

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended March 31, 2024 and 2023

(Stated in US Dollars)

VALDOR TECHNOLOGY INTERNATIONAL INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2024 and December 31, 2023

(Unaudited - Stated in US Dollars)

	Note	March 31, 2024 \$	(Audited) December 31, 2023 \$
ASSETS			
CURRENT			
Cash		86,520	49,464
Accounts receivable		16,101	36,015
Investment	5	2,122	5,671
		<u>104,743</u>	<u>91,150</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		139,028	133,410
Due to related parties	6	3,297	2,621
Loan payable		52,489	34,873
Debentures	7	33,210	34,024
		<u>228,024</u>	<u>204,928</u>
SHAREHOLDERS' DEFICIENCY			
Share capital	8	25,198,874	25,198,874
Contributed surplus	8	5,910,749	5,910,749
Accumulated other comprehensive loss		(29,124)	(33,476)
Accumulated deficit		(30,568,571)	(30,554,454)
		<u>511,928</u>	<u>521,693</u>
Attributable to parent		511,928	521,693
Non-controlling interest		(635,209)	(635,471)
		<u>(123,281)</u>	<u>(113,778)</u>
		<u>104,743</u>	<u>91,150</u>

Going Concern of Operations (Note 2b)

Fundamental Transactions (Note 13)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Lucas Russell"

Lucas Russell, Director

"Francis Rowe"

Francis Rowe, Director

VALDOR TECHNOLOGY INTERNATIONAL INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS**

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

	Note	2024 \$	2023 \$
REVENUE			
Revenue	10	150,157	68,522
Direct costs	Schedule I	(144,426)	(59,502)
		<u>5,731</u>	<u>9,020</u>
EXPENSES			
Administration and general	Schedule II	<u>23,400</u>	<u>40,255</u>
LOSS BEFORE OTHER ITEMS		(17,669)	(31,235)
Other items			
Recovery of bad debt		3,707	5,800
Realized loss on sale of investment	5	(171)	-
Unrealized gain on fair value of investment	5	<u>278</u>	<u>-</u>
NET LOSS FOR THE PERIOD		(13,855)	(25,435)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating into presentation currency		<u>4,352</u>	<u>555</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(9,503)</u>	<u>(24,880)</u>
BASIC AND DILUTED LOSS PER SHARE		<u>(0.00)</u>	<u>(0.00)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED		<u>65,922,033</u>	<u>65,922,033</u>

For the three months ended March 31, 2024:

Net Income (losses) attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the period	\$ (14,117)	\$ 262	(13,855)
Total comprehensive loss for the period	\$ (9,765)	\$ 262	\$ (9,503)

For the three months ended March 31, 2023:

Net Income (losses) attributable to:	Shareholders of parent	Non-controlling interest	Total
Net loss for the period	\$ (25,930)	\$ 495	(25,435)
Total comprehensive loss for the period	\$ (25,375)	\$ 495	\$ (24,880)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2024 and 2023
(Unaudited - Stated in US Dollars)

	2024	2023
	\$	\$
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net loss for the year from operations	(13,855)	(25,435)
Charges to net loss not affecting cash:		
Interest income	-	(1,471)
Foreign exchange	(37,987)	1,337
Recovery of debt	3,707	-
Realized loss on sale of investment	171	-
Unrealized fair value gain on investment	(277)	-
	<u>(48,241)</u>	<u>(25,569)</u>
Changes in non-cash working capital balances:		
Accounts receivable	19,842	(7,196)
Accounts payable and accrued liabilities	5,858	18,100
	<u>(22,541)</u>	<u>(14,665)</u>
INVESTING ACTIVITIES		
Proceeds from non-interest bearing advance	18,450	-
Proceeds on disposition of investment	3,520	-
	<u>21,970</u>	<u>-</u>
Effect of unrealized foreign exchange loss on cash	<u>37,627</u>	<u>31</u>
INCREASE(DECREASE) IN CASH	37,056	(14,634)
Cash, beginning of the period	<u>49,464</u>	<u>80,188</u>
CASH, END OF THE PERIOD	<u>86,520</u>	<u>65,554</u>

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

	Share capital		Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Non-Controlling Interest	Total
	Issued Shares #	Amount \$					
Balance, December 31, 2022	65,922,033	25,198,874	5,910,749	(67,332)	(30,288,841)	(635,090)	118,360
Exchange differences on translating to presentation currency	-	-	-	555	-	-	555
Net loss for the period	-	-	-	-	(25,930)	495	(25,435)
Balance, March 31, 2023	65,922,033	25,198,874	5,910,749	(66,777)	(30,314,771)	(634,595)	93,480
Balance, December 31, 2023	65,922,033	25,198,874	5,910,749	(33,476)	(30,554,454)	(635,471)	(113,778)
Exchange differences on translating to presentation currency	-	-	-	4,352	-	-	4,352
Net loss for the period	-	-	-	-	(14,117)	262	(13,855)
Balance, March 31, 2024	65,922,033	25,198,874	5,910,749	(29,124)	(30,568,571)	(635,209)	(123,281)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

VALDOR TECHNOLOGY INTERNATIONAL INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

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 Canadian Securities Exchange. During the periods ended March 31, 2024 and 2023, the Company's principal business was developing, manufacturing and marketing of fiber optic products. The address of the Company's corporate office 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

On July 7, 2023, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with 1000175307 Ontario Ltd. ("1000175307") pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "1000175307 Transaction"). 1000175307 is party to an option agreement pursuant to which 1000175307 has the option to acquire up to an 85% interest in and to mining rights located in Paraguay, South America (Note 13).

On December 16, 2021, the Company entered into a share purchase agreement (the "SPA") with Layer 2 Ventures Ltd. ("Layer 2") and the Layer 2 shareholders with respect to the acquisition by the Company of all of the issued and outstanding shares of Layer 2 (the "Layer 2 Transaction"). As consideration, the Company will issue an aggregate of 16,666,667 common shares (the "Consideration Shares") at CAD\$0.30 per share, representing aggregate consideration of CAD\$5,000,000. As at the financial statement date, the Layer 2 Transaction has been terminated.

NOTE 2 - BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim 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, 2023.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2024.

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, 2024, the Company has not achieved profitable operations, has accumulated losses of \$30,568,571 (December 31, 2023 - \$30,554,454) since inception and expects to incur further losses in the development of its business which is a material uncertainty that 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 condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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.

VALDOR TECHNOLOGY INTERNATIONAL INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

NOTE 2 - BASIS OF PREPARATION (continued)

c) Basis of Measurement (continued)

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 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 fair value through other comprehensive income.

In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in US dollars.

NOTE 3 - SUMMARY OF MATERIAL 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, 2023.

The Company's material accounting policies are disclosed in Note 3 to the annual audited consolidated financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited condensed interim consolidated financial statements for the year ended December 31, 2023.

Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2024. The Company has reviewed these updates and determined that many of these updates are not applicable to or consequential to the Company and have been excluded from discussion within material accounting policies.

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.

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).

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.

VALDOR TECHNOLOGY INTERNATIONAL INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

NOTE 4 - USE OF ESTIMATES AND JUDGMENTS (continued)

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.

NOTE 5 - LINE OF CREDIT

In connection with the Layer 2 Transaction (Note 1), the Company has provided a “line of credit” (the “Loan”) to Layer 2 for up to \$200,064 (CDN\$250,000) pursuant to a loan agreement and general security agreement between the Company and Layer 2 dated December 16, 2021. The Company entered into an amending agreement on June 3, 2022 and increased the Loan to \$217,273 (CDN\$280,000). The Loan is secured, bears interest at 10% per annum, and is repayable by Layer 2 on the earlier of December 16, 2023 and the date which is 30 days after the termination of the SPA. During the year ended December 31, 2022, the Company recorded interest income of \$20,183 and recorded a loan receivable provision of \$235,357 due to collection uncertainty. During the year ended December 31, 2023, the Company received 5,000 common shares of Layer 2 (now Haller.Ai Technologies Inc.) at a fair value of \$370 (CDN\$500) and the 5,000 common shares were acquired by Anonymous Intelligence Company Inc. (“Anonymous”) for 100,000 (post-consolidation) shares of Anonymous Intelligence Company Inc.

During the year ended December 31, 2023, 25,000 (post-consolidation) Anonymous common shares were sold for cash proceeds of \$2,778 and the Company recorded a realized gain on sale of securities of \$2,686. As at December 31, 2023, the fair value of the 75,000 (post-consolidation) Anonymous common shares was \$5,671 (CDN\$7,500) and the Company recorded an unrealized gain on fair value of investment of \$5,279. During the period ended March 31, 2024, 50,000 (post-consolidation) Anonymous common shares were sold for cash proceeds of \$3,537 (CDN\$4,770) and the Company recorded a realized loss on sale of securities of \$171. As at March 31, 2024, the fair value of the 25,000 (post-consolidation) Anonymous common shares was \$2,122 (CDN\$2,875) and the Company recorded an unrealized gain on fair value of investment of \$278.

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

NOTE 7 – 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.

On November 30, 2018, the Company entered into loan amendment agreements with respect to CDN \$351,290 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 and future interest and agreed to the termination of the conversion option. During the year ended December 31, 2022, the Company reclassified \$45,385 from equity portion of convertible debenture to accumulated deficit.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 7 – DEBENTURES (continued)

In February 2021, the Company paid cash to settle \$254,163 (CDN\$318,500) of convertible debt. A summary of the convertible debenture balance is shown below:

	Liability \$	Equity \$	Total \$
Balance, December 31, 2022	33,225	-	33,225
Foreign exchange	799	-	799
Balance, December 31, 2023	34,024	-	34,024
Foreign exchange	(814)	-	(814)
Balance, March 31, 2024	33,210	-	33,210

NOTE 8 – 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 condensed interim consolidated statements of financial position include 'Contributed Surplus', 'Accumulated Other Comprehensive Income (Loss)', '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 (Loss)' 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 periods ended March 31, 2024 and 2023

No shares were issued during the periods ended March 31, 2024 and 2023.

c) Commitment

Stock-Based Compensation Plan

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, employees and consultants to acquire up to 20% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be

granted for a maximum term of 5 years prior to listing on an exchange, and 10 years after being listed on an exchange. Vesting periods are determined by the Board of Directors.

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.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

NOTE 8 – SHARE CAPITAL (continued)

c) Commitment (continued)

A summary of the status of the stock options as of March 31, 2024 and December 31, 2023 and changes during the periods then ended is presented below:

	Number of options #	Weighted average exercise price \$
Balance, January 1, 2022	6,550,000	CDN\$0.30
Granted	6,550,000	CDN\$0.10
Expired	(50,000)	CDN\$0.30
Balance, December 31, 2022 and 2023 and March 31, 2024	13,050,000	CDN\$0.20

There were no stock options granted, expired, cancelled in the period ended March 31, 2024.

As at March 31, 2024 and December 31, 2023, the Company has 13,050,000 options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Expiry date	Exercise price \$	Outstanding #	Exercisable #
December 1, 2026	CDN \$0.30	6,500,000	6,500,000
September 19, 2027	CDN \$0.10	6,550,000	6,550,000
Total		13,050,000	13,050,000

As of March 31, 2024, the 13,050,000 (December 31, 2023 – 13,050,000) options outstanding have a weighted average remaining contractual life of 3.07 (December 31, 2023 – 3.35) years.

During the year ended December 31, 2022, the Company recorded stock-based compensation expense of \$476,732 for stock options vested during the year. The fair value of share purchase options granted was estimated on the grant date of September 19, 2022 using the Black Scholes Option Pricing Model. The assumptions used in calculating fair value of options granted were as follows: CDN\$0.095 share price on grant date, 3.41% risk free rate, 0% dividend yield, 263.33% expected annualized volatility, 5.00 years expected stock option life and 0% forfeiture rate. Expected annualized volatility was estimated by reference to historical volatility of the Company with a comparable period in their lives.

Share Purchase Warrants

A summary of the status of share purchase warrants as of March 31, 2024 and December 31, 2023 and changes during the periods then ended on those dates is presented below:

	Warrants Outstanding #	Weighted average exercise price (*) \$
Balance, January 1, 2022	60,000,000	CDN 0.30
Issued and exercised	-	-
Balance, December 31, 2022 and 2023 and March 31, 2024	60,000,000	CDN 0.12

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

NOTE 8 – SHARE CAPITAL (continued)

c) Commitment (continued)

At March 31, 2024 and December 31, 2023, the Company has 60,000,000 share purchase warrants outstanding and exercisable as follows:

Expiry date	Exercise price	Number of
	\$	warrants
February 8, 2026	CDN \$0.10	53,800,000
February 8, 2026	CDN \$0.30	6,200,000
Total		60,000,000

(*) On October 2022, the Company amended the exercise price of a total of 53,800,000 share purchase warrants of the Company (the “Amended Warrants”). Each Amended Warrant is exercisable for one common share of the Company at an exercise price of \$0.10 per share (reduced from the original exercise price of \$0.30 per share).

NOTE 9 – RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility for planning and controlling the activities of the Company. Key management of the Company are considered directors and officers. The Company incurred the following expenses with directors and officers of the Company and companies controlled by the directors:

Key management compensation	2024	2023
	\$	\$
Management fees	7,903	6,654
	7,903	6,654

NOTE 10 – SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE

During the periods ended March 31, 2024 and 2023, the Company had one reportable segment.

During the period ended March 31, 2024, the Company was economically dependent on two (2023: two) customers who accounted for 100% (2023: 97%) of revenue.

During the periods ended March 31, 2024 and 2023, all of the revenue was generated from the sale of products.

The Company’s revenues are allocated to geographic segments for the period ended March 31, 2024 and 2023 as follows:

	2024	2023
	\$	\$
United States of America	150,157	68,522

The Company’s net losses are allocated to geographic segments for the period ended March 31, 2024 and 2023 as follows:

	2024	2023
	\$	\$
Canada	(18,227)	(33,685)
United States of America	4,372	8,250
	(13,855)	(25,435)

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

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NOTE 11 - 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).

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 accounts receivable is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Current to 3 months	12,818	32,995
Trade receivables	12,818	32,995
Goods and services tax recoverable	3,283	3,020
	<u>16,101</u>	<u>36,015</u>

Trade accounts receivables 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 March 31, 2024, the Company has a working capital deficiency of \$123,281 (December 31, 2023 – \$113,778). 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, 2024, the Company has Canadian dollars cash of CDN\$15,660, accounts receivable of CDN\$4,448, accounts payable of CDN\$169,255 and debentures payable of CDN\$45,000. 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

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NOTE 11 - FINANCIAL INSTRUMENTS (continued)

c) Foreign Currency Risk (continued)

in the exchange rate would change other comprehensive income by approximately USD\$2,000 (2023 - \$3,000). The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 12 - 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.

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 since the year ended December 31, 2023.

NOTE 13 - FUNDAMENTAL TRANSACTIONS

Proposed Fundamental Transaction - 1000175307

On July 7, 2023, the Company entered into a definitive arrangement agreement (the "Arrangement Agreement") with 1000175307 pursuant to which the Company will acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of 1000175307 ("307 Shares") from the shareholders of 1000175307 (the "Transaction"). 1000175307 is party to an option agreement pursuant to which 1000175307 has the option to acquire up to an 85% interest in and to mining rights located in South America.

As consideration under the 1000175307 Transaction, the Company will issue to holders of 307 Shares one common share in the capital of Valdor (the "Consideration Shares") at a deemed price of \$0.10 per share for each one 307 share, representing aggregate consideration of approximately \$12.17 million.

In addition, in connection with the 1000175307 Transaction, the Company will make a loan (the "Loan") to 1000175307 for up to CDN\$100,000 (advanced CDN\$80,718 during the year ended December 31, 2022) pursuant to a loan agreement and general security agreement between the Company and 1000175307 dated December 21, 2022.

The Loan is secured, bears interest at 10% per annum, and is repayable by 1000175307 on or before the date (the "Maturity Date") which is 30 days after: (a) the date of termination of the LOI (unless the LOI is terminated in conjunction with the execution of the Definitive Agreement) or the Definitive Agreement; or (b) the date that is two (2) years following the Effective Date; provided however that the Company will forgive CDN\$20,000 of the unpaid Loan Amount if 1000175307 has repaid the remaining aggregate unpaid Loan Amount together with all accrued and unpaid interest on or prior to the Maturity Date.

On March 15, 2024, the Company entered into share exchange agreements with 1000466963 Ontario Inc. ("1000466963") and 1000466938 Ontario Inc. ("1000466938"). The Company agreed to issue an aggregate of 48,600,000 common shares of the Company to the shareholders each entity on a pro rata basis as consideration for the purchase by the Company of all the issued and outstanding shares of the 1000466963 and 1000466938. 1000466963 is party to an option agreement pursuant to which 1000466963 has the option to acquire up to a 90% interest in and to mining rights located in South America.

VALDOR TECHNOLOGY INTERNATIONAL INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2024 and 2023

(Unaudited - Stated in US Dollars)

SCHEDULE I**CONSOLIDATED SCHEDULE OF DIRECT COSTS**

	2024	2023
	\$	\$
DIRECT COSTS		
Freight	-	2
Subcontractor	144,426	59,500
	<u>144,426</u>	<u>59,502</u>

SCHEDULE II**CONSOLIDATED SCHEDULE OF ADMINISTRATIVE AND GENERAL EXPENSES**

	Note	2024	2023
		\$	\$
ADMINISTRATIVE AND GENERAL EXPENSES			
Consulting fees		6,673	4,436
Legal and accounting fees		4,227	16,263
Management fees	9	7,903	6,654
Office and miscellaneous		4,597	13,037
Foreign exchange		-	1,336
Interest income		-	(1,471)
		<u>23,400</u>	<u>40,255</u>