

Val D'or Technologies: Making fiber optics what it was meant to be...fast.

Ticker: VTI-V

Recent Price: \$0.08

Shares Outstanding: ~23 million

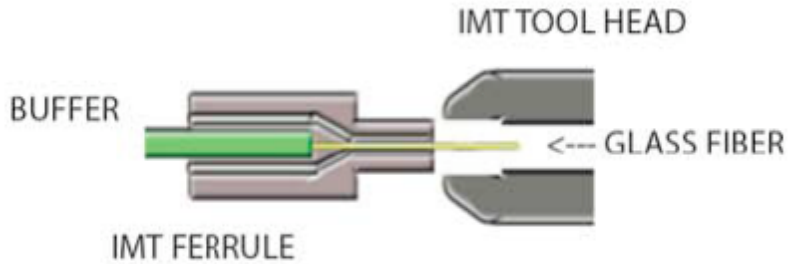
Fiber optics revolutionized many things like the internet and cable by speeding up the rate the information is transmitted that is, increasing bandwidth. For over a decade we have enjoyed that revolution and are about to see the next stage of revolution. Fiber optic cables are the staple of the communications business. It has been modified in several ways but the next revolution doesn't come in the speed of the transmission of the information but in the speed of which the repairs can be made.

Lets face it, we can live with out fiber optic cables unless you where born in the Amazonian jungle and have never left. So what happens when they brake? No matter how fast the connection is if it is broken there is no connection. The thing we do get is wait time until a repair is complete. And that, ladies and gentlemen, is the revolution; the increase in speed and efficiency of the repair time.

Val D'or Technologies has developed what others have thought to be impossible, and because of that, they were able to get a process patent. A fiber optic is nothing but a glass cable wrapped in a protective rubber cover. It has a connector end that connects it to its destination. Typically the connector is attached to the cable via an epoxy based finish. Sure it gets the job done, but there are some disadvantages to this. One is that an epoxy based attachment is not terribly efficient. The biggest thing is when it comes to repairs. To fix a connection that is epoxy based takes quite a bit of time, and equipment.

Val D'or specializes in the design and manufacturing of its patented **Impact Mount™ Technology** (IMT) all-metal epoxyless field termination connectors, mechanical splices, and installation kits. Every fiber optic cable must end with a connector or splice. The process is compressing metal around glass. This was thought to be impossible throughout the industry and thus dismissed. That is how they managed to get the process patent.

Here are some of the features of this process.



- Minimum Preparation: 3 seconds buffer strip.
- Fast Installation: Crimp rear of connector, Impact front of connector: 30 seconds.
- Simple Fiber Scoring/removal: 1 second.
- Quick Polishing: 3.0m and 0.3m polishing paper 10 seconds each.
- Total Assembly Time: Less than 2 minutes.

This is compared to most epoxy based finishes which take much longer. There is the “hot melt” technique but that takes time and could cause a spark. This isn’t normally a problem unless you are in the oil and gas business where a spark could spell disaster.

Val D’or has developed several other connector solutions which are quite popular, but this is their crown jewel, it is what makes them unique. How big is the market for connectors? In 2006 it was a 1.6 billion dollar market, which is projected to be a 3.4 billion dollar market by 2011. Certainly, Val D’or stands to participate in that market in a large way. Even if the company were to only capture 1% of that market it represents 34 million dollars in sales.

I have personally gone down to their office in Heywood California to see their operation. It was simple and well run. Overhead is kept to a minimum as they don’t use fancy office space of an extensive staff. They also have a Vancouver office that is a shared space to keep overhead down. It is the CFO who handles Vancouver’s crowd. After all, if you don’t talk rocks to Vancouver’s crowd, you’ll loose them. It is a bonus that Val D’or has mining based applications as there is something for the Vancouverites to relate to.

Val D’or has some challenges going forward. They need to penetrate the market in a meaningful way. This will give them the ability to be profitable. Right now they make enough money to break even but that leaves them no capital to do marketing with. If they could raise a bit of capital and forge the right sales alliances, they would be in a much better position. That being said, I believe that they have the ability to do so.

For more information about Val D’or Technologies please visit www.valdor.com