

## 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, 2005

Dated: May 27, 2005

*The following information should be read in conjunction with the Corporation's unaudited March 31, 2005, and March 31, 2004 and audited December 31, 2004, 2003 and 2002 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 and road construction industries from its manufacturing operations in Dane, Ontario, a small town 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 for the mining and road construction industry.

The results for the quarter ending March 31, 2005, reflect operations of the Corporation for the three month period commencing January 1, 2005. Comparative financial results are for the three months commencing January 1, 2004 and ending on March 31, 2004.

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, 2004. This discussion is intended to provide historical and prospective analysis of the activities of the Corporation.

### 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, 2005 and March 31, 2004.

<b>Three Months ended March 31</b>	<b>2005</b>	<b>2004<sup>(1)</sup></b>
Total Revenues	<b>\$843,899</b>	\$351,501
Cost of Goods Sold	<b>\$670,196</b>	\$300,013
Gross Profit	<b>\$173,703</b>	\$51,488
Selling and General Administration and Marketing Expense excluding interest	<b>\$119,922</b>	\$75,070
Income (loss) before Interest, Taxes, Depreciation and Amortization	<b>\$53,781</b>	(\$23,582)
Amortization Expenses	<b>\$11,873</b>	\$2,962
Interest on long term debt	<b>\$10,807</b>	\$2,726
Net Income (loss) for the Period	<b>\$31,101</b>	(\$29,270)
Net Income (loss) per Share	<b>\$0.0051</b>	(\$0.0077)
Cash Provided (used)	<b>\$56,340</b>	(\$7,805)
Cash (bank indebtedness) End of Period	<b>\$215,425</b>	\$33,812
Long Term Debt (including current portion)	<b>\$438,121</b>	\$104,948

Total Liabilities	<b>\$1,207,683</b>	\$456,470
Accounts Receivable	<b>\$588,127</b>	\$219,180
Shareholders' Equity	<b>\$418,239</b>	\$300,541
Total Shares Outstanding <sup>(2)</sup>	<b>6,039,777</b>	3,314,777

Notes: (1) Certain of the comparative figures have been restated to conform with current financial presentation.  
(2) Includes 588,777 shares held by the Company for cancellation.

All financial data contained in this Management Discussion and Analysis has been prepared in accordance with Canadian generally accepted accounting principles. With respect to foreign currency, all monetary assets and liabilities have been translated at the year-end exchange rate. 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.

### **Dividend Record and Policy**

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

### **Income for the Three Months**

For the three months ending March 31, 2005, Nordex recorded a net income of \$31,101 (\$0.0051 earnings per common share) compared to a net loss of \$29,270 (\$0.0077 loss per common share) for the three months ending March 31, 2004, reflected on the weighted average number of shares outstanding. The total number of common shares outstanding as of March 31, 2004 was 6,039,777 including 588,777 common shares held by the Company for cancellation.

### **Revenue**

For the three months ending March 31, 2005, Nordex reported revenues of \$843,899 compared to \$351,501 for the three months ending March 31, 2004, an increase of 240%. The revenues for the Corporation increased as a result of the following: (1) a broader product offering as a result of a distribution arrangements with SEC Corp. in the U.S.A. and Austin Powder Ltd. in Canada; (2) ability to supply the Corporation's clients in a more timely manner as a result of increasing the number of vehicles to deliver product to customers and increasing the Corporation's storage capacity of finished product; (3) securing a third-party agent for the sole purpose of selling Corporation's product; (4) management's ability to spend a greater portion of its time on sales and marketing activities compared to the previous year; and (5) increased mining activity with key clients resulting in an increased need for explosive products.

During the past twelve months, the Corporation has increased its product lines and product offerings, in order to attract larger customers in the mining and construction industries. The Corporation was of the opinion that in order to obtain larger orders from new and existing customers, it was necessary to offer a full product line of explosive products, as larger users of explosive products had indicated they wished to deal with a limited number of suppliers. Sales to larger users of explosive products were difficult to obtain in the past, as Nordex was not been able to offer a full product line.

Accordingly, during the last twelve months, Nordex has introduced new product lines of explosive emulsions ("Emulsions"), explosive WaterGel, and the resale of explosive detonators obtained from third party suppliers. The introduction of these new products has enabled the Corporation to significantly increase the sales of the Corporation when compared to the comparable period in the previous fiscal year.

Management anticipates continued growth in revenues but anticipates that the rate of growth will not be nearly as great.

### Cost of Sales

Cost of Sales was \$670,196 (79.4% of total revenue) for the three months ending March 31, 2005 compared to \$300,013 (85.4% of total revenue) for the three months ending March 31, 2004. The increase in cost of sales was due to payment of commissions amounting to \$34,261 for the three months ending March 31, 2005 compared to nil for the three months ending 31, 2004. Labour cost was \$72,195 or 8.6% of total revenue for the three months ending March 31, 2005 compared to \$53,442 or 15.2% of total revenue for the three months ending 31, 2004.

The gross margin was 20.6% for the three months ending March 31, 2005 compared to 14.6% for the three months ending March 31, 2004. The increase in gross margin was primarily a result of price increases to clients beginning in January 2005 and the efficiencies in wages and benefits costs resulting from the increased sale of product.

### Selling, General and Administrative

Selling, general and administrative expenses include marketing, customer support, financing, interest, executive personnel, professional services, office and occupancy costs required to manage the corporation. They do not include depreciation and amortization. Selling, general and administrative expenses for the three months ending March 31, 2005 were \$119,922 (representing 14.2 % of total sales for the three months) compared to \$77,796 (representing 22.1% of total sales for the three months) for the three months ending March 31, 2004. Management anticipates that these costs will not vary significantly for the remainder of the fiscal year. Wages & benefits and consulting costs increased to \$48,733 in for the three months ending March 31, 2005 compared to \$37,438 in the first three months of 2004. The office administrator working full time versus part time, an increase in compensation for the vice president and a new management paying position collectively accounted for an increase of \$18,624 in wages and benefits. Consulting fees were reduced by \$7,329 in the first three months of 2005 compared to the first three months of 2004 as a result of using an outside consultant on a part time basis rather than a full time basis. Insurance costs increased to \$17,151 during the three months ending March 31, 2005 compared to \$9,839 in the first three months of 2004 as a result of the acquisition of additional delivery vehicles. Utility costs decreased by \$1,489 in the first quarter of 2005 compared to the first quarter of 2004. During the three months ending March 31, 2005, the Corporation accrued \$19,500 in compensation to management and officers which was not paid out during the quarter. The individuals owed these amounts have agreed that the Corporation will not be required to pay those accrued amounts until such time as not to cause undue hardship to the Corporation. Miscellaneous Expenses increased and are explained below.

### Miscellaneous Expenses

Miscellaneous Expenses are a component of Selling, General and Administrative Expenses. Miscellaneous Expenses include property expense; vehicle expense; travel expenses; professional fees; training costs; and costs associated with the management and ongoing regulatory expenses related to the public company. Miscellaneous Expenses were \$45,510 for the three months ending March 31, 2005 compared to \$17,776 for the three months ending March 31, 2004 representing an increase of \$27,734. Further detail is provided below.

Account	Q1 2005	Q1 2004	Q1 2005 Increase
Vehicle Expenses	\$13,365	\$781	\$12,584
Professional and Public Company Listing Fees	\$10,374	\$4,419	\$5,955
Property Rental	\$4,000	Nil	\$4,000
Office Supplies and Expense	\$4,386	\$1,343	\$3,043
Retainer Fees and Royalties	\$1,500	Nil	\$1,500
Remaining Miscellaneous Accounts	\$11,885	\$11,233	\$652

<b>Total Miscellaneous Expenses</b>	<b>\$45,510</b>	<b>\$17,776</b>	<b>\$27,734</b>
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The \$12,584 increase in vehicle expenses in the first fiscal quarter for 2005 accounted for almost half of the increase in miscellaneous expenses compared to the first fiscal quarter in 2004. \$4,479 of the increase in vehicle expenses resulted from the leases of two trucks that the company did not have in the first fiscal quarter of 2004. The remaining increase in vehicle expenses resulted from maintenance and repairs for the six vehicles. Professional fees increased as the fiscal year end audit was completed in the first three months of 2005 whereas they were completed after March 31, 2004 in the previous year. The company now rents property for the purpose of storing inventory which accounts for the \$4,000 in property rental for the three months ending March 31, 2005. Office supplies and expenses increased due to increased business activity and as a result of a satellite office located in Mississauga, Ontario. Subsequent to March 31, 2004 the Company retained a sales agent who received a retainer fee of \$1,500 for the first three months of 2005.

### **Inventories**

Inventories decreased to \$164,517 at the fiscal quarter ending March 31, 2005 from \$279,798 at the fiscal year ending December 31, 2004. Inventory levels were historically high on December 31, 2004 as management purchased raw materials and finished product prior to anticipated price increases occurring in January 2005.

### **Property, Plant and Equipment**

The total value of Property, Plant and Equipment at fiscal quarter ending March 31, 2005 was \$640,374 compared to \$626,912 at fiscal year ending December 31, 2004. The moderate increase was a result of ongoing work related to the development of the Company's new emulsion plant.

Amortization for the fiscal quarter ending March 31, 2005 increased to \$11,873 from \$2,962 at fiscal quarter ending March 31, 2004. The increase was a result of using an amortization rate for Mobile Equipment of 25% in the first three months of 2005 compared to 10% for the first three months of 2004 and a result of the investments made on the following: (1) improvements to the existing plant facility; (2) development of a new plant to produce emulsions product; (3) improvements and betterments to the buildings located at the plant including the office; (4) increasing the number of trucks and enhancements to existing trucks to deliver product to customers; and (5) increasing the storage capacity of finished product (inventory).

### **Provision for Income Taxes**

As of December 31, 2004, the corporation has available non-capital loss carry-forwards for tax purposes in the amount of \$1,016,000, which may be carried forward and be used to reduce taxable income of future years, as set out in the notes to the financial statements. These carry forwards expire as set out in the notes. As of December 31, 2004, the Corporation had available non-capital loss carry-forwards for tax purposes in the amount of \$1,342,000. Realization of the potential benefits of these losses is dependent upon future profitability. In addition, the Corporation has earned non-refundable investment tax credits amounting to approximately \$93,000 that can be applied to reduce future federal income taxes payable. These credits expire as set out in the notes. The benefit of these loss carry-forwards and investment tax credits will be recorded when realized.

### **Retained Earnings**

Retained Earnings increased to (\$905,083) for the fiscal quarter ending March 31, 2005 reflecting the net income for the three month period compared to (\$936,184) for the fiscal year ending December 31, 2004.

### **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. The information below and information contained in publicly available information in respect of the Corporation 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 Corporation's revenues will be derived entirely from existing products. Demand for existing products will be affected by many factors, many of which are beyond the Corporation's control, including the general level of mining 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.

#### **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 primarily from suppliers in North America. The Corporation integrates and/or assembles certain components at its facilities. The Corporation also acts as a distributor for other companies and resells their product. A significant portion of the Corporation's sales are currently made up by the resale of product from one company, Austin Powder. With the exception of Austin Powder, the Corporation believes that it could replace any of its suppliers, manufacturers or assemblers within a short period of time and without material adverse impact on the Corporation's business. The ability to replace the product supplied by Austin Powder with similar product from another supplier is a significant risk and failure to do so could have a material adverse effect on the Corporation.

#### **Dependence on Significant Customers**

A significant percentage of Nordex's historical revenues have been attributable to installations to a relatively small number of major customers. There can be no assurance that such customers will continue to use the Corporation's products and services. 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 could result in lower profit margins for 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 Corporation 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 all of its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect of the business of the Corporation. The Corporation's current team of personnel may not include individuals with sufficient technical expertise to carry out certain of the Corporation's stated objectives. There can be no assurance that suitably qualified personnel can be hired.

### **Directors and Officers Conflicts**

The 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**

If the Corporation is unable to implement its business plan utilizing its current financial resources, the Corporation may require additional financing to continue to carry on business. 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.

### **Negative Cash Flow and Absence of Profits**

There is no assurance that the Corporation will earn profits in the future, or that profitability, if achieved, will be sustained. The success of the Corporation will ultimately depend on its ability to generate revenues from its sales of its products and services, such that its business development and marketing activities may be financed by revenues from operations instead of external financing. There is no assurance that future revenues will be sufficient to generate the required funds to continue the Corporation's business development and marketing activities.

### **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.

## **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, 2005. Results for the quarters ending March, June and September are unaudited, whereas the fiscal year ends for December are audited. As a result, the quarter ending in December of each year may contain year end adjustments. Certain of the comparative figures for prior quarters have been restated to conform to current financial presentation.

<b>Quarter Ended</b>	<b>Revenue</b>	<b>Income (Loss)</b>	<b>Income (Loss) Per Share</b>	<b>Total Assets</b>	<b>Total Long Term Financial Liabilities</b>

<b>2005</b>					
March 31	\$843,899	\$31,101	\$0.005	\$1,625,922	\$438,121
<b>2004</b>					
December 31	\$966,961	\$ 73,371	\$0.012	\$1,824,318	\$447,721
September 30	\$831,100	(\$ 73,228)	(\$0.012)	\$1,582,065	\$456,478
June 30	\$268,551	(\$121,733)	(\$0.023)	\$ 826,548	\$130,742
March 31	\$342,869	(\$ 29,270)	(\$0.008)	\$ 579,454	\$104,948
<b>2003</b>					
December 31	\$258,148	\$ 22,615	\$0.007	\$ 633,738	\$112,174
September 30	\$311,367	(\$ 11,085)	(\$0.003)	\$ 575,729	\$119,221
June 30	\$207,637	(\$ 43,540)	(\$0.013)	\$ 535,517	\$126,084

#### **LIQUIDITY AND CAPITAL RESOURCES**

During the fiscal quarter ending March 31, 2005, there was an increase in the Corporation's near-cash position and short-term deposits to \$215,425 from \$194,020 as of December 31, 2004. Accounts receivable decreased to \$588,127 from \$706,109 at December 31, 2004. The decrease is directly related to the decrease in sales compared to the quarter ending December 31, 2004. Accounts payable and accrued liabilities decreased to \$769,562 from \$990,881 at December 31, 2004. The reduction is primarily attributable to the reduction in inventory levels for the corresponding periods. In the fiscal quarter ending March 31, 2005, accrued liabilities outstanding to Directors totalled \$125,000. This amount has not been paid out and it will only be paid out in a manner and at a time that does not cause undue hardship to the Corporation.

During the fiscal year 2004, the Corporation arranged a new working capital loan in the amount of \$400,000 from the Kirkland & District Community Development Corporation of which \$388,224 is still owing. The loan bears interest at the rate of 10% per annum calculated monthly, payable in monthly instalments of \$5,318 and is amortized over a 120 months, maturing in 2014. Proceeds of the loan were used to cancel existing long term debt of approximately \$93,000 and to finance the purchase of equipment of the Corporation's new emulsion plant.

In addition the Corporation has a loan in the amount of \$33,294, bearing interest at the rate of 8% per annum, payable in monthly instalments of \$995 and maturing in 2008, secured by a vehicle, which vehicle was purchased by the Corporation for the purpose of delivering product to customers. Furthermore, the Corporation has a loan in the amount of \$16,603, bearing interest at the rate of 10% per annum, payable in monthly instalments of \$489 and maturing in 2008, secured by a vehicle, which vehicle was purchased by the Corporation for the purpose of delivering product to customers.

The ability of the Corporation to continue as a going concern is dependent upon achieving profitable operations and having sufficient cash flow from operations or asset disposals to meet its obligations as they become due. Management is currently exploring ways to increase sales, increase gross margins and to continue expanding the Corporation.

Management believes its financial reserves and funds provided by ongoing operations are adequate to support its short term needs. In order to achieve its long term growth strategy, additional sources of capital may be required. If so, it is the corporation's intention to finance future growth through equity or debt

offerings. In management's opinion, Nordex is well poised to continue its growth in the future and has adequate means, both internally and via outside banking support to finance future growth.

#### Transactions with Related Parties

During the fiscal year ending December 31, 2004 the Corporation loaned a director of the Corporation \$12,500 with no interest. This loan was repaid to the Company in full in April, 2005.

#### OUTSTANDING SHARE DATA

The following table sets forth the capitalization of the Corporation at March 31, 2005.

Designation of Security	Authorized	Outstanding as at March 31, 2005
Common	12,000,000	6,039,777 (includes 588,777 common shares held by the Company for cancellation)

On April 28, 2004, the Corporation completed a private placement of 2,725,000 common shares at a price of \$0.10 per share for proceeds to the Corporation of \$272,500.00 before costs and expenses related thereto. At the end of the fiscal quarter ending March 31, 2004, the Corporation had 3,314,777 issued shares, including the 588,777 shares held by the Company for cancellation.

At its annual meeting of shareholders on May 20, 2005, shareholders approved a by-law of the Board of Directors of the Corporation to increase the authorized capital of the corporation by an additional 5,000,000 shares. On December 15, 2004, the *Registraire des Entreprises* for the Province of Quebec issued a *Certificate De Modification* increasing the authorized capital of the corporation to 12,000,000 common no par value shares. The holders of common shares are entitled to one vote for each share held.

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 Outstanding Common Shares <sup>(1)</sup>	
		Of 6,039,777 <sup>(a)</sup>	Of 5,451,000 <sup>(b)</sup>
Elie J. Doumet Canada Ltd. Vancouver, British Columbia, Canada	556,377	9.21%	10.21%
Jacques Levesque Point Edward, Ontario, Canada	866,700	14.35%	15.90%
Andrew Timothy Peterson Mississauga, Ontario, Canada Canada	948,800	15.71%	17.41%

Notes: (1) The Corporation holds 588,777 common shares for cancellation. Percentage of Common Shares is shown as (a) as a percentage of total outstanding shares and (b) as a percentage of total outstanding shares less shares held in treasury for cancellation.

**OTHER INFORMATION**

Additional Information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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