VALDOR TECHNOLOGY INTERNATIONAL INC.
Management's Discussion & Analysis
Three Months Ended March 31, 2016
(Stated in U.S. Dollars)

This Management's Discussion and Analysis ("MD&A") of Valdor Technology International Inc. (the "Company") is dated June 2, 2016. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes for the three months ended March 31, 2016 and Audited Consolidated Financial Statements and accompanying notes for the fiscal year ended December 31, 2015, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in U.S. dollars unless otherwise indicated.

FORWARD LOOKING INFORMATION

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

CORPORATE OVERVIEW

The Company was incorporated under the British Columbia Company Act on March 19, 1984 and is publicly traded on the TSX Venture Exchange under the symbol VTI.

The Company is headquartered near San Francisco, California, is an optical fiber components company specializing in the design, manufacture and sale of passive fiber optic components, including some that use the Company's proprietary and patented technologies. The Company is focused on harsh environment products for the roll-out of fibre-to-the-home in North America with a unique and compelling splitter design. Fiber-to-the-home hard wiring will enable the bandwidth for television and internet communications of the future;

On December 31, 2015, the Company entered into an asset purchase agreement with Niagara Video Corp. ("Acquirer") whereby the Acquirer purchased all of the assets in connection with the Company's video streaming operations and assumed certain liabilities from the Company for total consideration of $95,000 in cash with $38,000 payable upon closing of the asset purchase agreement, $32,000 to be placed in trust to cover the assumed liabilities and $25,000 payable in monthly installments of $5,000 per month commencing on April 1, 2016.

The Company is entitled to a royalty of 1% of net sales from products sold by the Company to the Acquirer for a period of 2 years from closing up to a maximum of $500,000.

The Company will also receive 400,000 common shares of the Acquirer which equals to 20% of the initial equity.

In addition, the Company entered into a Compromise and Settlement Agreement with the Acquirer and Viewcast, Inc. ("Viewcast"), the seller of Videoware assets to the Company whereby Viewcast agreed to release and discharge the Company from any and all claims, demands, actions or causes of action which Viewcast has or may have against the Company upon payment in full by the Acquirer as follows:

- $115,000 within 10 business days of closing of the asset purchase agreement (paid)
- $50,000 payable in monthly instalments of $5,000 starting April 1, 2016

(Stated in U.S. Dollars)

In addition, Viewcast is entitled to a royalty of 3% of gross sales from products sold by the Acquirer for a period of 5 years beginning October 1, 2016 and will receive 200,000 shares of the Acquirer.

RESULTS OF OPERATIONS

Three months ended March 31, 2016

During the three months ended March 31, 2016 the Company had a comprehensive loss of $241,140 as compared to a comprehensive loss of $801,158 for the corresponding three months ended March 31, 2015. The revenues from continuing operations decreased to $29,124 as compared to $38,773 for the corresponding three months ended March 31, 2015. Total expenses from continuing operations for the period were $210,182 as compared to $701,689 for the corresponding three months ended March 31, 2015. The most notable changes from the previous period were decreases consulting fees and share-based compensation charges. The stock-based compensation charge recognizes the portion of the fair values of vested 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 short term loans during the period.

Summary of Quarterly Results

FOR THE THREE MONTHS ENDED

	March 31, 2016	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**
Revenues (continuing operations)*	$29,124	$40,637	$45,485	$78,116
Net loss before discontinued operations*	($171,943)	($285,977)	($238,387)	($220,246)
Net loss from all operations	($171,943)	($106,378)	($368,169)	($349,314)
Per Share – Basic and diluted				
before discontinued operations	($0.00)	($0.00)	($0.00)	($0.00)
from all operations	($0.00)	($0.00)	($0.00)	($0.00)

FOR THE THREE MONTHS ENDED

	March 31, 2015	**December 31, 2014**	**September 30, 2014**	**June 30, 2014**
Revenues (continuing operations)*	$38,673	$36,561	$8,995	$15,002
Net loss before discontinued operations*	($685,107)	($462,027)	($425,674)	($628,353)
Net loss from all operations	($871,501)	($876,071)	($498,041)	($751,004)
Per Share – Basic and diluted				
before discontinued operations	($0.00)	($0.00)	($0.00)	($0.01)
from all operations	($0.00)	($0.01)	($0.01)	($0.01)

There can be material fluctuations in quarterly results. These fluctuations are mainly due to the timing of consulting and management services relating to private placement financings and reviewing potential business acquisitions. The revenues and net loss have been restated to reflect the amounts from the Company's continuing operations (the Fiber Optics division)*.

(Stated in U.S. Dollars)

LIQUIDITY

The Company's working capital deficiency as at March 31, 2016 was $970,532 as compared to a working capital deficiency of $763,286 as at December 31, 2015, an increase of $207,246. The increase in working capital deficiency was from funding the operating losses by way of short term trade credit and related party loans.

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.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

The Company incurred the following expenses with current directors and officers of the Company: Ron Boyce (Director and VP Sales and Marketing), Rachelle Findlay (Secretary), Las Yabut (President), directors Ryan Pavey, Anand Gokel and Robert Sanderson, and private companies controlled by officers and directors Brian Findlay (CFO) and Elston Johnston (Chairman of the Board):

		Three months ended March 31	
	Relationship	2016	2015
Administrative expenses			
Consulting fees	Close family members of the directors and officers of the Company	$ -	$ 70,297
Office and miscellaneous – secretarial services	Officer of the Company	729	1,692
Rent	A private company controlled by the CFO of the Company	4,918	5,438
Share-based payments	Officer and close family members of the directors and officers of the Company	99	8,077
		5,746	85,504

(Stated in U.S. Dollars)

	Relationship	2016	2015
Key management compensation			
Consulting fees	A private company controlled by the Chairman of the Board	32,787	36,257
Consulting fees	Officer of the Company	-	-
Consulting fees	Directors of the Company	23,315	44,314
Management fees	A private company controlled by the CFO	15,301	16,920
Salaries, wages and benefits	President of the Company	18,000	52,136
Share-based payments	Officers of the Company	1,196	19,406
Share-based payments	President of the Company	498	8,085
Share-based payments	Directors of the Company	2,394	29,788
		93,491	206,906
		$ 99,237	$ 292,410

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

a) Recoverability of accounts receivable and allowance for doubtful accounts

The Company makes allowances for 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) 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 to the consolidated financial statements.

c) Estimate of the shares of Niagara Video Corp.

The determination of the fair value of the shares of Niagara Video Corp. required management to make estimates regarding the fair value of the shares on the date received. Management has determined that the investment in the shares is considered to be financial instruments that are not quoted in an active market. Due to the uncertainty of the investment the Company has decided to value the investment at a nil amount.

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) Going Concern

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

b) Income taxes

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

c) Functional currency

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

International Financial Reporting Standards ("IFRS")

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2015. The following new standards, amendments and interpretations have been adopted in these consolidated financial statements effective January 1, 2015:

- The amendments to IFRS 2 *Share-based Payment* clarify vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The adoption of these amendments had no material impact on the consolidated financial statements.

- The amendments to IAS 24 *Related Party Disclosures* clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The adoption of these amendments had no material impact on the consolidated financial statements.

- The amendments to IFRS 8 *Operating Segments* require disclosure of the judgments made by management in applying the aggregation criteria to operating segments, and clarify that reconciliations of segment assets is only required if segment assets are reported regularly. The adoption of these amendments had no material impact on the consolidated financial statements.

The following new standards and amendments are not yet effective and have not been applied in preparing these consolidated financial statements. The Company does not plan to early adopt any of these standards and amendments and is currently evaluating their potential impacts.

- Amendments to IAS 7 *Statement of Cash Flows* require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. These amendments are effective for reporting periods beginning on or after January 1, 2017.

- 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.

- 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, 2018.

- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

FINANCIAL AND OTHER INSTRUMENTS

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

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

At initial recognition, the company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available for sale ("AFS") financial assets and loans and receivables.

Subsequent measurement and changes in fair value will depend on their initial classification. Financial assets at FVTPL are measured at fair value and changes in fair value are recognized in net earnings. Investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost. All other available-for-sale financial assets are measured at fair value with changes in fair value recorded in other comprehensive income/loss until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings. Held-to-maturity investments and loans and receivables are measured at amortized cost.

The Company classifies and measures its financial instruments as follows:

- Cash and accounts receivables are classified as loans and receivables. Their fair value approximates their carrying value due to their short term nature.

- The investment in shares of Niagara Video Corp. has been classified as AFS financial assets as the Company determined that it does not have significant influence over the investee. The shares do not have a quoted price in an active market and accordingly, are carried at cost.

- Accounts payable and accrued liabilities, promissory note, lease obligation, contingent consideration, convertible debentures and due to related parties are classified as other financial liabilities and are measured at fair value at inception.

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

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

Cash, accounts receivable, accounts payable and accrued liabilities, loans payable, 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) <u>Credit Risk</u>

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

b) Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. As at March 31, 2016, the Company has a working capital deficiency of $970,532. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through equity and debt offerings and advances from related parties, but there can be no assurance that such financing will be available on terms acceptable to the Company.

c) Interest Rate Risk

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

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 March 31, 2016, the Company has Canadian dollars cash of CDN$7,457, accounts receivable of CDN$14,146, accounts payable of CDN$410,881, convertible debentures payable of CDN$401,000, and due to related parties of CDN$451,507, translated at USD$1 for every CDN$1.2987. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the ultimate profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately $38,000. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

OUTSTANDING SHARE DATA

As at June 2, 2016

Common Shares issued	113,542,220
Share purchase options	7,350,000
Share purchase warrants	52,812,500

SUBSEQUENT EVENTS

The Company issued 500,000 common shares upon the exercise of share purchase options for gross proceeds of $25,000.

OTHER

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