related parties, represent unpaid consulting fees, management fees, expense reimbursements and advances owing to directors and companies with common directors. They are non-interest bearing, unsecured and are 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 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.

c) Functional currency

The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and the US dollar is the functional currency of the subsidiary, 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>Accounting standards issued but not yet applied</u>

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; however the Company does not expect them to have a significant effect on the financial statements.

- IAS 32, *Financial Instrument Presentations* (effective January 1, 2014) introduces amendments requiring incremental disclosures and clarity an entity's ability to offset financial assets and financial liabilities.

- 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.

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 September 30, 2013, the Company has cash of

(Stated in U.S. Dollars)

CDN$112,510 (December 31, 2012: CDN$16,575), accounts payable of CDN$32,664 (December 31, 2012: CDN$251,924), advances on private placement of CDN$Nil (December 31, 2012 CDN$45,500) due to related parties of CDN$9,083 (December 31, 2012: CDN$454,589). 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.

OUTSTANDING SHARE DATA

As at November 29, 2013

Common Shares issued	79,903,720
Share purchase options granted	6,252,500
Share purchase warrants	35,101,000

SUBSEQUENT EVENTS

Subsequent to September 30, 2013:

The Company entered into a Binding Letter of Intent (the "LOI") for the acquisition of all of the business and assets of VideoWare, Inc. ("VideoWare"), a wholly owned subsidiary of ViewCast.com, Inc. ("ViewCast"), of Grapevine, Texas.

Under the terms and conditions of the LOI, an Asset Purchase Agreement (the "Agreement") will be prepared whereby the Company will pay to VideoWare a total of US$1,250,000 (the "Purchase Price") of which US$1,000,000 will be paid on or before the target closing date of December 2, 2013 and an additional US$250,000 will be paid on or before 60 days thereafter. A 7% royalty will be paid to ViewCast on gross sales from the VideoWare business to a maximum of US$1,750,000 over a five year period. Completion of the Agreement will be subject to: 1) the completion of due diligence by each party to the terms and conditions related to and defined in the Agreement; 2) the completion of a financing by the Company; 3) the receipt of all requisite TSX Venture Exchange approvals and/or consents and; 4) the approval by the Boards of Directors of all parties to the Agreement. The Company intends to fund the acquisition of the VideoWare business and its assets through a combination of debenture and equity financing.

The future of television is streaming video and the Directors and Management of the Company believe that now is the time to enter this compelling business sector. In addition to the price versus value argument supporting the Company making this acquisition: 1) the streaming video industry is converting to fibre optics; 2) the same customers of this acquisition company are a market for fiber optic components, unrelated to their video streaming and; 3) management of the company, that will be part of the acquisition, has significant experience and contacts in the fiber optics industry, within North America.

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.