

## 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, 2006

**Dated: May 15, 2006**

*The following information should be read in conjunction with the Corporation's unaudited March 31, 2006, and March 31, 2005 and audited December 31, 2005, 2004 and 2003 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 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 and services for the mining, quarry and road construction industries.

The results for the quarter ending March 31, 2006, reflect operations of the Corporation for the three month period commencing January 1, 2006. Comparative financial results are for the three months commencing January 1, 2005 and ending on March 31, 2005.

The 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, 2005. This discussion is intended to provide historical and prospective analysis of the activities of the Corporation.

#### OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

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.

#### Financial Highlights

The following table sets forth certain financial information of the Corporation for the three months ending March 31, 2006 and March 31, 2005.

<b>Three Months ended March 31</b>	<b>Q1 2006</b>	<b>Q1 2005</b>
Total Revenues	<b>\$1,342,761</b>	\$843,899
Cost of Goods Sold	<b>\$1,002,297</b>	\$670,196
Gross Profit	<b>\$340,464</b>	\$173,703
Selling, General and Administration Expense	<b>\$212,514</b>	\$119,922
Income before Interest, Taxes and Amortization	<b>\$127,950</b>	\$53,781
Amortization Expenses	<b>\$15,960</b>	\$11,873

Interest on long term debt	<b>\$9,902</b>	\$10,807
Net Income for the Period	<b>\$102,088</b>	\$31,101
Net Income per Share	<b>\$0.019</b>	\$0.005
Cash Provided (Used In) Operating Activities	<b>\$(60,264)</b>	\$56,340
Cash (bank indebtedness) End of Period	<b>\$209,248</b>	\$215,425
Long Term Debt (including current portion)	<b>\$397,924</b>	\$438,121
Total Liabilities	<b>\$1,582,081</b>	\$1,207,683
Accounts Receivable	<b>\$847,823</b>	\$588,127
Shareholders' Equity	<b>\$728,393</b>	\$418,239
Total Shares Outstanding <sup>(1)</sup>	<b>5,451,000</b>	6,039,777

Notes: (1) During the fiscal year ending December 31, 2005, Nordex cancelled 588,777 common shares held in treasury.

### **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, 2006, Nordex recorded a net income of \$102,088 (\$0.019 earnings per common share) compared to a net income of \$31,101 (\$0.005 earnings per common share) for the three months ending March 31, 2005, reflected on the weighted average number of shares outstanding. The major contributors to the increased net income are (1) the significant increase in revenue and (2) the reduction in the cost of sales for Q1 2006 compared to Q1 2005. Both of these items are explained in the following two sections respectively.

### **Revenue**

For the three months ending March 31, 2006, Nordex reported revenues of \$1,342,761 compared to \$843,899 for the three months ending March 31, 2005.

Nordex continues to benefit from the industry wide activity surge in mining. As a result, the Corporation's increase in revenues is made up almost entirely from increased trade with existing mining clients.

### **Cost of Sales**

Cost of Sales was \$1,002,297 (74.6 %of total revenue) for the three months ending March 31, 2006 compared to \$670,196 (79.4% of total revenue) for the three months ending March 31, 2005. The gross margin was 25.4% for Q1 2006 compared to 20.6% for Q1 2005. The increase in gross margin was primarily a result of (1) efficiencies in wages and benefits resulting from the increased trading volume, (2) efficiencies in the cost of freight for raw materials as a result of increased purchasing and (3) a price increase implemented in February 2006.

Freight expenses increased significantly due to the increased purchasing of raw materials and finished product for resale and the increased shipping to clients.

### **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, 2006 were \$212,514 compared to \$119,922 for the three months ending March 31, 2005. Details on the increase are provided in the paragraphs below.

Wages, benefits and consulting costs increased to \$124,003 in for the three months ending March 31, 2006 compared to \$48,733 in the first three months of 2005. Profit sharing plan accruals made up the majority of this accounting for \$61,205 of the increase (additional detail can be found in the section titled Profit Sharing Plan below). A further \$7,547 of the increase in wages, benefits and consulting costs is for third party consulting fees primarily for new product development.

Insurance costs increased to \$33,974 during the three months ending March 31, 2006 compared to \$17,151 in the first three months of 2005 as a result of the additional trucks obtained in 2005 for the shipment of raw materials and finished product.

Utility costs increased by \$1,042 to \$9,570 in the first quarter of 2005 compared to the first quarter of 2004. The increase is due primarily to the increased activity at the Corporation's plant.

During the three months ending March 31, 2006, the Corporation accrued \$19,500 in compensation to directors, management and officers which was not paid out during the quarter. The same amount was accrued in the first three months ending March 31, 2005. 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.

Total Miscellaneous Expenses reduced very slightly to \$44,967 for the three months ending March 31, 2006 compared to \$45,510 for the three months ending March 31, 2005. By far, the largest variances between Q1 2006 and Q1 2005 are the vehicle expenses and the professional fees. Further detail is provided below.

<b>Account</b>	<b>Q1 2006</b>	<b>Q1 2005</b>	<b>Q1 2006 Increase/(Decrease)</b>
Vehicle Expenses	\$4,562	\$13,365	\$(8,803)
Professional Fees	\$13,375	\$6,195	\$7,180
Public Company Listing Fees	\$5,782	\$4,179	\$1,603
Property Rental and Property Taxes	\$3,506	\$4,000	\$(494)
Office Supplies and Expense	\$3,946	\$4,386	\$(440)
Remaining Miscellaneous Accounts	\$13,796	\$13,385	\$411
<b>Total Miscellaneous Expenses</b>	<b>\$44,967</b>	<b>\$45,510</b>	<b>\$(543)</b>

The vehicle expense component under Selling, General and Administrative Expenses reduced significantly due to a change in the treatment of this expense in 2006 compared to 2005. In the past, Nordex's vehicles were used primarily for support purposes at the plant, for sales support and for customer support. Costs associated with all Nordex vehicles' were allocated to vehicle expenses under Selling, General and Administrative Expenses through 2005. Also in the past, shipping of raw materials and finished product was done primarily by third party carriers. The cost of third party carriers for this purpose was allocated to freight expenses under Cost of Sales. By December 31, 2005, the Corporation had evolved to the point where almost all of the shipping of raw materials and finished product was being done with its own vehicles. As a result, beginning in the first quarter 2006, the Corporation began to allocate costs associated with its vehicles used for the shipping raw materials and product to freight expenses under Cost of Sales. This change in treatment for the vehicle expenses from out of Selling, General and Administrative

Expenses accounts for the reduction to \$4,562 in Q1 2006 from \$13,365 in Q1 2005. The freight expense under Cost of Sales increased in Q1 2006 to \$59,719 from \$28,963 in Q1 2005 in large part due to the new treatment of these costs.

Professional fees increased primarily as a result of increased legal costs resulting from a claim against the Corporation from a previous supplier and the related counter claim by the Corporation (see Note 9 in the Financial Statements for the three month period ending March 31, 2006).

### **Profit Sharing Plan**

During the fiscal year ending December 31, 2005, the Board of Directors approved a Profit Sharing Plan (the "PSP") for the employees, management and directors of the Corporation. The PSP applies to the fiscal years ending December 31, 2006 and 2007 but not beyond these years. Under the terms of the PSP, no amounts shall be paid out of the PSP to any individuals for net income before tax up to \$163,530 in each of the fiscal years. If the Corporation achieves net income before tax (and before PSP amounts) in excess of \$163,530 in either of the fiscal years, certain individuals/groups will receive a portion of the amount in excess of this amount as follows:

VP Operations	20.00% of the amount in excess of \$163,500
President	13.33% of the amount in excess of \$163,500
Chairman	6.67% of the amount in excess of \$163,500
Non-management Employees in total	5.00% of the amount in excess of \$163,500
Directors in total	5.00% of the amount in excess of \$163,500
<u>Total PSP</u>	<u>50.00% of the amount in excess of \$163,500</u>

In Q1 2006, the Corporation accrued a PSP expense of \$61,205. This amount is equal to 50% of net income before tax (and before PSP amounts) in excess of one-quarter of \$163,530 or in excess of \$40,882.50. Net income before tax (and before PSP amounts) was \$163,293 for Q1 2006 or \$122,410.50 in excess of \$40,882.50.

Any amounts paid out under the PSP will not take place until after the fiscal year end in which they apply.

### **Inventories**

Inventories increased to \$366,357 at the fiscal quarter ending March 31, 2006 from \$270,590 at the fiscal year ending December 31, 2005. The variance is a result of (1) increased raw material levels in anticipation of a continuance in the operating activity seen in the first quarter and (2) the receipt of finished product towards the end of the quarter that the company resells.

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

The total value of Property, Plant and Equipment at fiscal quarter ending March 31, 2006 was \$887,546 compared to \$829,511 at fiscal year ending December 31, 2005. A total of \$73,996 was invested in Property, Plant and Equipment net of amortization.

\$39,875 was invested in upgrades to the Corporation's explosive storage magazines. The upgrades were required as a result of an industry wide mandate implemented by the Explosives Regulatory Division (a part of Natural Resources Canada). Upgrades to existing storage magazines will be completed during Q2 2006.

The Corporation built a new lab during Q1 2006 in order to improve its ability to develop and test new products. In Q1 2006 a total of \$24,557 was invested in new facilities and equipment for the lab.

The remaining new investment was in plant equipment and the completion of its emulsion manufacturing and packaging capabilities.

### **Provision for Income Taxes**

As of December 31, 2005, the corporation had available non-capital loss carry-forwards for tax purposes in the amount of \$898,770, 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. Realization of the potential benefits of these losses is dependent upon future profitability. The benefit of the loss carry-forwards will be recorded when realized.

### **Retained Earnings**

Retained Earnings/(Deficit) increased to \$(601,525) for the fiscal quarter ending March 31, 2006 reflecting the net income for the three month period compared to \$(703,613) for the fiscal year ending December 31, 2005 and compared to \$(905,083) for the fiscal quarter ending March 31, 2005.

### **LIQUIDITY AND CAPITAL RESOURCES**

During the fiscal quarter ending March 31, 2006, there was an decrease in the Corporation's near-cash position and short-term deposits to \$209,248 from \$354,040 as of December 31, 2005 (\$194,020 as of December 31, 2004).

Financially the Corporation continues to be in a healthy position at quarter end. The Working Capital (or Current) Ratio was 1.16 at year ending March 31, 2006. The Quick Ratio (or Acid Test) was at 0.86 at the same time. Both these figures are significant improvements over the last several years.

At the end of Q1 2006, accounts receivable were \$847,323 compared to \$625,579 at December 31, 2005 for an increase of \$221,744. The increase is a result of the increase in revenue for the quarter which was \$294,634. On average, receivables are being collected between forty-five and sixty days which is common for the industry.

Accounts payable and accrued liabilities increased to \$1,184,848 for the quarter from \$1,046,123 at December 31, 2005. At the quarter ending December 31, 2005, accounts payable made up \$883,340 of the \$1,184,848. Accrued liabilities related to compensation outstanding to Directors, staff and consultants were \$173,000 (excluding PSP accruals) at the end of Q1 2006 compared to \$178,500 at the end of 2005. The entire \$173,000 is accrued compensation for the President, VP Operations and the Chairman and will be paid out in a manner and at a time that does not cause undue hardship to the Corporation. Profit Sharing Plan accruals for Directors, management and staff totalled \$61,205 for the quarter ending March 31, 2006.

Management continues to explore alternative sources of credit in order to obtain more favourable terms, reduce long term debt and reduce interest expense.

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 an operating line of credit, a term loan from a bank, or equity or debt offerings.

### **TRANSACTIONS WITH RELATED PARTIES**

Of the \$19,500 accrued for compensation for directors and staff in the fiscal quarter ending March 31, 2006, \$7,500 was accrued to the Chairman and \$7,500 was accrued to the President who are both directors. 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.

## 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, 2006.

Quarter Ended	Revenue	Income (Loss)	Income (Loss) Per Share	Total Assets	Total Long Term Financial Liabilities
<b>2006</b>					
March 31	\$1,342,761	\$102,088	\$0.019	\$2,310,474	\$397,924
<b>2005</b>					
December 31	\$1,048,127	\$106,707	\$0.019	\$2,079,720	\$408,457
September 30	\$979,109	\$48,284	\$0.009	\$1,999,120	\$418,650
June 30	\$803,748	\$46,478	\$0.008	\$1,726,758	\$428,337
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

## 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 majority of the Corporation's revenues will be derived from existing 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 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 up-hole 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 distributes small diameter packaged emulsion manufactured by third parties. Currently, the Corporation has no way of supporting up-hole loading of bulk emulsion and there is a trend in the

underground mining industry to utilize more of this product. The Corporation is currently investigating the requirements and cost of manufacturing both of these products internally. The Corporation is at risk of reduced revenue if it is unable to provide 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 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 Corporation, 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.

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. Natural gas prices have fluctuated significantly over the last year and there is a risk of that the price and quantities of natural gas available in the industry will continue to fluctuate. As the supply levels of natural gas reduce (as a result of increased consumption, reduced supply due to natural disasters or terrorist attacks) then the availability of ammonium nitrate decreases and the price increases presenting a risk to the Corporation.

As mentioned above, the Corporation is dependant on third party manufactures to supply it with small diameter packaged explosives.

### **Dependence on Significant Customers**

The majority of the Corporation's sales in 2005 were to its mining clients. Management expects this to be the case for the fiscal year 2006 as well. There can be no assurance that these 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 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 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.

**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**

The Corporation is currently investigating the cost to expand its explosive manufacturing capabilities. The Corporation may require additional financing to accomplish this if it decides to proceed. Management is also exploring new business lines in order to increase revenues and income. These new business lines may require additional financing.

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 December 31, 2005.

<b>Designation of Security</b>	<b>Authorized</b>	<b>Outstanding December 31, 2005</b>
Common	12,000,000	5,451,000

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:

	<b>Number of Shares Beneficially</b>	<b>Percentage of</b>
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Name	Owned or Controlled or Directed	Outstanding Common Shares
George Doumet Vancouver, British Columbia, Canada	681,377	12.50%
Andrew Timothy Peterson Mississauga, Ontario Canada	949,300	17.42%
Jacques Levesque Point Edward, Ontario, Canada	1,087,200	19.94%

### 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 the this MD&A , the disclosure controls and procedures were 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.

### OTHER INFORMATION

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

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