VALDOR TECHNOLOGY INTERNATIONAL INC.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

(Stated in US Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Valdor Technology International Inc.

Opinion

We have audited the accompanying consolidated financial statements of Valdor Technology International Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations and comprehensive income (loss), cash flows, and changes in shareholders' deficit for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company has accumulated losses of $27,674,035 and a working capital deficiency of $1,501,601. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of Valdor Technology International Inc. for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2019.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dylan Connelly.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

June 12, 2020

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018
(Stated in US Dollars)

	2019	2018
ASSETS		
Current		
Cash	$ 7,221	$ 1,253
Accounts receivable – Note 13a	47,753	40,728
Prepaid expenses and deposit	530	2,492
	55,504	44,473
Equipment	-	157
Total Assets	$ 55,504	$ 44,630
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 458,577	$ 531,538
Loans payable – Note 5	108,051	73,966
Due to related parties – Note 6	710,618	1,189,937
Current portion of lease obligation	-	20,892
Convertible debentures – Note 7	279,859	270,111
Discontinued operations	-	101,560
Total Liabilities	1,557,105	2,188,004
SHAREHOLDERS' DEFICIT		
Equity portion of convertible debentures – Note 7	45,385	45,385
Share capital – Note 9	22,810,927	22,795,109
Contributed surplus	3,856,909	3,774,904
Accumulated other comprehensive income	99,762	185,188
Accumulated deficit	(27,674,035)	(28,291,403)
Attributable to parent	(861,052)	(1,490,817)
Non-controlling interest	(640,549)	(652,557)
Total Shareholders' Deficit	(1,501,601)	(2,143,374)
Total Liabilities and Shareholders' Deficit	$ 55,504	$ 44,630

Going Concern of Operations – Note 2b
Commitments – Notes 7 and 9c
Subsequent Event – Note 16

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

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

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2019 and 2018
(Stated in US Dollars)

	2019	2018
Revenue – Note 12	$ 198,749	$ 130,573
Direct costs – Schedule I	191,243	128,307
Gross profit	7,506	2,266
Expenses		
Administration and general – Schedule II	210,933	405,395
Amortization and depreciation	157	1,517
Marketing	-	192
Interest expense (recovery)	(22,233)	38,618
Share-based payments – Note 9	92,557	18,826
	281,414	464,548
Loss before other item	(273,908)	(462,282)
Other item		
Gain on write-off of accounts payable – Note 8	903,284	225,637
Net income (loss) for the year	629,376	(236,645)
Other comprehensive income (loss)		
Exchange differences on translating into presentation currency	(85,426)	154,348
Total comprehensive income (loss) for the year	$ 543,950	$ (82,297)
Basic and diluted earnings (loss) per share	$ 0.11	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	5,805,184	5,710,166

For the year ended December 31, 2019:

Income attributable to:	Shareholders of parent	Non-controlling interest	Total
Net income for the year	$ 617,368	$ 12,008	$ 629,376
Total comprehensive income for the year	$ 531,942	$ 12,008	$ 543,950

For the year ended December 31, 2018:

Losses attributable to:	Shareholders of parent	Non-controlling interest	Total
Net income (loss) for the year	$ (238,817)	$ 2,172	$ (236,645)
Total comprehensive income (loss) for the year	$ (84,469)	$ 2,172	$ (82,297)

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018
(Stated in US Dollars)

	2019	2018
Operating Activities		
Net income (loss) for the year from continuing operations	$ 629,376	$ (236,645)
Charges to net loss not affecting cash:		
Amortization and depreciation	157	1,517
Interest expense (recovery)	(22,233)	28,956
Unrealized foreign exchange gain (loss)	976	(2,841)
Share-based payments	92,557	18,826
Gain on write-off of accounts payable	(903,284)	(225,637)
	(202,451)	(415,824)
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(7,430)	5,605
Prepaid expenses and deposit	1,880	(2,359)
Accounts payable and accrued liabilities	172,123	174,660
Due to related parties	(40,162)	-
Cash used in operating activities – continuing operations	(76,040)	(237,918)
Cash used in operating activities – discontinued operations	-	(43,078)
Cash flows used in operating activities from all operations	(76,040)	(280,996)
Financing Activities		
Repayment of convertible debentures	(3,769)	(25,093)
Increase in due to related parties	57,901	223,430
Proceeds from loans payable	22,556	38,604
Proceeds from issuance of common shares	5,266	27,684
Cash flows provided by financing activities from all operations	81,954	264,625
Effect of unrealized foreign exchange gain (loss) on cash	54	(10)
Increase (decrease) in cash during the year	5,968	(16,381)
Cash, beginning of the year	1,253	17,634
Cash, end of the year	$ 7,221	$ 1,253

Supplemental disclosure – See Note 15

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
For the years ended December 31, 2019 and 2018
(Stated in US Dollars)

	Share capital Issued Shares	Share capital Amount	Equity portion of convertible debentures	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-Controlling Interest	Total
Balance, December 31, 2017	5,677,033	$ 22,759,673	$ 45,385	$ 3,763,830	$ 30,840	$ (28,052,586)	$ (654,729)	$ (2,107,587)
Shares issued for cash:								
On exercise of stock options – at CDN$1.00	35,000	27,684	-	-	-	-	-	27,684
Fair value of stock options exercised	-	7,752	-	(7,752)	-	-	-	-
Share-based payments	-	-	-	18,826	-	-	-	18,826
Exchange differences on translating to presentation currency	-	-	-	-	154,348	-	-	154,348
Net loss for the year	-	-	-	-	-	(238,817)	2,172	(236,645)
Balance, December 31, 2018	5,712,033	22,795,109	45,385	3,774,904	185,188	(28,291,403)	(652,557)	(2,143,374)
Shares issued for cash:								
On exercise of stock options – at CDN$0.07	100,000	5,266	-	-	-	-	-	5,266
Fair value of stock options exercised	-	10,552	-	(10,552)	-	-	-	-
Share-based payments	-	-	-	92,557	-	-	-	92,557
Exchange differences on translating to presentation currency	-	-	-	-	(85,426)	-	-	(85,426)
Net income for the year	-	-	-	-	-	617,368	12,008	629,376
Balance, December 31, 2019	5,812,033	$ 22,810,927	$ 45,385	$ 3,856,909	$ 99,762	$ (27,674,035)	$ (640,549)	$ (1,501,601)

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. During the years ended December 31, 2019 and 2018, the Company's principal business was developing, manufacturing and marketing of fiber optic products.

The address of the Company's corporate office is 450 - 789 West Pender Street, Vancouver, BC V6C 1H2.

On January 7, 2019, the Company consolidated its share capital on a 20:1 share basis. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

Note 2 Basis of Preparation

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and which were in effect as of December 31, 2019.

The consolidated financial statements were authorized for issue by the Board of Directors on June 12, 2020.

b) Going Concern of Operations

These 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 December 31, 2019, the Company has not achieved profitable operations, has accumulated losses of $27,674,035 (2018 - $28,291,403) since inception and expects to incur further losses in the development of its business, and has a working capital deficiency of $1,501,601 (2018 - $2,143,531), all of which are material uncertainties that cast 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 consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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

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

The consolidated financial statements are presented in US dollars.

Note 3 Summary of Significant Accounting Policies

The significant accounting policies set out below have been applied consistently in all material respects to all years presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and the accounts of the following companies which the Company has control:

Company	Country of Incorporation	Percentage Held 2019	Percentage Held 2018	Principal Activity
Fiberlight Optics, Inc.	USA	94%	94%	Inactive
Valdor Fiber Optics, Inc.	USA	94%	94%	Sale of fiber optics products

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All significant inter-company transactions and balances have been eliminated.

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

b) Cash Equivalents

The Company considers all highly liquid instruments which are readily convertible into cash with maturities of three months or less when purchased to be cash equivalents. As at December 31, 2019 and 2018, the Company did not hold any cash equivalents.

c) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in-first-out method and includes the cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

d) Equipment

Equipment is measured at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The carrying amounts of equipment are depreciated from the date of use to their estimated residual value over the estimated useful lives of the assets. Estimates of residual values and useful lives are reassessed annually and any changes in estimate are taken into account in the determination of remaining depreciation charges.

The Company is depreciating its equipment on a straight-line basis over a five year period.

e) Leases

The Company has adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company assesses whether a contract is, or contains a lease at inception of a contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (a) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (b) for leases of low value. The payments for such leases are recognized in profit or loss on a straight line basis over the lease term.

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

e) Leases (cont'd)

The ROU asset is initially measured based on the present value of future lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is amortized over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of future lease payments, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in profit or loss.

During the year ended December 31, 2019, the Company did not have any contracts subject to the application of IFRS 16 that would result in a ROU asset or a lease liability.

f) Foreign Currency Translation

The Company's functional currency is the Canadian dollar as it is the currency in which the majority of the funding is obtained to continue operations and uses the US dollar as its presentation currency. The functional currency of the US subsidiaries is US dollars as it is the currency in which the majority of their sales and expenses are incurred.

Monetary assets and liabilities of a company that are denominated in a currency other than the functional currency are translated at the exchange rate in effect at the period end. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Revenue and expense items are translated at the average rates of exchange prevailing during the year. Gains or losses from translation are recognized in profit or loss in the period in which they occur.

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

f) Foreign Currency Translation – (cont'd)

The financial results and position of operations whose functional currency is different from the Company's presentation currency is translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation to the presentation currency are transferred directly to the Group's foreign currency translation reserve in accumulated other comprehensive income.

g) Basic and Diluted Earnings (Loss) per Share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted earnings (loss) per share are the same for the years presented.

h) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the date of the statement of financial position and are expected to apply when the deferred tax asset or liability is settled.

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

h) Income Taxes – (cont'd)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities, if any, are presented as non-current.

i) Revenue Recognition

Revenue is measured based on the consideration specified in the related contract with the customer. Most of the Company's revenues have a single performance obligation as the promise to transfer the individual goods. The Company recognizes revenue from the sale of products upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

j) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. The Company's options and warrants are classified as equity when a fixed amount of options or warrants are issuable for a fixed amount of cash.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

The proceeds from the exercise of stock options, share purchase warrants and escrow shares are recorded as share capital in the amount for which the stock options, share purchase warrants or escrow shares enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.

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

j) Share Capital – (cont'd)

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred charges. Share issue costs related to uncompleted share subscriptions are charged to operations.

k) Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of shares that will eventually vest on a tranche by tranche basis. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share-based payments to non-employees are measured at fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The Company also makes an estimate of the forfeiture rate based on historical information.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid. If the options expire unexercised, the amount remains in contributed surplus.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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

l) Financial 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.

Classification

At initial recognition, the Company classifies its financial assets in the following categories depending on the business model in which they are held and the characteristics of their contractual cash flows: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

Measurement

Subsequent measurement and changes in fair value will depend on their initial classification. Financial instruments at FVTPL are measured at fair value and changes in fair value are recognized in profit or loss. Financial instruments at FVOCI are measured at fair value with changes in fair value recorded in other comprehensive income. The remaining financial instruments are measured at amortized cost using the effective interest rate method less any impairment.

The Company's financial assets are comprised of cash and accounts receivable, both of which are measured at amortized cost.

The Company's liabilities include accounts payable and accrued liabilities, due to related parties, loans payable and convertible debentures which are measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

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

l) Financial Instruments – (cont'd)

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 13(a) for further details.

For financial assets that are measured at amortized cost, an entity will now always recognize (at a minimum) 12 month expected losses in profit or loss, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Lifetime expected losses will be recognized on assets for which there is a significant increase in credit risk after initial recognition.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

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

l) Financial Instruments – (cont'd)

Subsequent to the initial recognition, the liability component of a compound financial instrument is accreted over the life of the loan using the effective interest method and measured at amortized cost. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

m) Future Accounting Pronouncements

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 expect the adoption of this standard to have a significant impact on the consolidated financial statements.

IAS 1 - Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

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.

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

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 provides allowances for lifetime expected credit losses based on an assessment of the recoverability of account receivables. Allowances are applied to account receivables at initial recognition based on the probability of default by the customers. 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 lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of accounts receivable.

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, forfeiture rate, 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 9.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are 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, as disclosed in Note 2.

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.

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

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 US subsidiaries, management considered the currency that mainly influences the costs of providing goods and services in each jurisdiction in which the Company operates.

d) Write-off of accounts payable

Assessing the likelihood for which certain of the Company's accounts remain payable requires significant judgment. In determining whether any contractual liability remains where no settlement or release arrangement exists, management applies the statute of limitations.

Note 5 Loans payable

The loans payable are non-interest bearing, unsecured and due on demand.

Note 6 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 7 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 (i.e. up to 802,000 units may be issued upon conversion). Each warrant has 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 matured on February 18, 2017. The Company defaulted on the repayment. On initial recognition, the Company bifurcated CDN$49,710 to equity and CDN$351,290 to the carrying value of the loan, which was accreted to CDN$401,000 over the term of the convertible debentures. During the year ended December 31, 2019, the Company recognized interest of $3,383 (CDN$4,488) (2018: $28,956 (CDN$37,503)). The effective interest rate of the debentures is 18%.

On November 30, 2018, the Company entered into loan amendment agreements with respect to CDN $351,000 of the balances outstanding, whereby the Company agreed to repay 10% of the principal amount owing and agreed to repay the remaining 90% within three days of the Company completing a private placement of common shares to raise gross proceeds in the minimum amount of $400,000. The lenders also agreed to waive all accrued interest and agreed to the termination of the conversion option.

Note 7 Convertible Debentures – (cont'd)

As at December 31, 2019 the Company had repaid a total of $28,943 (CDN$37,500) (2018 – $25,093) of these loans and had written off total accrued interest in the amount of $179,826 (CDN$233,728) (2018 - $153,821).

Note 8 Write-off of Accounts Payable

During the year ended December 31, 2019 the Company entered into various settlement agreements and wrote off other accounts payable for which the statute of limitations had expired and recognized a gain on write-off of accounts payable of $903,284 (2018 - $225,637).

Note 9 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 issued 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 company to the presentation currency.

'Accumulated Deficit' is used to record the Company's change in deficit from profits 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 year ended December 31, 2019

On January 25, 2019, the Company issued 100,000 common shares pursuant to the exercise of stock options at a price of CDN$0.07 per share for total proceeds of $5,266 (CDN $7,000).

(Stated in US Dollars)

Note 9 Share Capital – (cont'd)

c) Commitments – (cont'd):

Shares issued during the year ended December 31, 2018

On January 12, 2018, the Company issued 35,000 common shares pursuant to the exercise of stock options at a price of CDN$1.00 per share for total proceeds of $27,684 (CDN$35,000).

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 1,300,000 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.

A summary of the status of the stock option plan as of December 31, 2019 and 2018 and changes during the years then ended on those dates is presented below:

	2019		2018	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	35,000	CDN$1.00	334,250	CDN$2.00
Granted	905,000	CDN$0.07	85,000	CDN$1.00
Exercised	(100,000)	CDN$0.07	(35,000)	CDN$1.00
Expired/Forfeited/cancelled	(730,000)	CDN$0.11	(349,250)	CDN$2.00
Options outstanding at end of the year	110,000	CDN$0.07	35,000	CDN$1.00
Options exercisable at end of the year	110,000		35,000	

(Stated in US Dollars)

Note 9 Share Capital – (cont'd)

c) Commitments (cont'd):

Stock-Based Compensation Plan

At December 31, 2019, the Company has 110,000 options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date
110,000	110,000	CDN $0.07	January 7, 2022

As of December 31, 2019, the 110,000 (2018 – 35,000) options outstanding have a weighted average remaining contractual life of 2.02 (2018 - 2.04) years.

Stock-based compensation charges 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.

During the year ended December 31, 2019, the Company recorded stock-based compensation expense of $92,557 (2018: $18,826) for stock options vested and cancelled during the year. 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 weighted average assumptions used in calculating fair value of options granted in 2019 were as follows: CDN$0.15 (2018 - CDN$0.60) share price on grant date, 1.96% (2018 – 1.96%) risk free rate, 0% (2018 – 0%) dividend yield, 167% (2018 – 115%) expected annualized volatility, 3 years (2018 – 3 years) expected stock option life and 0% (2018 – 30%) forfeiture rate. Expected annualized volatility was estimated by reference to historical volatility of the Company with a comparable period in their lives.

(Stated in US Dollars)

Note 9 Share Capital – (cont'd)

c) Commitments (cont'd):

Share Purchase Warrants

A summary of the status of share purchase warrants as of December 31, 2019 and 2018 and changes during the years then ended on those dates is presented below:

	2019		2018	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Balance, beginning of the year	-	-	586,825	CDN$2.00
Expired	-	-	(586,825)	CDN$2.00
Balance, end of the year	-	-	-	-

At December 31, 2019, the Company had no share purchase warrants outstanding.

Note 10 Related Party Transactions

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

	2019	2018
Administrative expenses to other related parties		
Consulting fees	$ 18,089	$ 18,530
Rent reimbursement	20,673	20,847
	38,762	39,377
Key management compensation		
Consulting fees	41,830	93,424
Management fees	37,308	64,856
	79,138	158,280
	$ 117,900	$ 197,657

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

(Stated in US Dollars)

Note 11 Income Taxes

The total income tax recovery varies from the amounts that would be computed by applying the statutory income tax rate to loss before income taxes as follows:

	2019	2018
Net income (loss) before income taxes	$ 629,376	$ (236,645)
Statutory rates	27%	27%
Expected income tax recovery	170,000	(64,000)
Change in statutory foreign tax, foreign exchange rates and others	(118,000)	260,000
Permanent differences	25,000	5,000
Non-capital losses expired	276,000	115,000
Adjustment to prior years provision versus statutory tax returns	3,330,000	-
Change in unrecognized tax benefits	(3,683,000)	(316,000)
	$ -	$ -

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balances on the consolidated statements of financial position and their corresponding tax values as well as for the benefit of losses available to be carried forward to future years for tax purposes to the extent that it is probable that future taxable profit will allow the deferred tax assets to be recovered.

Significant components of the Company's deferred tax assets, after applying enacted corporate income tax rates, are as follows:

	2019	2018
Deferred income tax assets		
Non-capital and net operating losses	$ 4,437,000	$ 8,147,000
Capital losses	523,000	498,000
Capital assets and other	5,000	3,000
	4,965,000	8,648,000
Less: deferred income tax assets not recognized	(4,965,000)	(8,648,000)
Net deferred income tax assets	$ -	$ -

(Stated in US Dollars)

Note 11 Income Taxes (cont'd…)

The Company has non-capital losses available to reduce taxable income in Canada and in USA and expire in stages through 2039 as follows:

	Canada $(CDN)	USA
2020	-	2,034,000
2021	-	2,366,000
2022	-	1,037,000
2023	-	871,000
2024	-	779,000
2025	-	716,000
2026	-	530,000
2027	-	595,000
2028	44,000	433,000
2029	589,000	587,000
2030	467,000	628,000
2031	161,000	668,000
2032	951,000	360,000
2033	1,266,000	353,000
2034	1,700,000	718,000
2035	1,167,000	436,000
2036	650,000	182,000
2037	377,000	-
2038	329,000	-
2039	218,000	-
	$ 7,919,000	$ 13,293,000

At December 31, 2019, the Company has accumulated capital losses of approximately CDN$5,034,000 (2018: CDN$8,362,000) in Canada that may be carried forward indefinitely to reduce future years' capital gains.

(Stated in US Dollars)

Note 12 Segmented Information and Economic Dependence

During the years ended December 31, 2019 and 2018, the Company only has one reportable segment.

During the year ended December 31, 2019, the Company was economically dependent on one (2018: two) customers who each accounted for more than 10% of revenue and in aggregate accounted for 92% (2018: 92%) of sales.

During the years ended December 31, 2019 and 2018, all of the revenue was generated from the sale of products.

The Company's revenues are allocated to geographic segments for the years ended December 31, 2019 and 2018 as follows:

	2019	2018
United States of America	$ 198,749	$ 130,573
Other	-	-
	$ 198,749	$ 130,573

The Company's net income (loss) and total non-current assets are allocated to geographic segments for the years ended December 31, 2019 and 2018 as follows:

	2019	2018
Canada	$ 429,238	$ (272,842)
United States of America	200,138	36,197
Net income (loss)	$ 629,376	$ (236,645)

	2019	2018
Canada	$ -	$ -
United States of America	-	157
Total non-current assets	$ -	$ 157

Note 13 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).

(Stated in US Dollars)

Note 13 Financial Instruments – (cont'd)

The carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, convertible debentures, and due to related parties 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.

The aging analysis of the accounts receivable is as follows:

	2019	2018
Current to 3 months	$ 43,393	$ 12,031
Over 6 months	-	17,601
Allowance provided	-	-
Trade receivables	43,393	29,632
Goods and services tax recoverable	4,360	11,096
	$ 47,753	$ 40,728

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 365 days past due.

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 December 31, 2019, the Company has a working capital deficiency of $1,501,601 (2018 - $2,143,531). 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.

Note 13 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 at December 31, 2019, the Company has Canadian dollars cash of CDN$3,590, accounts receivable of CDN$5,664, accounts payable of CDN$504,676, loans payable of CDN$139,955, convertible debentures payable of CDN$363,500, and due to related parties of CDN$923,000, translated at USD$1 for every CDN$1.2989. 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 by approximately $148,000 (2018 - $191,000). The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 14 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 its business 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.

(Stated in US Dollars)

Note 14 Management of Capital – (cont'd)

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 technology and telecommunications 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 December 31, 2019 and 2018.

Note 15 Supplemental Cash Flows Information

	2019	2018
Interest received (paid)	$ -	$ -
Income taxes received (paid)	$ -	$ -
Dividends received (paid)	$ -	$ -

Note 16 Subsequent Event

Subsequent to the year ended December 31, 2019, the Company entered into two loan agreements for total proceeds of CDN $25,000. The loans are non-interest bearing, due on demand have no fixed terms of repayment.

VALDOR TECHNOLOGY INTERNATIONAL INC. Schedule I

CONSOLIDATED SCHEDULES OF DIRECT COSTS

For the years ended December 31, 2019 and 2018

(Stated in US Dollars)

	2019	2018
Freight	$ 84	$ 1,066
Inventories recognized as an expense	12,159	741
Salaries, wages and benefits	179,000	126,500
	$ 191,243	$ 128,307

VALDOR TECHNOLOGY INTERNATIONAL INC. Schedule II

CONSOLIDATED SCHEDULES OF ADMINISTRATIVE AND GENERAL EXPENSES

For the years ended December 31, 2019 and 2018

(Stated in US Dollars)

	2019	2018
Bad debts	$ 17,601	$ -
Consulting fees – Note 9	70,882	223,137
Entertainment and travel	-	2,005
Insurance, licenses and permits	-	1,152
Investor relations	64	1,859
Legal and accounting fees	38,731	59,364
Management fees – Note 9	37,308	64,856
Office and miscellaneous	3,535	4,377
Rent – Note 9	21,236	21,199
Repairs and maintenance	143	8,834
Stock exchange filing fees	9,933	8,121
Telephone and utilities	6,135	5,865
Transfer agent fees	5,365	4,626
	$ 210,933	$ 405,395