

LES EXPLOSIFS NORDEX LTEE/NORDEX EXPLOSIVES LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS of Financial Condition and Results of Operations for the three months ended March 31, 2008

Dated: May 27, 2008

The following information should be read in conjunction with the Corporation's unaudited March 31, 2008 and March 31, 2007 financial statements and audited December 31, 2007, 2006 and 2005 financial statements and related notes included therein which were prepared in accordance with generally accepted accounting principles in Canada. This discussion includes forward-looking statements that may differ materially from actual results achieved.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD. ("Nordex" or the "Corporation") is a Canadian based business incorporated under the laws of the Province of Quebec on August 4, 1970. Nordex trades on the TSX Venture Exchange under the symbol "NXX". The Corporation manufactures and distributes explosives for the mining, quarry and road construction industries. Its manufacturing operations and distribution centre is strategically located in one of the world's largest mining regions near Kirkland Lake, Ontario. The Corporation continues to maintain its manufacturing explosives licence in good standing and is researching the possibility of expanding production and offering new explosive products and services for the mining, quarry and road construction industries.

The results for the quarter ending March 31, 2008, reflect operations of the Corporation for the three month period commencing January 1, 2008 and ending March 31, 2008. Comparative financial results are for the three month period commencing January 1, 2007 and ending on March 31, 2007.

Management discussion and analysis is a review of the Corporation's financial condition and results of operation as compared to the corresponding quarter ending March 31, 2008. This discussion is intended to provide historical and prospective analysis of the activities of the Corporation. All financial data contained in this Management Discussion and Analysis has been prepared in accordance with Canadian generally accepted accounting principles. Gains and Losses from translating monetary assets and liabilities are recognized through the statement of earnings and retained earnings in the Corporation's financial statements. Transactions in foreign currencies are translated into Canadian Dollars at the appropriate rate prevailing at the time of the transactions. Foreign exchange gains and losses are included in income for the year.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Financial Highlights

The following table sets forth certain financial information of the Corporation for the three months ending March 31, 2008 and March 31, 2007.

Three Months ended March 31	Q1 2008	Q1 2007
Total Revenues	\$1,582,246	\$1,622,282
Cost of Goods Sold	\$1,186,871	\$1,245,580
Gross Profit	\$395,375	\$376,702
Gross Margin	25.0%	23.2%
Selling, General and Administration Expense	\$247,536	\$211,445
Amortization Expenses	\$32,148	\$16,711
Interest Expense	\$18,804	\$8,854
Net Income for the Period before tax	\$96,887	\$139,692

Income after tax	\$83,565	\$139,692
Earnings per Share	\$0.0120	\$0.0248
Cash Provided By (Used In) Operations	\$(21,306)	\$210,978
Cash End of Period	\$380,340	\$172,326
Long Term Debt	\$931,285	\$346,427
Total Liabilities	\$1,762,416	\$1,863,175
Shareholders' Equity	\$2,493,158	\$1,116,539
Total Shares Outstanding at Period End	7,017,025	5,659,333

Note: During the fourth quarter of the fiscal year ending December 31, 2007, 1,307,692 shares were issued under a private placement. During the three month period ending March 31, 2008, 50,000 options to purchase shares were issued under the company's stock option plan.

Dividend Record and Policy

The Corporation has not recently paid dividends on any shares of the Corporation and may never pay cash dividends.

Net Income

For the three months ending March 31, 2008, Nordex recorded net income before tax of \$96,887 compared to \$139,692 for the three months ending March 31, 2007 reflecting a 30.6% reduction resulting from (i) a slight reduction in sales, (ii) an increase to Selling, General and Administration expense, (iii) increased Amortization and (iv) increased Interest expense. These items were somewhat offset by an increase in Gross Profit as a result of improved gross margins.

After accruals for various income tax of \$13,332, net income totalled \$83, 565 for the first quarter of 2008. There was no accrual for income taxes during the first quarter of 2007.

Revenue

Revenue decreased by 2.5% in the three month period ending March 31, 2008 compared to the three month period ending March 31, 2007. The primary reason for the reduced revenue is minimal blasting operations at one of the Company's mining clients during the first quarter. Excluding the one mining client, revenue from other clients increased by approximately 30% for the first three months of 2008 compared to the same period in 2007.

Cost of Good Sold

Cost of Goods Sold was \$1,186,871 for the fiscal year ending March 31, 2008 compared to \$1,245,580 for the fiscal year ending March 31, 2007. Gross margin for the period ending March 31, 2008 increased to 25.0% compared to 23.2% for the same period in 2007. The increase in gross profit margins is a reflection of the increase in the Canadian dollar and resulting lower costs for purchases from some US suppliers.

Selling, General and Administrative

Selling, general and administrative expenses include marketing, customer support, executive personnel, professional services, office and occupancy costs required to manage the corporation and do not include depreciation, amortization and interest. Selling, general and administrative expenses for the three months ending March 31, 2008 were \$247,536 compared to \$211,445 for the three months ending March 31, 2007.

Administrative wages and benefits as a percentage of sales increased to 11.2% from 8.6% primarily due to increase in management salaries.

Insurance costs increased to \$40,036 for the first quarter of 2008 compared to \$25,609 for the same quarter in 2007 primarily due to an increase in the number of trucks and trailers used by company.

Public company expenses increased for the quarter ending March 31, 2008 to \$19,620 from \$12,909 for the same period in 2007. This was primarily result in increased annual fees from exchanges and regulators, some of which are based on the Corporations market capitalization which had increased over the year.

Miscellaneous Expenses are a component of Selling, General and Administrative Expenses and include property expense; vehicle expense; travel expenses; professional fees; licenses; and expenses related to maintaining a public listing on the TSX Venture Exchange. Miscellaneous Expenses reduced to \$22,946 for the three months ending March 31, 2008 compared to \$28,614 for the three months ending March 31, 2007.

Interest and Bank Charges

Interest and bank charges have increased as a result of the financing of mobile equipment vehicle loans and loans from the Business Development Bank of Canada for working capital expenditures. The vehicles were necessary for the delivery of product and use at the plant as a result of increased trade.

Inventories

Inventories were \$988,302 on March 31, 2008 compared to \$1,149,207 at the fiscal year ending December 31, 2007. Inventory levels have decreased primarily due to effective working capital inventory management.

Property, Plant and Equipment

The total book value of Property, Plant and Equipment at fiscal quarter ending March 31, 2008 was \$1,774,465 compared to \$1,462,801 at fiscal year ending December 31, 2007.

Increases in the first quarter before depreciation totaled \$343,813 consisting largely of expenditures on plant machinery and equipment. The Buildings category includes storage magazines for explosives where the majority of the expenditures in this category occurred.

Provision for Income Taxes

The Corporation has filed amended tax returns for the years 2005 and 2006 which it expects will provide tax deductions and credits to reduce current and future taxes payable. These returns are subject to Canada Revenue Agency review and assessment and the benefit from these amendments will be recorded and realized when approved. It is expected that the Company will have federal non-capital losses available to carry forward to future years of \$49,519 and federal investment tax credits available to reduce taxes otherwise payable of \$35,031.

The Corporation has accrued for \$13,322 for various income taxes for the quarter based on the expectation that the amended tax returns for the years 2005 and 2006 will be accepted by Canada Revenue Agency as (or close to as) filed.

Retained Earnings

Retained Earnings improved to \$269,632 for the period ending March 31, 2008 reflecting the net profit for the period compared to \$186,067 at December 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

During the fiscal quarter ending March 31, 2007, there was a reduction in the Corporation's near-cash position and short-term deposits to \$380,340 from \$768,190 as of December 31, 2007. This reduction is primarily a result of the purchase of capital assets and repayment of long term debt.

Long term debt (including current year's portion) reduced to \$931,285 at March 31, 2008 from \$967,709 at the end of 2007. \$775,014 of this amount is for two loans of \$387,810 and \$387,204 obtained from the Business Development Corporation in 2007 which both had interest rates of 8.2% per annum respectively calculated monthly, repayable in monthly instalments of \$4,700 amortized over 96 months and \$2,225 amortized over 180 months respectively. The remainder of the long term debt loans are for mobile equipment.

Current Liabilities reduced to \$972,614 at March 31, 2008 from \$1,206,349 at December 31, 2007 resulting from a decrease in accounts payables.

In management's opinion, Nordex is well poised to continue its current level of operations in the near term and has adequate means to finance these operations. However, future events currently unknown to the corporation such as a loss of sales, decreases in earnings, decreases in cash flows, market or commodity price changes, economic downturns or defaults in payments by customers, could negatively effect the Corporation's ability to generate sufficient amounts of cash and cash equivalents to continue to finance operations.

RELATED PARTY TRANSACTIONS

During the quarter, the Corporation paid out \$101,000 in salaries and bonuses to directors for executive compensation owing to them at December 31, 2007. Of this amount, \$42,000 was paid to the President for salary owing for 2007, \$40,000 was paid to the President for 2007 bonus owing and \$19,000 was paid to the Chairman for 2007 bonus owing.

During the quarter, the company incurred \$6,750 in fees and meeting expenses for the directors. The Corporation also paid \$7,371 in legal fees to Bruce J. Forth, a director of the Corporation.

On February 28, 2008, 50,000 options to purchase shares were exercised by management under the Corporation's stock option plan. On March 24, 2008, a total of 245,000 options to purchase shares were issued to management and directors of the Corporation

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information pertaining to the operations of the Corporation on a quarterly basis for the eight quarters ending March 31, 2008.

Quarter Ended	Revenue	Income	Income Per Share	Total Assets	Total Long Term Financial Liabilities
2008					
March 31	1,582,246	83,565	0.0120	4,255,574	931,285
2007					
December 31	\$1,732,921	\$134,862	\$0.019	\$4,425,340	\$967,909
September 30	\$1,927,949	\$204,344	\$0.036	\$3,900,715	\$591,604
June 30	\$1,781,120	\$101,561	\$0.018	\$3,478,370	\$608,246
March 31	\$1,622,282	\$139,692	\$0.025	\$2,979,714	\$346,427
2006					
December 31	\$1,345,778	\$92,216	\$0.015	\$2,443,134	\$356,719
September 30	\$1,166,844	\$67,403	\$0.012	\$2,498,530	\$376,490
June 30	\$1,002,570	\$48,079	\$0.009	\$2,232,457	\$387,335

RISK FACTORS

The Corporation's business is subject to many risks and uncertainties which may affect its future performance. The risks and uncertainties described below are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently believes are immaterial may also materially and adversely impair its business operations. Information contained in publicly available information in respect of the Corporation and information presented in this document may contain forward-looking statements that involve risks and uncertainties. All such forward-looking statements are naturally speculative and there are numerous risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

Reliance on Existing Product in Static Markets

For the foreseeable future, the majority of the Corporation's revenues will be derived from existing or similar products. Demand for existing products will be affected by a range of factors, many of which are beyond the Corporation's control, including the general level of mining, quarry activity and road construction as well as competition within the explosives industry. No assurance can be given that other companies will not enter the market in which the Corporation competes or that the Corporation will have the resources required to respond to technological changes or to compete successfully in the future.

The loading of bulk emulsions and small diameter packaged emulsions are two products that are used widely in under ground mining and are not manufactured by the Corporation. The Corporation currently resells small diameter packaged emulsion manufactured by third parties. Currently, the Corporation is capable of supporting some types of loading for bulk. The Corporation believes that there is a trend in the underground mining industry to utilize more of bulk emulsion product and is actively pursuing alternatives to expand its support in these areas. The Corporation is continuing to investigate the requirements and cost of manufacturing both of these products internally. The Corporation is at risk of reduced revenue if it is unable to expand its support for these products in the medium to long term.

Technological Change

Because of technological changes in the industry, there can be no assurance that the introduction of new products or the development of other technologies by other entities will not render the Corporation's products and processes obsolete or unmarketable. Moreover, increased market penetration and customer acceptance of the Corporation's products will depend upon the Corporation's ability to maintain a technically competent product development, marketing and technical support force and its ability to adapt to technology changes in its industry.

Dependence on Suppliers and Manufacturers

The Corporation sources its raw materials from suppliers in North America. The Corporation integrates and/or assembles certain components at its facilities. The Corporation resells products manufactured by other companies.

A significant portion of the Corporation's sales are currently made up by the resale of product from one manufacturer. The ability to replace the product supplied by this manufacturer with similar products from alternate suppliers is a significant risk and failure to do so could have a material adverse effect on the Corporation.

The Corporation is dependent on another third party manufacturer to supply small diameter packaged explosives. The ability to replace these products with similar products from an alternative supplier is a significant risk.

The Corporation purchases a significant amount of ammonium nitrate which is used as input to manufacture various explosive lines. Ammonium nitrate is a bi-product of ammonium and natural gas. Ammonium and natural gas prices have fluctuated significantly over the last two years. There is a risk that the price and quantities of these items will continue to fluctuate. As the supply levels of natural gas or ammonium reduce then the availability of ammonium nitrate decreases and the price increases presenting a risk to the Corporation.

Dependence on Significant Customers

The majority of the Corporation's sales in the quarter were to its mining clients. Management expects this to be the case for at least the next twelve months. A significant downturn in the mining industry could have a material adverse effect on the corporation.

The failure of Nordex's current customers to continue to utilize the Corporation's products could have a material adverse effect on the Corporation. In addition, customers who account for significant portions of the Corporation's revenues may have the ability to negotiate prices for the Corporation's products that are more favourable and resulting lower profit margins for the Corporation.

In the first three months of 2008, sales to the Corporation's top three clients comprised 70% of sales compared to 72% in the first three months of 2007.

Ability of Significant Customers to Make Payments

In the past, a significant customer of Nordex has a large accounts payable amount owing to the Corporation. This amount has reduced dramatically and the ability of this customer to make their payments or to make their payments on a timely basis no longer represents a significant risk to the Corporation.

Commodity Prices

The rate of operations at the Corporation's mining clients is highly dependant on each mine's underlying commodity price. If the price of commodities drops significantly then the rate of mining operations may reduce as well resulting in reduced explosives sales by the Corporation.

Ability to Manage Growth

If the Corporation obtains significant orders from large customers, the Corporation will experience rapid growth, which in turn will place significant pressure on the Corporation's managerial, operational and financial condition. The Corporation will also be required to develop and manage multiple relationships with various customers, business partners and other third parties. The Corporation's systems, procedures or controls may not be adequate to support the Corporation's operations and management may not be able to achieve the rapid expansion necessary to exploit potential market opportunities for the Corporation's products and services. The Corporation's future operating results will also depend on its ability to expand its sales and marketing to implement and manage new distribution channels, to penetrate new markets and to expand its support organization.

Reliance on Management

The Corporation's business involves a high degree of risk, which even with a combination of experience, knowledge and careful evaluation, it may not be able to overcome. Purchasers of the Corporation's securities must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. An investment in the Corporation's securities is suitable for investors who are willing to rely solely upon the management of the Corporation and who could afford a total loss of their investment.

Dependence on Key Personnel

The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Corporation. In addition, the future success of the Corporation will depend in large part on its ability to attract and retain qualified technical, managerial and marketing personnel and there can be no assurance that such personnel can be attracted and retained. Failure to retain or to attract and retain additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain key man insurance for its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Corporation are of central importance. The loss of any one of these individuals could have a material adverse effect of the business of the Corporation.

Directors and Officers Conflicts

Certain directors and officers of the Corporation will only devote part of their time to the affairs of the Corporation. Certain directors of the Corporation are associated with other businesses. Such associations may give rise to conflicts of interest from time to time.

Delays in Implementing Business Plan

The Corporation may experience a delay in developing and marketing its products and services. This may result in a delay in the Corporation generating revenues which in turn may have an adverse effect on the Corporation's ability to pay dividends and the value of the Corporation's securities.

Additional Financing Requirements

The Corporation is currently investigating the cost to expand its logistical capabilities, supplier network and manufacturing facilities. The Corporation is constantly assessing business opportunities including new

business lines with the objective of increasing sales and profits for the Corporation. The Corporation may require additional financing if it decides to proceed with any of these items.

No assurance can be given that such financing will be available on commercially reasonable terms. The ability of the Corporation to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Corporation. If additional financing is raised by the issuance of shares issued from the treasury of the Corporation, control of the corporation may change and shareholders may suffer dilution.

Regulatory Approvals

The Corporation may be required to obtain the discretionary approval of various securities regulators in the course of carrying on its business. The failure to obtain such approvals may adversely affect the Corporation's conduct of its business. The explosives manufacturing industry is regulated at both the provincial and federal levels. There can be no assurance that the regulatory environment in which the Corporation operates will not change in the future. The laws and regulations of all provinces in which the Corporation intends to operate do impact the Corporation's operations, but do not currently materially restrict the Corporation's operations in those provinces. In connection with its operations in existing markets and expansion into new markets, The Corporation may become subject to additional laws, regulations and interpretations. The ability of The Corporation to operate profitably will depend, in part, upon its ability to operate in compliance with applicable regulations.

Competition

The Corporation must compete with a number of other companies which have substantially greater technical, personnel and financial resources, longer operating histories, greater name recognition and larger customer bases. This competition could materially adversely affect the Corporation's business, operating results or financial condition.

The market for the Corporation's products is highly competitive. There can be no assurance that the Corporation will be able to continue to compete successfully with its existing competitors or will be able to compete successfully with new competitors. It will be necessary for The Corporation to develop its technological and personnel resources in order to promote and enhance development of its business. It may be necessary for The Corporation to secure additional financing to support and grow in these areas and there is no assurance The Corporation will be able to raise funds for this purpose.

Market for Securities

The Common Shares are listed for trading on the TSX Venture Exchange. However, there is no assurance that an active trading market in the Common Shares will be sustained. Purchasers may not be able to dispose of the Common Shares or Warrants on a timely basis or at all. The market price for the Common Shares could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results, activities by competitors of the Corporation, as well as market conditions in the securities industry, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time to time experienced extreme price and volume fluctuations which have often been unrelated to the operating performance of particular companies.

OUTSTANDING SHARE DATA

The following table sets forth the capitalization of the Corporation at March 31, 2008.

Designation of Security	Authorized	Outstanding at March 31, 2008
Common	12,000,000	7,017,025 ⁽¹⁾

Note: (1) On October 12, 2007 the Corporation completed a partial closing and on October 15, 2007 a final closing of a Private Placement. Following the final closing and at year ending December 31, 2007 there were 6,967,025 common shares of the company issued and outstanding. During the three months ending March 31, 2008, 50,000 options to purchase shares were exercised under the company's stock option plan.

To the best of the knowledge of the directors and senior officers of the Corporation, the following persons beneficially own, directly or indirectly or exercise control or direction over, more than 10% of the issued and outstanding Common Shares of the Corporation:

Name	Number of Shares Beneficially Owned or Controlled or Directed	Percentage of 7,017,025 Outstanding Common Shares at May 27, 2008
Mr. Andrew Timothy Peterson Mississauga, Ontario	1,107,800	15.8%
Mr. Jacques Levesque Point Edward, Ontario	1,137,700	16.2%

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including Nordex's Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), and the Audit Committee on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by the MD&A, management of Nordex (including the CEO and the CFO) and the Audit Committee evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian Securities laws. Based on that evaluation the CEO, the CFO and the Audit Committee have concluded, that as of the end of the period covered by this MD&A with the exception noted in the following section (Internal Control Over Financial Reporting), the disclosure controls and procedures implemented are effective to provide reasonable assurance that the information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers Annual and Interim Filings of the Canadian Securities Administrators) and other reports filed or submitted under Canadian Securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation (including the CEO and CFO) and the Audit Committee as appropriate to allow timely discussions regarding required disclosure.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are responsible for designing internal control over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Canadian generally accepted accounting principals.

Management had previously concluded that there were weaknesses in the systems of internal control due to the small size of the company and its inability to segregate functions related to control, and the limited professional accounting expertise of the company's employees. The company determined that it would remediate these weaknesses by expanding the number of employees with accounting expertise who are

involved in the accounting function as the company incurs growth. In addition, the services of a professional accounting firm are used to prepare the Corporation's Quarterly interim financial statements.

During the third quarter of 2007, the company hired a Finance Manager who provides accounting and financial management to the Company over financial reporting and internal controls, including review of the organization's accounting system processes and the implementation of procedures designed to address internal control weaknesses relating to cash disbursements, working capital management and financial reporting.

OTHER INFORMATION

Additional Information relating to the Corporation is available on SEDAR at www.sedar.com or by contacting John Kozak, President & CEO of the Corporation at:

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