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June 23, 2010

Valdor Technology International Inc. (VTI-V: TSX)
Websites: www.valdor.com , www.valdortech.com
Initial Rating: **Buy – 8.5 out of 10↑ (buy rating increased)**

Industry Sector: Communication Equipment

Phone: 1-604-687-3775

Market Data (June 23, 2010)

Current Price: \$0.165

Rating: 8.5 out of 10↑ (buy rating increased)

Risk: 2 out of 10↓ (risk rating reduced)

52-Week High: \$0.35; 52-Week Low: \$0.14

Shares Outstanding: 31.4 million

Market Cap: \$5.182 million

Current EPS: -0.060

P/E: N/A

Year-over-Year Return: -34.00%



Investment Highlights & Opportunities

- ◆ Valdor Technology is a small cap high-end fiber optic manufacturer and distributor listed on TSX Venture Exchange
- ◆ Very strong product and sales pipeline for future business that could lead to significant revenue gains
- ◆ Currently introducing state-of-the-art products to meet demand for high-end fiber optic equipment
- ◆ Management's primary focus – growing, retaining, and expanding market share
- ◆ Excellent growth potential in the fiber optic market and communications (voice and data); increasing reliance on high speed fiber optics as the transportation medium
- ◆ Limited competition – Valdor has the ability to customize orders; its product operates in all conditions, including extreme
- ◆ A specific Valdor product (passed initial testing) has been purchased by large US defense contractors and could lead to significant sales/revenues
- ◆ Significant growth opportunities across all business sectors as networks are upgraded and expanded
- ◆ Commitment to minimize share dilution and maximize shareholder value

Investment Risk

- ◆ Long sales cycle makes short-term revenue growth challenging
- ◆ Low investor awareness

VTI.V Officers and Directors

Dr. Michel Rondeau, President, Director, & CEO, Dr. Rondeau has achieved a B.S. in mathematics (San Jose State University); M.S. in applied mathematics (San Jose State University); and Ph.D. in mechanical engineering/applied mathematics (Michigan State University).

Elston Johnston, P. Eng. Director - Mr. Johnston received a Bachelor of Science in Electrical Engineering (BScEE) degree from the University of New Brunswick in 1976.

Brian Findlay, CFO & Director
Mr. Findlay has over 25 years of experience in the financial and investment community. He has participated in raising in excess of \$200 million in investment capital for numerous companies listed on the TSX Venture Exchange.

Dr. Pier Antonucci, Director
Dr. Antonucci holds a Ph.D. degree from Bologna University in electrical engineering with research and dissertation in microwave transmission.

Detailed biographies on page 8

Valdor Technology – Annual Financials (FYI Dec. 31) all amounts in millions of C\$

	2010*(YTD)	2009**	2008	2007
Operating Revenue	0.07	0.29	0.60	0.73
Total assets	0.27	0.21	0.21	0.19
Total liabilities	1.03	1.16	1.08	1.29
Total shareholders' equity	-0.76	-0.95	-0.87	-1.11
Net cash from operating	-0.28	-1.10	-0.56	-0.51
Net cash from investing	0.00	0.00	0.00	0.00
Net cash from financing	0.36	1.07	1.05	0.25
Net change in cash and equivalents	0.05	0.02	0.06	-0.27
Cash at start of period	0.10	0.09	0.04	0.30
Cash at end of period	0.16	0.11	0.10	0.04
Total net income/loss	-0.82	-1.66	-1.31	-1.08

*2010 YTD, March 31, data is not audited

**Valdor started aggressively marketing their IMT technology



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Company Overview

Founded in 1985, Valdor Technology International Inc. (www.valdortech.com) is a technology solutions provider listed on the TSX Venture Exchange, trading under the symbol VTI with operation offices in Hayward, California, USA and Vancouver, British Columbia, Canada. Valdor specializes in the design and manufacturing of passive fiber optic components. The company has 15 patents either currently granted or in pending status. According to ElectroniCast Consultants, the global market for fiber optic connectors (Valdor's primary product line) is estimated to be \$2 – \$3 billion annually and growing.



Valdor manufactures its products at various ISO-9000 certified offshore sites and has made an innovative breakthrough called *Impact Mount Technology*. This technique wraps metal around glass for a high quality seal impervious to extreme temperatures and pressure and is fully hermetically sealed. Valdor's product line has applications in the following fields:

- ◆ Medical
- ◆ Industrial
- ◆ Mining
- ◆ Oil & gas exploration and drilling
- ◆ Security
- ◆ Aerospace
- ◆ Data FTTH/FTTP (fiber to the home/premises)

In an expanding market with specific technological needs, Valdor Technology is well-positioned as a niche player with few competitors.

Company History

In 1985, Dr. Michel Rondeau founded Valdor Fiber Optics Inc., a private company that went public in Canada on the TSX Venture Exchange in 2000 via a reverse takeover. Through a consolidation in capital and name change in 2008, Valdor Fiber Optics Inc. became Valdor Technology International Inc. (VTI-V:TSXV). Dr. Rondeau is president and CEO of the company.

Dr. Rondeau has over 30 years experience in the fiber optics industry. Under his leadership, Valdor has developed, patented, and successfully commercialized several fiber optic product lines. Valdor's enabling Impact Mount™ technology is a fundamental breakthrough technology that is a perfect solution to field installable connectors, opto-electronic device packaging, optical switches, and miniaturization. Dr. Rondeau has recently registered new patents that will expand the Impact Mount™ application into Dense Wave Division Multiplexers (DWDM) modules, attenuators, fused couplers, and other passive components.

About the Fiber Optic Industry

The fiber optic industry is based on the union of applied science and engineering. Glass or plastic fibers are used to carry signals historically carried by traditional wires. Instead of electrical impulses, fiber optic cable uses light as its medium for transferring data. The use of light allows for the transmission of data over much larger areas at a significantly higher bandwidth with less signal loss than traditional copper wiring.

Since it is not feasible to manufacture single lengths of fiber optic cable long enough to span a country, specialized connectors are deployed. Fiber optic technology is valueless without connectors to bring the light signal into the fiber optic cable and other connectors to transfer the signal from the cable to the recipient. These connectors must transfer the signal without causing disruption or loss of quality. For certain applications, such as high temperatures, atmospheric pressure differentials, and specific medical conditions, highly specialized connectors and equipment may be required; this is where Valdor's industry-leading technology comes to the forefront.

The real opportunity for Valdor lies in the exponential growth of the fiber optic industry, a growth encompassing far more than simple data transmission over the Internet. At present, nearly all data are moved via fiber optic cable: data networks; internal data communication within aircraft and other moving vehicles; external communication in fleet to base operations; drilling and exploration projects; all equipment required in mines, mills, and factories; and a host of other applications, many still to be discovered. The industry can only expand as old copper wires are replaced with new fiber lines, and old fiber optic lines are updated with newer fiber technology. Currently, the industry is posting quality growth in annual sales. As developing nations create new communications networks and move towards newer technology overall, high-end equipment (like Valdor's) becomes necessary for the proper functioning of each network.

Recent Company Highlights and Corporate Direction

There has been dramatic growth in interest (demand) for the IMT product during the past 12 months. Up to 85% of potential users viewing the product have expressed an interest to learn more about how it could benefit their operations. This interest is translating into sales, and enhancing Valdor's sales pipeline. Valdor anticipates exponential growth in sales during 2011 as awareness grows and the IMT technology gains traction. Valdor has recently committed to expanding and enhancing its sales efforts. Valdor's management team recognizes the firm's need to leverage its leading-edge technology into solid sales and revenue growth. Accordingly, the firm has been adding to its sales and marketing teams. Early results have been positive; the firm now has an extensive network of well-connected distributors and sales people who can bid on projects from which it might otherwise have been excluded.

A major challenge Valdor faces is the length of the sales cycle. Connectors, when not made to the highest standards, may not always deliver the kind of performance necessary to complete a project to specifications. Consequently, firms often place small orders to test a product's performance and limitations. A medium-sized order is then issued (to see whether connectors can meet performance requirements) and is followed by a larger order or a series of steady orders. This style of purchasing builds revenues, but only after a degree of comfort and confidence has been established between the supplier and end-user. With additions to its salesforce, Valdor has the potential to bid on an expanding range of projects that could lead to progressively larger orders.

Although the company acknowledges its sales process may be slow, its product is specialized and viewed as the industry-leading technology in several fields. Valdor may not post huge revenue gains over the next 3 – 6 months, but the firm is positioned to see consistent, potentially significant growth in overall revenues over the next 1 – 3 years.



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Recent Company and Product Highlights



currently courting existing and prospective clients (in the aerospace and military sectors) to evaluate applications using the HeptoPort. Valdor expects the HeptoPort 7-fiber bundle to be a revenue driver in the near future.

On June 10, 2010 Valdor announced that the company was exhibiting at the 2010 Elko Mining Expo on June 10 and 11, held in Elko Nevada. Elko is considered to be the centre of the mining industry in the western USA and several of the world's largest mining companies have operations in Nevada. High profile mining companies are represented among the more than 680 reported entrants at this trade show.

Trade shows like this allow Valdor to directly access their end users and gain valuable feedback regarding their needs. The Omega Enclosure Package generated significant interest at this trade show.

On June 3, 2010 Valdor announced it had completed the design and tooling for manufacture of the Omega Enclosure Package. The Omega Enclosure Package is designed to house Valdor's patented miniature SP and KSP splices. This product has numerous applications in the mining, oil and gas, aerospace and industrial sectors.

The unique features of the enclosure will allow fan-out and splitting of fiber to various locations. The enclosure is waterproof and rugged and can withstand harsh environments. The enclosed SP and KSP splices do not require a clean environment or electricity for installation. This package can accommodate from one to 48 miniature splices; the conventional field installable connectors that use epoxies and index matching gels cannot be miniaturized, and therefore have no solution comparable to Valdor for this requirement. A patent application is in progress.

On May 17, 2010 Valdor announced the retention of leading investor relations firm MarketSmart to help boost investor awareness about the investment opportunity Valdor presents. The company signed a 12 month contract, agreeing to pay \$5,000 per month, and issue 400,000 incentive stock options with a strike price of \$0.17.

Valdor was an exhibitor at the 2010 SPIE Photonics West Trade Show from January 26 – 28, 2010, held in San Francisco California. The SPIE Trade Show is one of the most highly regarded optical technology shows in North America, attracting over 1100 exhibitors. The show allowed Valdor to showcase their product line and boost overall industry awareness.

On January 12, 2010, Valdor announced Lockheed Martin, the defense contracting giant and advanced technology and systems integrator firm, had conducted a series of successful tests for its impact mount miniature SP fiber optic splice. This connector is the only field installable connector able to meet Lockheed Martin's high operating temperature requirements. Additional testing is planned for 2010. This development could represent a significant opportunity for Valdor if further testing is successful and results in additional product purchases.

On November 9, 2009, Valdor announced a distribution agreement with Northern Nevada Enterprises NNE Construction, a mine-servicing provider operating in Nevada for over 20 years. NNE clients include several large US mining firms. The agreement states that NNE will promote Valdor's impact mount line of products, specifically those with the miniature SP connector. As with the early success with Lockheed Martin, this arrangement could develop into a sizeable revenue source for Valdor in the foreseeable future.

Product Line

Valdor's core product line incorporates the company's proprietary manufacturing techniques positioning Valdor to meet the most exacting demands

IMPACT MOUNT™ & HEPTOPORT™ Technology:



placed by potential end-users. Valdor has products that can successfully and effectively operate in temperatures as high as 300 degrees Celsius (572 degrees Fahrenheit) and at atmospheric pressures several times greater than normal range, giving Valdor products a wide scope of potential applications. Also, Valdor has the capacity to fill custom orders that can be tailored to meet the specific requirements of potential clients. Valdor holds several patents and is in various stages of patent completion on other products, a standing that further separates Valdor from the competition.

Valdor's trademarked Impact Mount Technology:

The mounting process is accomplished in three steps:

1. Impact Mount tool dynamically compresses the metal ferrule tip around the fiber
2. Crimps buffer at the rear of the connector
3. Polishes end of ferrule in 20 seconds

Note: Additional crimping for Kevlar cables provides further stability and strength.



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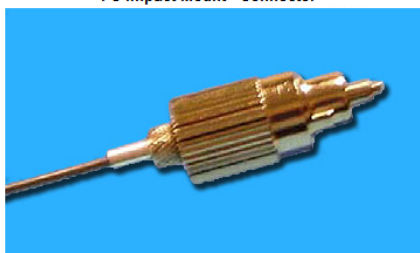
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Impact Mount Products

Valdor's breakthrough Impact Mount™ Technology (IMT) provides a cost-effective alternative to conventional fiber optics connections. No epoxy or index matching gel is necessary, and the assembly process is quick and simple. These features, coupled with their high reliability, are just a few of the wide range of benefits resulting from the applications of IMT.

FC Impact Mount™ Connector



Field Termination Hand Tool Kit – Valdor's IMT Field Termination Hand Tool Kit is based on the company's patented and proven Impact Mount™ Technology (IMT). This Field Termination Hand Tool Kit uses all positive stop mechanical tools. It offers consistent, repeatable termination results, eliminating the need for epoxy or gel.

The simple, tool-driven design makes training and repair operation easy. The termination kit is compatible with Valdor's lines of IMT field repair splice and connectors (ST, SC, FC, and SMA) for both multimode and single mode applications.

All following Impact Mount products share the following characteristics:

- ◆ Epoxy and gel - free connections
- ◆ Ability to reopen for servicing

Product specific features are listed below each product.

Service Enclosure with IMT Splice Connector – this product minimizes space for indoor and outdoor use. It is suitable for buffering applications and is mounted with an all positive mechanical tool. Average installation time is extremely user-friendly at approximately 2 - 5 minutes. It is ideal for use with data/telecom, FTTH, FTTP, and industrial applications.

Cable Enclosure with SP Miniature Connector Kit – this product, used in outdoor enclosures, minimizes space and is ideal for harsh environments and high temperature applications. Average installation time is user-friendly at approximately 2 minutes per termination. The kit is ideally suited for data, mining, industrial, aerospace and security equipment applications.

Buffer Enclosure with SP Miniature Connector Kit – this product, minimizing space for indoor and outdoor enclosure use, is suited for buffer applications and mounted using the all positive stop mechanical tool. Average installation time is user-friendly at approximately 5 minutes and can be done in the field. The kit can be deployed in harsh and high temperature environments. It is ideally suited for medical, industrial, FTTH, FTTP, mining, oil and security equipment.

Impact Mount™ ST/SC/FC Connectors – This product line requires minimal fiber stripping (1/4"). It features an all-mechanical tool for quick installation and minimal polishing in seconds with no epoxy or index matching gel. The termination is done by crimping on the fiber buffer at the rear of the connector and impacting the ferrule tip around the fiber in the front. The ST/SC/FC connector line is compatible with all other connectors in the industry.

Impact Mount™ SMA Connector – possessing all the unique features of IMT connectors, the SMA connector is ideal for high power laser delivery in the medical field and harsh environments for both oil and mining industries. It dissipates heat uniformly with no hot spots and provides hermeticity without requiring expensive metallization process. It is excellent for high temperature application.

The HeptoPort™ (7-fiber bundle) Connector – This multi-fiber connector enables a single connector to be aligned with a rotational alignment key: when 2 multi-fiber connectors are mated, all 7 fibers will be automatically aligned. The connector offers high density application with small space limitations (airplanes, submarines, underwater cables, and equipments requiring multi-connections). Currently, Valdor's RMC (Rugged Multi-fiber Connector) is being evaluated for military and industrial applications.

SP Miniature Connector Kit – Valdor's unique connector is one of the smallest connectors in the industry today. The SP connector can withstand extreme temperatures up to 150 degree C. Its stable performance makes it suitable for single mode sensor applications. The miniature SP connectors can be used with Valdor's Flexible Rugged Cable Enclosures, designed for mining, oil, aerospace, and industrial applications. Multiple SP miniature connectors can be installed inside a single enclosure for multi-fiber cable applications.

Impact Mount Singlemode Laser Pigtailed – this product requires no solder and is free of fiber metallization. Hermetically sealed and possessing a 10-8 SCCS helium gas leak rate, it provides uniform heat dissipation with no hot spots, and is Telecordia compliant – an economical solution to Valdor's customers.

Rigid and Flexible OMEGA Enclosure Packages include SP Miniature Connector kit, Cartridge, Cable Sleeves and fiber Fan-out – a kit well suited for harsh and high temperature environments, it is field installable, generally takes 2 minutes per termination. The enclosure kit is best suited for data, mining, oil and gas, industrial, aerospace and security equipment.

HeptoPort™ Multi-Channel Connectors





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New Products

Omega Enclosure packages– are ideal for data, FTTH, both indoor and outdoor applications, mining, oil and gas applications, industrial, aerospace and security applications. The kit has the following features:

- ◆ Epoxy-free miniature connector
- ◆ Small space applications
- ◆ Ability to reopen for servicing
- ◆ For fiber splice enclosures
- ◆ All positive stop mechanical tool
- ◆ Field installable and user friendly (2-minute installation per connection)
- ◆ Ideal for harsh environment and high temperature applications

HeptoPort™

HeptoPort Multi Channel Connectors – Valdor's HeptoPort™ RMC, based on the company's patented IMPACT MOUNT™ Technology (IMT), is currently being introduced to the industry. This connector is one of the HeptoPort™ product lines utilizing the breakthrough self-aligned two-dimensional (2D) concept, a technology enabling a single optical connector to be aligned with a rotational alignment key: when 2 multi-channel connectors are mated, all 7 fibers are automatically aligned. The connector is a Valdor modification of the ruggedized Deutsch, UK RSC harsh environment single channel fiber optic connector available from W.L. Gore & Associates. This new product offers the highest density per surface area to interconnect optical fibers in the field at a significant cost savings to end users.



A similar single mode connector will be available in the near future to compliment the 7-Fiber Multi-Channel Connector line.

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Valdor Technology – Competition

Competition in the specialty connector space is limited. Valdor's patents allow the firm a degree of protection, offering the potential for licensing agreements with other firms. Valdor's main competitors are 3M and Dow Corning. It should be noted neither firm could be classified as a direct competitor for Valdor, as each firm is heavily diversified. Neither firm has displayed a willingness to develop the niche markets in which Valdor currently runs unopposed.

◆ 3M is a large multinational firm that manufactures 55,000 products, including connectors for fiber optics. These connectors have a wide range of applications, but use a specialized glue for connection, relying on the ceramic ferrule connector model. This type of connector possesses desirable qualities such as a low-insertion loss requirement for optical transmission, strength, a small elasticity coefficient, easy control of product characteristics, and strong resistance to changes in environmental conditions. While these products are exceptional for their purposes, they leave the niche sectors uncovered and underserved.

◆ Dow Corning is another multinational firm specializing in silicone and silicone-based technology. The company is a joint venture between Dow Chemical and Corning Incorporated. Again, the connectors developed by this firm are well-constructed and highly suited to their specific tasks. The most significant difference between Dow Corning's and Valdor's connectors is that a gel acts as a bridge to transfer the light signal between cable and connector. This change in medium, from cable to gel and back to cable, can cause some signal degradation. The amount of loss is small, but as fiber optic networks grow, even small signal losses can have a negative impact on sensitive data. The Dow Corning connector is also fragile and cannot be used in harsh environment applications. While Dow Corning's products, such as 3M, are highly rated, Dow Corning still cannot address the highly specialized needs met by Valdor's products.

The Valdor technology has significant advantages over both the 3M and Corning technologies, however, Valdor management has determined that the path to success is via niche markets where there is negligible competition from multi-national conglomerates such as 3M and Corning. Once Valdor has begun to acquire market share, it can begin to compete with these other technologies in the non-niche arena.

Valdor's Impact Mount technology tends to be faster during in-field installation, where most installations are performed. Also of benefit to users is the short learning curve for installation and the relatively simple 3-tool process for installing Valdor's connectors.

Future Prospects for Valdor Technology

Valdor Technology is still in rebuilding mode after surviving the tech bubble in 2000. The company has top quality products, but its low profile has kept Valdor from enjoying faster growth. With the commitment from management to improve the firm's profile, fuel growth, and future sales, Valdor is likely to see a turnaround in its fortunes. Valdor has potential for various joint venture agreements with several other companies on a project by project basis and with specific companies such as cable manufacturers/suppliers. The firm's highly specialized product line adds to its appeal as a potential joint venture partner. What plays into Valdor's growth strategy is the rapid increase in fiber optic use and the need for higher quality connectors. Based on available information, Valdor has a promising future.

Potential as an Acquisition Target

Currently, Valdor is not a realistic acquisition target. The firm has little revenue, a small industry footprint and undersized sales force. If management's growth strategy is effective, Valdor could become a viable acquisition target for firms like AFL, 3M, Tyco International, and Dow Corning. This scenario would most likely take place if Valdor captures a market share greater than 1% or won a major contract to supply connectors and other equipment to a large user or military contractor. Although this development is possible, based on current information, it still remains unlikely the firm will see an acceptable offer in the foreseeable future.



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Potential as a Stand-Alone Entity

Currently, Valdor is likely to see its greatest success as a stand-alone entity. The firm has the ability to carve itself a significant portion of the niche connector market, its ability to develop and manufacture high-end connectors for highly specialized use separating it from other players in the field. Revenue and sales growth need to be the primary focus of management, as was outlined in a letter to shareholders in December 2009. The president of the firm stated, "At this point Valdor's predominate use of funding will be for product sales and marketing" – a positive step for Valdor's future.

Valdor Technology Stock Forecast

Valdor has the distinction of being one of the relatively few firms to have survived the tech bubble of 2000. The share price has been battered, but the company has been able to attract a small pool of deep-pocketed investors willing to give the share price ample time to appreciate.

Valdor's stock trades on the TSX Venture Exchange under the symbol VTI. The company underwent a share consolidation on July 21, 2008. A major concern for the share price is overall visibility in the marketplace. Valdor's product is not high on the minds of investors, but remains crucial for the expanding high tech sector. These factors bolster the perception of Valdor as a niche player.

In terms of share rise, Valdor has been trading in a range of \$0.15 – \$0.30 since April 23, 2009. There was a brief spike to \$0.35 on January 12, 2010, but the stock was unable to hold gains or build on momentum. Despite being a niche play, two major factors have kept Valdor's share price from rallying: lack of revenue and sales. Fortunately, the management team at Valdor has decided to focus on building a top quality sales team with the specific goal of increasing the firm's sales and revenues.

To maximize shareholder value, Valdor not only needs to boost revenues and turn a profit, it must also heighten its visibility in the industry sector. Again, indications show that management has renewed its commitment to all aspects of the business, including elevating the firm's profile within the sector. With its world-class, industry-leading technology, Valdor must let major consumers in the sector know it can meet their needs with top quality products.

Currently Valdor shares are trading in a tight range of \$0.15 – \$0.23. At these prices, accumulation of shares makes sense to investors who are willing to give the firm time to fully execute its growth strategy. Accumulation of shares makes sense until the \$0.40 level has been breached; at which time, a reassessment of Valdor's growth strategy should be conducted to ascertain whether the firm is on track to meet its benchmarks. If growth prospects continue to look appealing, further accumulation may be warranted. It is expected to take 6 – 12 months for the effects of the growth strategy to be fully realized. Valdor has a healthy pipeline of potential business, including large multinational firms like Lockheed Martin, just announced as a client in January 2010.



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Valdor Technology: 2-year Chart



Valdor Technology Stock Fundamentals

Supply and Financing

Since 2007, Valdor Technology has successfully completed two rounds of equity financing. The latest round, a non-brokered private placement launched on November 17, 2009, was oversubscribed and wrapped up on January 7, 2010. The offering consisted of 3,700,000 units at \$0.25 per unit. Each unit consisted of one common share of Valdor and one nontransferable two-year share purchase warrant allowing the bearer to purchase additional common shares of Valdor at \$0.35 if exercised on or before December 1, 2011. Total proceeds raised were \$925,000.

Warrants in this round of financing are also subject to an acceleration provision. If shares of Valdor trade above \$1.10 for 20 consecutive days, the company has the option to notify warrant holders of the expiration of warrants not exercised within 30 days.

Performance and Demand

Share prices for Valdor Technology have been fairly stable over the last 2 years, ranging from \$0.085 – \$0.35 as recently as January 2010. Average volume is light at between 30,000 – 40,000 shares being traded on the TSX Venture Exchange.

Valdor's shares seemed to establish a floor of \$0.25 per share in late 2009, but exhibited weakness as the first quarter moved forward. The new floor appears to be in place with strong technical support coming in around the \$0.14 - \$0.18 level. With its small base of shareholders committed to seeing the company through this transitional phase and into its expected growth phase, the firm must attend to profitability and investor awareness. Once the firm's growth strategy starts to build revenues, the share price will likely reflect the positive shift in fundamentals.



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Management Profiles

Dr. Michel Rondeau, President, Director, & CEO

Dr. Rondeau has achieved a B.S. in mathematics (San Jose State University); M.S. in applied mathematics (San Jose State University); and Ph.D. in mechanical engineering/applied mathematics (Michigan State University). From 1972 –1977, he served as the mathematics specialist/assistant coordinator at UC Berkeley, CA and, in 1978, as a faculty member, Dept. of Mathematics, at Michigan State University, MI.

From 1979 –1984, Dr. Rondeau held the position of MTS-scientist/engineer, AT&T Bell Laboratories, NJ, where he designed, engineered, implemented, and patented a new type of flexible high pressure housing (FHPH) for opto-electronic devices for underwater signal transmissions; designed, engineered, and patented a new fiber optic cable strain relief; designed and engineered a new miniature high pressure fiber optic cable seal; and developed a new laser welding process for miniature titanium and beryllium underwater opto-electronic device housings.

From 1984 –1985, he held the position of manager/research scientist at Bell Communication Research, NJ, where he designed, engineered, implemented, and managed a state of the art fiber optic telecommunication devices research laboratory; designed new optics connectors; developed new micro-drilling and molding techniques for thermoplastic materials; and recruited Ph.D. candidates for Bellcore from various universities.

Elston Johnston, P. Eng. Director - Mr. Johnston received a Bachelor of Science in Electrical Engineering (BScEE) degree from the University of New Brunswick in 1976. He is a Registered Professional Engineer in the Canadian provinces of British Columbia, Alberta and Saskatchewan and for the past 13 years he has been President and owner of a successful consulting engineering company located in Vancouver, B.C. He has been involved with business and industry worldwide both as a consulting engineer and as an entrepreneur. Mr. Johnston has been a major shareholder of numerous public companies and has served as Director, President, CEO and CFO of several TSX and TSX-V listed companies. For more than 15 years he has been involved as a consultant to and financier of junior public companies.

Brian Findlay, CFO & Director

Mr. Findlay has over 25 years of experience in the financial and investment community. He has a strong background in managing, financing, and administering of public companies. Mr. Findlay has participated in raising in excess of \$200 million in investment capital for numerous companies listed on the TSX Venture Exchange.

Dr. Pier Antonucci, Director

Dr. Antonucci holds a Ph.D. degree from Bologna University in electrical engineering with research and dissertation in microwave transmission. His career spans over 30 years of corporate activity in the industrial telecommunications industry in Europe, Canada, and United States. At Canadian Marconi in Montreal, Canada, he was responsible for development of microwave digital radios. Under the aegis of the United Nations, he contributed standardization papers on digital transmission.

Dr. Antonucci began his career as a corporate executive at Telettra, a company of the Fiat Group, in Milan, Italy and held the position of president of Granger-Telettra, a US/Italian joint venture from its formation in 1986 to its successful consolidation within Alcatel in 1992. He was senior V.P. in charge of marketing and engineering at P-Com from 1992 – 1995 and was instrumental in bringing P-Com public. Dr. Antonucci served as president and COO of P-Com from its IPO in 1995 until 1999. In 2000, Dr. Antonucci founded and launched E.E.S.A. as a USA subsidiary of a European microwave communications company where he served as president, CEO, and director from 2000 – 2004. From 2004 – 2008, he was president, CEO, and director of BLS in charge of the USA operating subsidiary of WaveZero and its AIM London-listed holding company Block Shield, where he brought the company (BLS) from negligible revenue to over \$10 million in 3 years.



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Investment Viability Summary

We are ranking Valdor Technology a rating of 8.5 out of 10.

Valdor Technology is a niche player in a potentially large niche market. The company has outlined a specific and aggressive strategy to boost sales and enhance shareholder value. With several patents, well-heeled, long-term investors, and leading-edge technology, Valdor seems well-positioned to mark a path to profitability. Its case is strengthened when viewed in connection with the explosive growth in fiber optic networks around the world and fiber's increasing use in industries outside of communications. Aerospace, medical, and mining applications have proven that Valdor has the capacity to branch outside traditional markets and stake a solid claim to a wide range of applications that its competitors have simply ignored. As market awareness grows, Valdor's profitability and share price are likely to follow. All signs currently point to this company being set for solid growth in the future.

Valdor has displayed an impressive ability to move from older technology, with a shrinking user base, to the new Impact Mount technology which is a rapidly growing area in fiber optic technology. The company was able to accurately predict the change in the industry, and make the bold move to new technologies. Valdor has managed to make impressive gains in sales with a small, but aggressive and committed sales force. The current sales force has managed to help bring Valdor's products in front of some of the world's leading firms. By focusing on sales growth, and keeping the sales pipeline full, Valdor has the potential to become a solid growth story.

Rating System Details

Buy Recommendations

We use a 10-point rating system for our buy recommendations:

- ◆ 1 – 3 = Sell signal, very high risk, highly speculative. The firm has few viable products or services, and prospects for a near term turnaround are limited. The company should be considered a highly speculative investment. Expected returns are -10% or more.
- ◆ 4 – 6 = Hold current positions, do not acquire additional shares. The firm is rated as a speculative play. The company has some growth prospects, but growth strategy needs to be implemented. Consider paring current holdings depending on your risk tolerance. Expected returns are -5% to +5%.
- ◆ 7 – 9 = Buying opportunity. Consider adding to current holdings. The firm is well-positioned to take advantage of the current business climate. Expected returns are 7% – 14%. Expected returns rely on strong performance of the company, and the successful execution of the corporate strategy.
- ◆ 10 = Strong buy. The firm is in a very strong position relative to industry peers and seems poised for major growth. Risk in this company seems low given available information. Expected returns are 15% or higher. Expected returns rely on strong performance of the company, and the successful execution of the corporate strategy.

Risk Ratings

We use a 10-point rating system for our risk assessment:

- ◆ 1 – 3 = Low risk. The firm has excellent control over debt, access to financing, strong management, and other fundamental factors that could influence the share price. Companies with this rating are likely to weather adverse swings in the market with a lower correlation to the index.
- ◆ 4 – 6 = Moderate risk. The firm has a good grasp on the fundamentals. However, the sector may be overcrowded; management may need minor adjustments; the sector may have had a recent run-up and may be poised for a correction. Companies with this rating will be impacted by market swings, but likely to a lesser degree than the overall index.
- ◆ 7 – 9 = High risk. The company needs to make major adjustments to its strategy to properly align itself with the market reality. There may be a risk of dilution to current shareholders or other management/market forces may present strong challenges for the company. Companies with this rating will likely react strongly to downward moves in the index, and caution should be used when purchasing these securities.
- ◆ 10 = Very high risk. The firm needs to completely reassess its strategy and position in the marketplace. Management is weak, and there is a very high risk of loss for investors. Companies with this rating are likely to have a very strong reaction to adverse moves in the index.



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Senior Research Analyst

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June 23, 2010

Disclosure and Disclaimer

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Number of shares held by the analyst	0
Shares held via corporation or any other entity	0
Shares held by immediate family	0
Other investment holdings or relationships between analyst and this firm	None