VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014

(Stated in US Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three months ended March 31, 2015 and 2014.

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2015 and December 31, 2014
(Stated in US Dollars)
(Unaudited - Prepared by Management)

	March 31, 2015	December 31, 2014
ASSETS		
Current		
Cash	$ 19,550	$ 130,772
Accounts receivable	101,448	78,210
Inventories	414,366	463,872
Prepaid expenses and deposit – Note 12	17,034	73,527
	552,398	746,381
Equipment – Note 6	153,377	161,624
Intangible assets – Note 7	253,133	279,300
Total Assets	$ 958,908	$ 1,187,305
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 497,508	$ 565,642
Deferred revenue	65,548	57,992
Promissory note payable – Note 5	350,000	350,000
Due to related parties – Note 9	22,299	194,624
Current portion of lease obligation – Note 15a	10,867	10,867
Current portion of contingent consideration – Note 5	7,616	7,616
	953,838	1,186,741
Convertible debentures – Note 10	290,148	313,324
Lease obligation – Note 15a	16,874	19,955
Contingent consideration – Note 5	280,795	276,888
	1,541,655	1,796,908
SHAREHOLDERS' DEFICIENCY		
Equity portion of convertible debentures – Note 10	45,385	45,385
Share capital – Note 11	22,821,846	21,889,807
Subscriptions received (receivable) – Note 18b	(39,475)	166,466
Contributed surplus	3,388,547	3,286,632
Accumulated other comprehensive income	95,198	24,854
Accumulated deficit	(26,257,111)	(25,403,911)
Attributable to parent	54,391	9,233
Attributable to non-controlling interest	(637,137)	(618,836)
Total Shareholders' Deficiency	(582,747)	(609,603)
Total Liabilities and Shareholders' Deficiency	$ 958,908	$ 1,187,305

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Elston Johnston"	Director	*"Brian Findlay"*	Director
Elston Johnston		Brian Findlay	

SEE ACCOMPANYING NOTES

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
for the three months ended March 31, 2015 and 2014
(Stated in US Dollars)
(Unaudited - Prepared by Management)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Sales	$ 229,999	$ 245,581
Cost of goods sold	152,736	83,043
Gross profit	77,263	162,538
Expenses		
Administration and general – Schedule 1	703,158	428,835
Marketing	65,274	16,332
Research and development	14,208	21,646
Interest and accretion	29,796	15,511
Amortization	34,413	1,649
Share-based payments – Note 10	101,915	70,405
	948,764	554,378
Net loss for the period	(871,501)	(391,840)
Other Comprehensive (Loss) Income		
Exchange differences on translating into functional currency	70,343	18,309
Total comprehensive loss for the period	$ (801,158)	$ (373,531)
Net loss attributable to non-controlling interest	(18,301)	(399)
Net loss attributable to parent	(853,200)	(391,441)
Net loss for the period	$ (871,501)	$ (391,840)
Total comprehensive loss attributable to non-controlling interest	(18,301)	(399)
Total comprehensive loss attributable to parent	(782,857)	(373,132)
Total comprehensive loss for the period	$ (801,158)	$ (373,531)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	101,889,302	80,536,816

SEE ACCOMPANYING NOTES

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

for the three months ended March 31, 2015 and 2014

(Stated in US Dollars)

(Unaudited - Prepared by Management)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Operating Activities		
Net loss for the period	$ (871,501)	$ (391,840)
Charges to income not affecting cash:		
Amortization	34,413	1,649
Accretion	21,025	-
Unrealized foreign exchange	10,497	(2,223)
Share-based payments	101,915	70,405
	(703,651)	(322,009)
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(23,064)	101,256
Inventories	49,506	23,189
Prepaid expenses	59,998	(1,753)
Accounts payable and accrued liabilities	(52,467)	115,749
Deferred revenue	7,556	-
	(662,122)	(83,568)
Financing Activities		
Increase in due to related parties	(171,989)	9,723
Increase (decrease) in advances on private placement	-	(430,303)
Increase in convertible debentures payable	-	363,266
Repayment of lease obligation	(3,081)	-
Proceeds from issuance of common shares - net	726,098	478,315
	551,028	421,001
Investing Activity		
Acquisition of Videoware assets	-	(400,000)
Effect of unrealized foreign exchange gain or loss on cash	(128)	(7,564)
Decrease in cash during the period	(111,222)	(70,131)
Cash, beginning of the period	130,772	214,372
Cash (bank indebtedness), end of the period	$ 19,550	$ 144,241
Supplementary Disclosure of Statements of Cash Flows Information		
Cash paid for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

SEE ACCOMPANYING NOTES

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIENCY

for the three months ended March 31, 2015

(Stated in US Dollars)

(Unaudited - Prepared by Management)

	Share capital Issued Shares	Amount	Subscriptions received in advance	Equity portion of convertible debentures	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Non-Controlling Interest	Total
Balance, December 31, 2013	79,903,720	$ 20,088,194	$ -	$ -	$ 3,164,162	$ 5,314	$ (22,937,427)	$ (568,364)	$ (248,121)
Shares issued for cash:									
Pursuant to a private placement									
– at CND$0.10	5,280,000	478,315	-	-	-	-	-	-	478,315
Shares issued as finders fees	497,000	45,023	-	-	-	-	-	-	45,023
Share issue cost	-	(45,023)	-	-	-	-	-	-	(45,023)
Share-based payments	-	-	-	-	70,405	-	-	-	70,405
Exchange differences on translating to presentation currency	-	-	-	-	-	18,309	-	-	18,309
Net loss for the period	-	-	-	-	-	-	(391,441)	(399)	(391,840)
Balance, March 31, 2014	85,680,720	20,566,509	-	-	3,234,567	23,623	(23,328,868)	(568,763)	(72,932)
Shares issued for cash:									
Pursuant to a private placement									
– at CND$0.10	14,200,000	1,323,298	-	-	-	-	-	-	1,323,298
Shares issued as finders fees	225,000	20,968	-	-	-	-	-	-	20,968
Share issue cost	-	(20,968)	-	-	-	-	-	-	(20,968)
Share subscriptions received	-	-	166,466	-	-	-	-	-	166,466
Fair value of conversion feature	-	-	-	45,385	-	-	-	-	45,385
Share-based payments	-	-	-	-	52,065	-	-	-	52,065
Exchange differences on translating to presentation currency	-	-	-	-	-	1,231	-	-	1,231
Net loss for the period	-	-	-	-	-	-	(2,075,043)	(50,073)	(2,125,116)
Balance, December 31, 2014	100,105,720	21,889,807	166,466	45,385	3,286,632	24,854	(25,403,911)	(618,836)	(609,603)

SEE ACCOMPANYING NOTES

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS' DEFICIENCY

for the three months ended March 31, 2015

(Stated in US Dollars)

(Unaudited - Prepared by Management)

	Share capital		Subscriptions	Equity portion		Accumulated Other		Non-	
	Issued Shares	Amount	received (receivable)	of convertible debentures	Contributed Surplus	Comprehensive Income (loss)	Accumulated Deficit	Controlling Interest	Total
Balance, December 31, 2014	100,105,720	21,889,807	166,466	45,385	3,286,632	24,854	(25,403,911)	(618,836)	(609,603)
Shares issued for cash:									
Pursuant to a private placement									
– at CND$0.10	11,710,500	932,039	-	-	-	-	-	-	932,039
Shares issued as finders fees	126,000	10,028	-	-	-	-	-	-	10,028
Share issue cost	-	(10,028)	-	-	-	-	-	-	(10,028)
Share subscriptions received (receivable)	-	-	(205,941)	-	-	-	-	-	(205,941)
Share-based payments	-	-	-	-	101,915	-	-	-	101,915
Exchange differences on translating to presentation currency	-	-	-	-	-	70,344	-	-	70,344
Net loss for the period	-	-	-	-	-	-	(853,200)	(18,301)	(871,501)
Balance, March 31, 2015	111,942,220	$ 22,821,846	$ (39,475)	$ 45,385	$ 3,388,547	$ 95,198	$ (26,257,111)	$ (637,137)	$ (582,747)

SEE ACCOMPANYING NOTES

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 TSX Venture Exchange. The Company's principal business is developing, manufacturing and marketing of fiber optic products and the developing, manufacturing and marketing of video streaming products following the completion of a business acquisition (Note 5).

The address of the Company's corporate office is 450 - 789 West Pender Street, Vancouver, BC V6C 1H2 and the Company's operations are at 1321 Valwood Parkway, Suite 660, Carrollton, Texas 75006.

Note 2 Basis of Preparation

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2014.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 1, 2015.

b) Going Concern of Operations

These condensed interim 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 March 31, 2015, the Company has not achieved profitable operations and has accumulated losses of $26,257,111 since inception and expects to incur further losses in the development of its business which 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 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 2 Basis of Preparation – (cont'd)

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 judgements 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 further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgements made by management in the application of IFRS.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss and available-for-sale financial assets. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements have been presented in US dollars.

Note 3 Summary of Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended December 31, 2014.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2014.

Future Accounting Pronouncements

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed 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 its financial statements.

- IFRS 9, *Financial Instruments* 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. This standard is effective for reporting periods beginning on or after January 1, 2018.

Note 3 Summary of Significant Accounting Policies – (cont'd)

Future Accounting Pronouncements – (cont'd)

- IFRS 15 *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2017.

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.

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

a) Recoverability of accounts receivable and allowance for doubtful accounts

The Company makes allowances for doubtful accounts 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 doubtful accounts. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables.

b) Valuation of inventories and allowance for inventory obsolescence

The Company determines its allowance for inventory obsolescence based upon expected inventory turnover, inventory aging, and current and future expectations with respect to product offerings. Assumptions underlying the allowance for inventory obsolescence include future sales trends and offerings and the expected inventory requirements and inventory composition necessary to support these future sales offerings. The estimate of the Company's allowance for inventory obsolescence could materially change from period to period due to changes in product offerings and consumer acceptance of those products.

Note 4 Use of Estimates and Judgments – (cont'd)

c) 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 11.

d) Contingent consideration

Pursuant to the business acquisition, the Company shall pay a royalty to the Videoware on future sales (note 5). A contingent liability has been recognized at management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

e) Warranty obligations

A subsidiary of the Company provides a limited warranty on its products for a standard period of one year from the date goods are sold, and customers may purchase extended warranty for up to an additional two years. A provision was not recognized based on management's best estimate that the amount required to settle the obligation is not material as at March 31, 2015 and December 31, 2014.

f) Convertible debentures

The determination of the fair value of the convertible debentures required management to make estimates regarding the market rate of interest that the Company would have obtained for a similar unsecured loan without a conversion option. The allocation between debt and equity for the convertible debentures was determined based on the results of the fair value analysis above. Any change in these estimates or inputs use to determine fair value could result in a significant impact of the Company's future operating results.

Note 4 Use of Estimates and Judgments – (cont'd)

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) Business combinations

The Company's acquisition has been determined to be a business combination, and consequently has been accounted for by applying the acquisition method. Applying the acquisition method requires recognizing and measuring (i) the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, and (ii) goodwill or a gain from a bargain purchase.

The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements. In a business combination, identifiable assets, liabilities and contingent liabilities are recorded at the date of acquisition at their respective fair values.

One of the most significant areas of estimation and judgment relates to the valuation of intangible assets. Valuation techniques applied to intangible assets are usually based on an estimate of total expected future net cash flows. Management must make assumptions regarding the future performance of the assets concerned and the appropriate discount rate. The measurement of each business combination requires management estimation in determining the fair value of assets and liabilities acquired as well as the fair value of any intangible assets identified. Management is required to estimate future cash flows, discount rates and market conditions at the date of acquisition in order to determine the fair value of certain identified intangible assets.

b) Recoverability of intangible assets

Changes in the circumstances or expectations of future performance of an intangible asset may be an indicator that the asset is impaired requiring the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Evaluating whether an asset is impaired or if an impairment should be reversed requires a high degree of judgement.

Where there is an indication of impairment, the carrying value of intangible asset is compared to the recoverable amount, which may be determined based on a value in use calculation. There is a material degree of uncertainty with respect to the estimates of the recoverable amount of the intangible asset given the necessity of making key economic assumptions about the future.

(Stated in US Dollars)

Note 4 Use of Estimates and Judgments – (cont'd)

c) 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.

d) 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.

Note 5 Business Acquisition

By an agreement dated February 14, 2014, the Company acquired 100% of the business and certain assets of Videoware Inc. ('Videoware'), a wholly owned subsidiary of ViewCast.com Inc. located in Grapevine, Texas for consideration of $1,384,000 and the assumption of debt.

The Company has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired and the liabilities assumed were recorded at their estimated fair value at the acquisition date. The allocation of the purchase price to the total identifiable net assets acquired is as follows:

Accounts receivables	$ 300,675
Inventories	758,287
Machinery and equipment	80,700
Intangible property (patents and trademarks)	100,000
Intangible property (customer relationships)	284,000
	1,523,662
Assumption of liabilities	(139,662)
Fair value of identifiable net assets acquired	$ 1,384,000
Consideration paid:	
Cash	$ 500,000
Promissory note (non-interest bearing, due March 21, 2014)	600,000
Contingent consideration	284,000
	$ 1,384,000

(Stated in US Dollars)

Note 5 Business Acquisition – (cont'd)

The fair value of the accounts receivable, inventories, and machinery and equipment acquired and liabilities assumed as part of the purchase approximates their gross carrying values. The Company incurred legal fees on the acquisition in the amount of $25,231, which was shown as part of legal and accounting fees in the Schedule 1 to the consolidated financial statements.

During the year ended December 31, 2014, the Company recognized an impairment loss in the amount of $188,742 with respect to the inventories acquired and bad debt expense in the amount of $79,873 with respect to the accounts receivables acquired.

In addition, the Company will pay Videoware a royalty of 7% of the gross product sales for a period of five years commencing on July 1, 2014 with a maximum paid royalty of $1,750,000. The fair value of the contingent consideration associated with these royalties was based on management's projection of royalties over the royalty period in the amount of $584,500 using a discount rate of 25%. The projected gross royalties of $584,500 are based on a range of gross sales from $1,000,000 to $2,500,000.

Contingent consideration, February 14, 2014	$ 284,000
Royalties incurred during 2014	(38,695)
Accretion	35,504
Change in estimated outflows	3,695
Contingent consideration, December 31, 2014	284,504
Royalties incurred during 2015	(13,876)
Accretion	17,783
Contingent consideration, March 31, 2015	$ 288,411

Current portion	$ 7,616
Long-term portion	280,795
Contingent consideration, March 31, 2015	$ 288,411

As at March 31, 2015, the Company has a balance owing of $350,000 (December 31, 2014: $350,000) remaining on the promissory note and has defaulted on the note. To secure payment of the debt, the Company granted VideoWare a security interest in the assets described above.

Note 6 Equipment

Cost	Information system	Office equipment	Machinery and equipment	Total
Balance December 31, 2013	$ -	$ 4,967	$ 2,615	$ 7,582
Additions	89,798	-	-	89,798
Additions – Note 5	-	-	80,700	80,700
Balance December 31, 2014 and March 31, 2015	$ 89,798	$ 4,967	$ 83,315	$ 178,080

(Stated in US Dollars)

Note 6 Equipment – (cont'd)

	Information system	Office equipment	Machinery and equipment	Total
Depreciation and impairment loss				
Balance December 31, 2013	$ -	$ 184	$ 160	$ 344
Depreciation	-	797	15,315	16,112
Balance December 31, 2014	-	981	15,475	16,456
Depreciation	3,908	184	4,155	8,247
Balance March 31, 2015	$ 3,908	$ 1,165	$ 19,630	$ 24,703
Carrying amounts				
Balance, December 31, 2014	$ 89,798	$ 3,986	$ 67,840	$ 161,624
Balance, March 31, 2015	$ 85,890	$ 3,802	$ 63,685	$ 153,377

The net carrying amount of asset under capital lease as at March 31, 2015 is $33,853 (December 31, 2014 - $35,634).

Note 7 Intangible Assets

	Patents and Trademarks	Customer relationships	Total
Cost			
Balance December 31, 2013	$ -	$ -	$ -
Additions – Note 5	100,000	284,000	384,000
Balance December 31, 2014 and March 31, 2015	$ 100,000	$ 284,000	$ 384,000
Amortization and impairment loss			
Balance December 31, 2013	$ -	$ -	$ -
Amortization	10,000	94,700	104,700
Balance December 31, 2014	10,000	94,700	104,700
Amortization	2,500	23,667	26,167
Balance March 31, 2015	$ 12,500	$ 118,367	$ 130,867
Carrying amounts			
Balance, December 31, 2014	$ 90,000	$ 189,300	$ 279,300
Balance, March 31, 2015	$ 87,500	$ 165,633	$ 253,133

Note 8 Advances on Private Placements

The advances on private placements were non-interest bearing, unsecured and due on demand. During the year ended December 31, 2014, $117,525 (CDN$125,000) was applied towards the subscription of the February 19, 2014 private placement and $329,070 (CDN$350,000) towards the issuance of the convertible debentures.

Note 9 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, and are non-interest bearing, unsecured and are due on demand.

Note 10 Convertible 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 (ie. up to 802,000 units may be issued upon conversion). Each warrant will have 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 mature on February 18, 2017. On initial recognition, the Company bifurcated $45,385 (CDN$49,710) to equity and $366,113 (CDN$351,290) to the carrying value of the loan, which will be accreted to $320,728 (CDN$401,000) over the term of the convertible debentures. During the three months ended March 31, 2015, the Company recognized accretion of $3,241 (CDN$4,023). During the year ended December 31, 2014, the Company recognized accretion of $11,040 (CDN$12,195). The effective interest rate of the debentures is 18%.

Note 11 Share Capital

a) Authorized:

Unlimited common shares without par value
50,000,000 preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's consolidated statements of financial position include 'Contributed Surplus', 'Accumulated Other Comprehensive Income, '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 granted as part of unit issuances.

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

'Accumulated Deficit' is used to record the Company's change in deficit from earnings 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.

b) Issued:

Shares issued during the three months ended March 31, 2015

On February 11, 2015, the Company completed a non-brokered private placement for a total of 11,710,500 units at a price of CDN$0.10 per unit for gross proceeds of CDN$1,171,050 of which CDN$193,166 ($166,466) was received during the year ended December 31, 2014 and is recorded as subscriptions received in advance. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of CDN$0.10 on or before February 12, 2018. Finders' fees of 126,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

The Company fair valued the finders' units at $Nil.

Note 11 Share Capital – (cont'd)

b) Issued – (cont'd):

Shares issued during the year ended December 31, 2014

On February 19, 2014, the Company completed a non-brokered private placement for a total of 5,280,000 units at a price of CDN$0.10 per unit for gross proceeds of $478,315 (CDN$528,000). Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of CDN$0.20 on or before February 19, 2017. 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. Finders' fees of 497,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

The Company fair valued the finders' units at $45,023.

On June 23, 2014, the Company completed a non-brokered private placement for a total of 14,200,000 units at a price of CDN$0.10 per unit for gross proceeds of $1,323,298 (CDN$1,420,000). Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of CDN$0.20 on or before June 23, 2017. 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. Finders' fees of 225,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

The Company fair valued the finders' units at $20,968.

c) Commitments:

Stock-Based Compensation Plan

The Company has established a formal stock option plan in accordance with the policies of the TSX-V under which it is authorized to grant options up to a maximum of 20,000,000 common shares to officers, directors, employees and consultants. The exercise price of each option is not less than the market price of the Company's stock on the trading day immediately before the date of grant. No option will be exercisable until it has vested. Options vest immediately unless a vesting schedule is imposed by the board, or unless the options are granted to an Eligible Person providing Investor Relations Activities to the Company, in which case a maximum of 25% of the options vest on a quarterly basis. The options are for a maximum term of ten years.

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.

(Stated in US Dollars)

Note 11 Share Capital – (cont'd)

c) Commitments: – (cont'd)

Stock-Based Compensation Plan – (cont'd)

Share-based payments are expensed for stock options granted and vested with a corresponding increase to contributed surplus. Upon exercise of stock options, consideration paid on the exercise of stock options and purchase of stock is credited to share capital.

On January 2, 2015, the Company granted 4,400,000 share purchase options to directors, officers and consultants exercisable at CDN$0.10 per share expiring on January 2, 2020. These share purchase options vest immediately on the date of grant.

During the three months ended March 31, 2015, the Company recorded stock-based compensation expense of $101,915 (March 31, 2014: $70,405) on revaluation of stock options as of the reporting period and for stock options vested during the period. The fair value of share purchase options granted was estimated on the grant date for options granted to employees and each vesting date for options granted to consultants using the Black Scholes option pricing model. The assumptions used in calculating fair value were as follows: 0.48% - 0.75% (March 31, 2014 – 1.13% - 1.63%) risk free rate, 0% (March 31, 2014 – 0%) dividend yield, 64% - 82% (March 31, 2014 - 82% – 140%) expected volatility and 0.82 – 5.00 years (March 31, 2014 – 3.72 – 5.00 years) weighted average expected stock option life.

A summary of the status of the stock option plan as of March 31, 2015 and 2014 and changes during the periods then ended on those dates is presented below:

	2015		2014	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	9,325,000	CDN$0.11	5,077,500	CDN$0.14
Granted	4,400,000	CDN$0.10	4,325,000	CDN$0.10
Expired/Forfeited	(850,000)	CDN$0.14	-	-
Options outstanding at end of the period	12,875,000	CDN$0.11	9,402,500	CDN$0.12
Options exercisable at end of the period	8,093,750		5,060,000	

(Stated in US Dollars)

Note 11 Share Capital – (cont'd)

c) Commitments: – (cont'd)

Stock-Based Compensation Plan – (cont'd)

At March 31, 2015, the Company has 13,725,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
40,000	CDN $0.16	December 8, 2015
350,000	CDN $0.10	January 23, 2016
415,000	CDN $0.15	October 6, 2016
1,600,000	CDN $0.10	November 23, 2017
510,000	CDN $0.10	December 19, 2017
735,000	CDN $0.13	January 7, 2018
600,000	CDN $0.13	May 14, 2018
400,000	CDN $0.10	February 3, 2019
3,225,000	CDN $0.10	March 11, 2019
200,000	CDN $0.10	August 1, 2019
400,000	CDN $0.10	August 3, 2019
4,400,000	CDN $0.10	January 2, 2020
12,875,000		

As of March 31, 2015, the 12,875,000 share purchase options outstanding have a weighted average remaining contractual life of 3.75 years.

Share Purchase Warrants

A summary of the status of share purchase warrants as of March 31, 2015 and 2014 and changes during the periods then ended on those dates is presented below:

	2015		2014	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Balance, beginning of the year	55,303,000	CDN$0.20	35,101,000	CDN$0.20
Issued	11,836,500	CDN$0.10	5,777,000	CDN$0.20
Balance, end of the year	67,139,500	CDN$0.18	40,878,000	CDN$0.20

(Stated in US Dollars)

Note 11 Share Capital – (cont'd)

c) Commitments: – (cont'd)

Share Purchase Warrants – (cont'd)

At March 31, 2015, the Company has 67,139,500 share purchase warrants outstanding as follows:

Number	Exercise Price	Expiry Date
14,227,000	CDN $0.20	November 23, 2015
20,874,000	CDN $0.20	June 10, 2016
5,777,000	CDN $0.20	February 19, 2017
14,425,000	CDN $0.20	June 23, 2017
11,836,500	CDN $0.10	February 12, 2018
67,139,500		

Note 12 Related Party Transactions

The Company incurred the following expenses with related parties of the Company:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Administrative expenses		
Consulting fees	$ 70,297	$ -
Office and miscellaneous		
– secretarial services	1,692	2,831
Rent	5,438	5,925
Share-based payments	8,077	14,627
	85,504	23,383
Key management compensation		
Consulting fees	80,570	83,795
Management fees	16,920	27,177
Salaries, wages and benefits	52,136	22,485
Share-based payments	57,280	11,847
	206,906	145,304
	$ 292,410	$ 168,687

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

Included in prepaid expenses at March 31, 2015 is $Nil (December 31, 2014: $1,940) of prepaid rent paid to a company controlled by a director.

(Stated in US Dollars)

Note 13 Segmented Information and Economic Dependence

The Company's principal business location and operations are Carrollton, Texas in the United States of America. During the three months ended March 31, 2015, the Company was economically dependent on four (March 31, 2014: two) customers each accounted for more than 10% of sales and in aggregate accounted for 51% (March 31, 2014: 66%) of sales.

The Company's sales revenues are allocated to geographic segments for the three months ended March 31, 2015 and 2014 are as follows:

	Three months ended March 31, 2015	Three months ended March 31, 2014
United States of America	$ 117,545	$ 140,555
Asia	62,751	75,901
Europe	22,885	4,250
Other	26,818	24,875
	$ 229,999	$ 245,581

Net losses

	Three months ended March 31, 2015	Three months ended March 31, 2014
Canada	$ 566,481	$ 385,188
United States of America	305,020	6,652
	$ 871,501	$ 391,840

Total Assets

	March 31, 2015	March 31, 2014
Canada	$ 18,955	$ 40,016
United States of America	939,953	1,300,142
	$ 958,908	$ 1,340,158

(Stated in US Dollars)

Note 14 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).

Cash, accounts receivable, accounts payable and accrued liabilities, advances on private placements, promissory note payable, 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.

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 March 31, 2015, the Company has a working capital deficiency of $582,746. 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.

Future minimum annual lease payments due under lease obligation are as follows:

2015	$	11,762
2016		15,072
2017		7,537
Total minimum lease payments		34,371
Less amount representing imputed interest of 22%		6,630
Balance of obligation		27,741
Current portion		10,867
Long-term portion	$	16,874

Note 14 Financial Instruments – (cont'd)

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 March 31, 2015, the Company has Canadian dollars cash of $3,214 (December 31, 2014: $1,352), accounts receivable of $20,794 (December 31, 2014: $11,490), accounts payable of $210,297 (December 31, 2014: $239,228), convertible debentures payable of $401,000 (December 31, 2014: $401,000), and due to related parties of $28,245 (December 31, 2014: $225,782), translated at USD$1 for every CDN$1.2666. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately $66,300. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 15 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 fiber optics and video streaming businesses 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 junior resource 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 during the years ended March 31, 2015 and 2014.

Note 16 Contingency

The Company is required to file certain foreign reporting information tax returns, and may be exposed to interest and penalties, estimated by management to be $119,000. Management believes it is unlikely that any interest and penalties would be assessed once the Company files the forms to comply with the filing requirement, and accordingly has not accrued any amounts in the consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC. Schedule I

CONDENSED INTERIM CONSOLIDATED SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES

for the three months ended March 31, 2015 and 2014

(Stated in US Dollars)

(Unaudited - Prepared by Management)

	Three months ended March 31, 2015	Three months ended March 31, 2014
Consulting fees – Note 12	$ 388,793	$ 140,476
Entertainment and travel	16,470	9,069
Investor relations	5,036	34,082
Legal and accounting fees	14,888	64,253
Licenses and permits	1,042	1,043
Management fees – Note 12	16,920	27,177
Office and miscellaneous – Note 12	14,196	15,222
Rent – Note 12	22,794	14,310
Repairs and maintenance	15,628	15,089
Salaries, wages and benefits – Note 12	182,708	91,184
Stock exchange filing fees	15,296	10,890
Telephone and utilities	8,892	4,072
Transfer agent fees	495	1,968
	$ 703,158	$ 428,835