



LES EXPLOSIFS NORDEX LTEE/NORDEX EXPLOSIVES LTD.

**INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
of Financial Condition and Results of Operations
for the three months ended June 30, 2009**

Dated: August 19, 2009

The following information should be read in conjunction with the Corporation's unaudited June 30, 2009 and June 30, 2008 financial statements and audited December 31, 2008, 2007 and 2006 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 near Kirkland Lake, Ontario in one of the world’s largest mining regions. The Corporation continues to maintain its manufacturing explosives licence in good standing and is researching the possibility of offering new explosive products and services for the mining, quarry and road construction industries.

The results for the quarter ending June 30, 2009, reflect operations of the Corporation for the three month period commencing April 1, 2009 and ending June 30, 2009 (the “Second Quarter of 2009”). Comparative financial results are for the three month period commencing April 1, 2008 and ending on June 30, 2008 (the “Second Quarter of 2008”).

Management discussion and analysis is a review of the Corporation’s financial condition and results of operation during the Second Quarter of 2009 as compared to the Second Quarter of 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. With respect to foreign currency, all monetary assets and liabilities have been translated at the period-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.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Financial Highlights

The following table sets forth certain financial information of the Corporation for the Second Quarter of 2009 and the Second Quarter of 2008

Three Months ended June 30	Q2 2009	Q2 2008
Total Revenues	\$2,139,381	\$1,686,237
Cost of Goods Sold	\$1,588,405	\$1,362,989
Gross Profit	\$550,976	\$323,248
Gross Margin	25.8%	19.2%
Selling, General and Administration Expense	\$301,531	\$176,665
Bad Debt Expense (Recovery)	\$(269,298)	Nil
Income (loss) before Interest, Taxes and Amortization	\$511,896	\$133,623
Amortization Expenses	\$67,926	\$37,101
Interest Expense	\$20,349	\$23,041
Stock Based Compensation Expense	\$6,847	\$12,960
Net Income/Loss for the Period before tax	\$423,621	\$73,481
Net Income/Loss for the Period after tax	\$423,621	\$115,376
Earnings per Share	\$0.060	\$0.016
Cash Provided By (Used In) Operations	\$571,551	\$515,911
Cash End of Period	\$328,679	\$348,225
Long Term Debt	\$1,199,720	\$895,128
Total Liabilities	\$2,978,276	\$2,115,586
Shareholders’ Equity	\$2,689,154	\$2,621,494
Total Shares Outstanding at Period End	7,017,025	7,017,025

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 June 30, 2009, Nordex recorded a net income before tax of \$423,621 compared to a net income before tax of \$73,481 for the three months ending June 30, 2008. There was no accrual for income tax/ (recovery) for the Second Quarter of 2009 due to loss carry forwards and tax credits from prior periods. There was an income tax recovery of \$41,895 for the Second Quarter of 2008.

The increase in net income from the Second Quarter of 2008 to the Second Quarter of 2009 was a result from higher sales, higher gross margins, and a recovery of \$268,054 of bad debt expense from one client which was accrued in the 2008 fiscal year. These items are described further in the following sections.

Revenue

Revenue increased to \$2,139,381 in the three month period ending June 30, 2009 compared to \$1,686,237 in the three month period ending June 30, 2008 for an increase of 26.9%. The reason for the increased revenue is from the addition of a new mining client and increased sales to non-mining clients.

Cost of Goods Sold

Cost of Goods Sold was \$1,588,405 for the Second Quarter ending June 30, 2009 compared to \$1,362,989 for the fiscal year ending June 30, 2008. Gross profit margin for the period ending June 30, 2009 increased to 25.8% compared to 19.2% for the same period in 2008. The increase in gross profit margin is a result of lower costs for raw materials and economies of scale (i.e. plant and staff costs) resulting from the increased sales.

The cost of ammonium nitrate, a key feedstock for the Corporation, was significantly less during the Second Quarter of 2009 compared to the Second Quarter of 2008. The Corporation's cost for ammonium nitrate is tied to the price of natural gas which has decreased significantly over the last year.

Similarly, the cost of fuel, another key feedstock for explosives and also used by the Corporation for its fleet of trucks, reduced significantly over the last year.

Selling, General and Administrative

Selling, general and administrative expenses include marketing, customer support, executive personnel, professional services, interest and bank charges (excluding interest on long term debt), office and occupancy costs required to manage the Corporation and do not include depreciation, amortization, interest on long term debt and stock based compensation expense.

Selling, general and administrative expenses for the three months ending June 30, 2009 increased to \$301,531 compared to \$176,665 for the three months ending June 30, 2008. The following table breaks down the increase by category.

Expense Category	Q2 2009	Q2 2008	Increase
Professional Fees	62,522	21,731	40,791
Wages & Benefits	100,544	85,085	15,459
Utilities	24,035	11,937	12,098
Insurance	31,559	20,107	11,452
Public Company Expense	16,725	6,026	10,699

Travel	23,740	15,795	7,945
Consultants	4,318	1,200	3,118
Other	38,088	27,744	10,344
Totals	301,531	189,625	111,906

Professional Fees accounted for the largest increase in selling, general and administrative expenses. Professional Fees increased significantly to \$62,522 for the three months ending June 30, 2009 compared to \$21,731 for the three months ending June 30, 2008 primarily due to additional legal fees resulting from the defence of a motion brought against the Corporation by a shareholder.

Wages and Benefits expense increased to \$100,544 from \$85,085 because of the addition of one employee and an increase in management compensation accrual.

Utilities expense increased to \$24,035 during the Second Quarter of 2009 compared to \$11,937 during the Second Quarter of 2008 primarily due to the increased energy usage associated with the operation of the Corporation's emulsion manufacturing facility which was not operating in the Second Quarter of 2008.

Costs associated with being a publicly listed company increased from \$6,026 in the Second Quarter of 2008 to \$16,725 in the Second Quarter of 2009. The increase was due to timing of payments in the first and second quarters as total costs for the first six months of 2009 were \$25,646 in line with total costs for the first six months of 2008 which were \$24,782.

Insurance expense increased primarily due to the increase in the number of trucks in the Second Quarter of 2009 compared to the Second Quarter of 2008.

Travel and selling expenses increased to \$23,740 compared to \$15,795.02 (included as part of the miscellaneous expense in 2008) for the three months ending June 30, 2009 and 2008 respectively due to increased selling activity outside of Northern Ontario including Southern Ontario and Quebec and travel related costs associated with a trade show in which the company participated in May.

Other costs include items such as property expense; administrative vehicle expense; advertising & promotion; licenses; and office expenses. These amounts increased primarily due to costs associated with a trade show in May and advertising.

Interest and Bank Charges

Interest on long term debt remained relatively unchanged at \$20,349 compared to \$23,041. The slightly higher level of long term debt was offset by a slightly lower weighted average rate of interest on the debt.

Bad Debt Expense (Recovery) – Liberty Mines

During the fiscal year ended December 31, 2008, the Corporation incurred an allowance for a potential bad debt expense for monies owing by Liberty Mines Inc. ("Liberty") to the Corporation as at December 31, 2008 in the amount of \$308,109.

On June 29th, 2009, Nordex announced "that it has agreed with Liberty to settle the outstanding amounts owed by Liberty to Nordex. Under the terms of the settlement, Liberty has paid Nordex \$268,054 of the \$308,109 owed and Nordex has agreed to forgive the remaining \$40,054. As a result of this settlement, Nordex has recorded a recovery of \$268,054 in its Financial Statements for the second quarter ending June 30, 2009."

During the Second Quarter of 2009, Nordex entered into an agreement with Liberty for the supply of explosive products (the "Supply Agreement"). Under the terms of the Supply Agreement, Nordex will provide Liberty with a minimum of 90% of Liberty's explosive products and blasting accessories for use at Liberty's mines in Canada effective immediately through to May 31, 2014. There is no minimum volume

or dollar commitment under the Supply Agreement and any resulting explosive sales will be a function of the operating activity at Liberty's mines.

Bad Debt Expense (Recovery) – Other

The net recovery of bad debt for the period was \$269,298. In addition to the bad debt recovery of \$268,054 associated with Liberty, the Company recovered an additional \$5,000 related to an account receivable previously written off and also accrued an additional \$3,756 for doubtful accounts.

Provision for Income Taxes

The Corporation did not take a provision for income taxes in the Second Quarter of 2009, as a result of prior year losses and tax credits carried forward in excess of income for the year to date in 2009.

Retained Earnings

Retained Earnings was \$402,592 for the period ending June 30, 2009, compared to \$385,008 at June 30, 2008.

Inventories

Inventories were \$1,264,818 on June 30, 2009 compared to \$1,050,298 at the First Quarter ending March 31, 2009. Inventory valuation increased during the period because of increased inventory quantities of finished product which was as a result of increased sales volumes.

Property, Plant and Equipment

The total book value of Property, Plant and Equipment at fiscal quarter ending June 30, 2009 was \$2,835,794 compared to \$2,249,233 at June 30, 2008. The increase in these asset values is primarily due to the equipment and work performed to complete the Corporation's emulsion manufacturing facilities. The Corporation also added mobile equipment during the year including a bulk emulsion truck.

LIQUIDITY AND CAPITAL RESOURCES

During the fiscal quarter ending June 30, 2009, there was an increase in the Corporation's near-cash position and short-term deposits to \$328,679 from a deficit of \$220,329 as of March 31, 2009. This increase is a result of (1) the net recovery of \$269,298 in bad debt expense for the period, (2) income for the quarter excluding amortization, stock based compensation and the recovery of bad debt expense of \$229,096, and (3) an increase in Accounts Receivable and Inventory which was more than offset by the increase in Accounts Payable.

The Corporation has an operating line with the CIBC that is equal to the minimum of (a) \$500,000 or (b) 75% of receivables plus 25% of inventory (to a maximum of \$250,000) calculated at the end of each month.

During the Second Quarter of 2009, the Corporation obtained another loan for \$200,000 from the Business Development Corporation to purchase vehicles and equipment. Long term debt (including current portion) increased to \$1,199,720 at June 30, 2009 from \$1,038,853 at March 31, 2009.

Current Liabilities increased to \$1,946,801 at June 30, 2009 from \$1,358,049 at March 31, 2009 resulting from the increase in accounts payables and accrued liabilities and from the increase in current portion of long term debt.

In management's opinion, Nordex is able 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, or the need for capital equipment or working capital to fund expansion, could negatively effect the Corporation's ability to generate sufficient amounts of cash and cash equivalents to continue to finance operations.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Should the Company be unable to secure such financing, it may have to, at any time, cease operations. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company intends on fulfilling its obligations.

RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2009, the Corporation incurred a total of \$3,600 in Director Fees and meeting expenses.

An officer of the Corporation is a partner in a legal firm that provides services to the Corporation. The Corporation paid, or accrued, \$21,257 in legal fees for services provided by the legal firm. Another officer of the Corporation is a partner in an accounting firm that provides services to the Corporation. The Corporation paid \$10,634 in accounting fees for services provided by the accounting firm. These transactions are in the normal course of operations and are measured at fair market value.

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 June 30, 2009.

Summary of Quarterly Results

Quarter Ended	Revenue	Income (Loss)	Income (Loss) Per Share	Total Assets	Total Long Term Financial Liabilities
2009					
June 30	\$2,139,381	\$423,621	0.060	\$5,667,430	\$1,031,475
March 31	\$1,272,345	\$(180,271)	\$(0.0257)	\$4,516,862	\$900,128
2008					
December 31	\$1,108,659	\$(120,569)	\$(0.017)	\$4,354,547	\$937,644
September 30	\$1,694,927	\$(105,196)	\$(0.015)	\$4,713,915	\$860,789
June 30	\$1,686,237	\$115,376	\$0.016	\$4,737,080	\$895,128
March 31	\$1,582,246	\$83,565	\$0.012	\$4,255,574	\$931,285
2007					
December 31	\$1,732,921	\$134,862	\$0.019	\$4,425,340	\$967,709
September 30	\$1,927,949	\$204,344	\$0.036	\$3,900,715	\$591,604

GLOBAL ECONOMIC UNCERTAINTY

As at the time of writing, the global economy had recently experienced significant volatility and uncertainty. Management is monitoring the potential effects of any sustained global downturn. The Corporation has not planned any changes to its marketing strategy or targeted customers and they intend to continue their ongoing service quality, product improvements and customer development. The operations of existing clients may no longer be profitable if commodity prices continue to decrease resulting in additional mine closures. In the environment of global uncertainty, the Corporation continues to manage and monitor its overheads and ongoing cost containment of general and administration expenses.

LEGAL PROCEEDINGS

On July 18, 2008, the Corporation announced that it had received an Amended Motion to Institute Proceedings and Application for the Issuance of Orders to Rectify Acts which are Oppressive and Unfairly Prejudicial, dated July 17, 2008 (hereinafter called the “Motion”), brought in the Superior Court (Commercial Division) District of Montreal by Jacques Levesque, a shareholder of Nordex, as Plaintiff. The Motion names Computershare Limited, the transfer agents for Nordex, Bruce Forth, a former director of Nordex, Timothy Peterson, John Kozak, Bruce Bent and Jules Roy, directors of Nordex, James Craig Taylor, Chief Operating Officer of Nordex and Flavio Moroso, an employee of Computershare Limited, as Defendants and Nordex Explosives Ltd. as “Mise-en-cause”.

The Motion seeks an oppression remedy and in the name of Nordex Explosives Ltd., a derivative action, asking the Court for an accounting to Nordex of amounts received by the individual Defendants pursuant to the Nordex Profit Sharing Plan; a declaration that Mr. Levesque has been and remains a director of Nordex since 2004; an order vitiating and setting aside the results of the May 19, 2006 annual and special meetings of Nordex and directing that the issues there presented be brought before a special meeting of shareholders as soon as reasonably practicable; an order declaring null and void the Nordex Profit Sharing Plan and required all persons having received money thereunder to account therefore and disgorge the same to Nordex; an award in pecuniary damages of \$40,000 for loss of salary; and \$200,000 for compensation for time and legal expenses; and an award of damages of \$60,000 for humiliation. Full details of the Motion are contained in the Press Release issued by the Corporation on July 18, 2008, which is available on SEDAR at www.sedar.com.

It is the opinion of management that the claims made by Mr. Levesque are without merit, and counsel has been retained to defend the Motion.

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 activity in mining, quarry and road construction industries 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 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 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.

Foreign Exchange Risk

The Corporation derives a significant amount of revenue from products manufactured by companies based out of the U.S. which the Corporation resells. The cost of these products to the Corporation is based in U.S. dollars. The Corporation would end up paying more for these products in Canadian dollars if the Canadian dollar weakens against the U.S. dollar.

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. Nordex has been affected by the drop in commodity prices and mining activity during 2008 and the first six months of 2009 as several clients placed their mines under care and maintenance. A further downturn in the commodities market and/or mining sector could have a material adverse negative effect on the Corporation.

Dependence on Significant Customers

The majority of the Corporation's sales were to its mining clients. Management expects this to be the case for the foreseeable future. Several mines that the Corporation was supplying at the start of 2008 ceased operations and were put under care and maintenance during the 2008 year. A further downturn in the commodities market and/or mining sector could have a material adverse negative 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 resulting in reduced revenue or lower profit margins for the Corporation.

In the Second Quarter of 2009, sales to the Corporation's top three clients comprised 72.3% of total sales compared to 68.9% in the Second Quarter of 2008. The higher concentration resulted from several of the Corporation's clients having mines under care and maintenance during the first three months of 2009.

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 and officers 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 constantly investigating the cost to expand its logistical capabilities, supplier network, manufacturing facilities and geographical market. 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 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 June 30, 2009.

Designation of Security	Authorized	Outstanding at June 30, 2009
Common	12,000,000	7,017,025

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 on August 19, 2009:

Name	Number of Shares Beneficially Owned, Controlled or Directed	Percentage of 7,017,025 Outstanding Common Shares
Mr. Andrew Timothy Peterson Oakville, Ontario	941,300	13.4%
Mr. Jacques Levesque Point Edward, Ontario	1,154,200	16.4%

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 has concluded that, as of June 30, 2009, there were weaknesses in the systems of internal control due to the small size of the Corporation and its inability to segregate functions related to control. The Corporation determined that it would remediate these weaknesses by expanding the number of employees with accounting expertise that are involved in the accounting function as the Corporation incurs growth. In addition, the services of a professional accounting firm are used to assist in preparing the Corporation's Quarterly interim financial statements and the company has hired a new Chief Financial Officer with the requisite financial statement competencies.

RECENT DEVELOPMENTS IN ACCOUNTING STANDARDS

The Corporation has not adopted any new accounting standards during the Second Quarter of 2009.

Future Accounting Changes

Additionally, the Canadian Institute of Chartered Accountants ("CICA") has recently issued the following accounting standards:

i) The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the transition to IFRS on the Corporation's financial statements is not yet determinable.

ii) The following Canadian accounting pronouncements were issued and not yet adopted by the Corporation. Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1582, Business Combinations, CICA Handbook Section 1601, Consolidated Financial Statements, and CICA Handbook Section 1602, Non-controlling Interests. The initial adoption of these new standards is not expected to have any material impact on the Corporation's financial statements.

FINANCIAL INSTRUMENTS

As at June 30, 2009, the financial instruments of the Corporation consist of bank overdraft, accounts receivable, accounts payable and accrued liabilities and long term debt. These financial instruments are classified as follows:

<u>Financial Instrument</u>	<u>Classification</u>	<u>Basis</u>	<u>Amount</u>
Cash and cash equivalents	Held for Trading	Fair Value	\$328,679
Accounts receivable (a)	Loans and receivables	Amortized cost	\$1,238,139
Bank overdraft	Held for Trading	Fair value	Nil
Accounts payable and accrued liabilities	Other financial liability	Amortized cost	\$1,778,560
Long term debt (b)	Other liabilities, held to maturity	Amortized cost	\$1,199,720

(a) The carrying value of accounts receivables are net of a general allowance for doubtful accounts in the amount of \$41,413. During the current period the Company recovered \$273,054 related to account receivables previously written off and accrued \$3,756 for doubtful accounts.

(b) The carrying value of Long Term Debt is amortized at cost which approximates fair value.

(c) Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method. Any gains or losses are recognized in net income.

The Board of Directors of the Corporation has overall responsibility for the oversight of the Corporation's risk management framework and the objectives of minimizing the risk. Risk management procedures are established to monitor the risks faced by the Corporation. The reduction in commodity prices combined

with a more restrictive credit market has increased the Corporation's risk with respect to the profitable operations of mining clients. There have been no changes to the risk management objectives in the period.

CRITICAL ACCOUNTING ESTIMATES

The Corporation utilizes certain critical accounting estimates in the preparation of the financial statements. These estimates are as follows: (i) the estimate of allowance for doubtful accounts, (ii) the valuation of stock based compensation, (iii) the valuation of inventory in accordance with section 3031 of the CICA Handbook, (iv) the impairment, if anything, of long lived assets and (v) future income taxes. All of these estimates involve considerable judgment and are, or could be affected by significant factors that are out of the Corporation's control.

The assumptions affecting stock based compensation are outlined in Financial Statement Note 7. Management utilizes the Black-Scholes valuation model in arriving at fair market value of these transactions.

The amount recorded for the allowance for doubtful accounts is fully disclosed within this document as well as the financial statements.

The Corporation adopted the new Handbook section 3031 on January 1, 2008. This new section requires that cost be determined as cost to purchase, cost to convert including an allocation of fixed and variable production costs and other costs. At period end, the inventories are carried at the lower of cost and net realizable value. The cost formula utilized is first in, first out.

Management has reviewed the long lived assets in accordance with Section 3063 of the CICA Handbook and has determined that there is no reason to test for impairment at this time.

Management has quantified the future income tax asset as at June 30, 2009 and determined it to be immaterial to the financial statements taken as a whole.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements and had no off-balance sheet arrangements as at June 30, 2009.

PROPOSED TRANSACTIONS

To the best of Management's knowledge, there are no pending transactions that will materially affect the performance or operation of the Corporation.

REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS

The Board of Directors, on the recommendation of the Audit Committee, approved the contents of this MD&A on August 17, 2009. This MD&A includes the Corporation's operating and financial results for the three months ended June 30, 2009 and 2008 and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2008 and December 31, 2007 appearing on SEDAR's website at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain information included herein may contain “forward-looking statements” which reflect the current expectations of management of the Corporation regarding the Corporation’s future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as “may”, “would”, “could”, “should”, “will”, “anticipate”, “believe”, “plan”, “expect”, “intend”, “estimate”, “aim”, “endeavour”, “seek”, “predict”, “potential” and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management of the Corporation. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, cancellations of or the failure to renew purchase orders; production and delivery issues; quality, pricing and availability of raw materials; compliance with environmental regulations; exchange rate fluctuations as well as the other risks identified in the “Risk Factors” section and other public filings (copies of which may be obtained at www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this Management Discussion and Analysis. These factors should be considered carefully and the reader should not place undue reliance on the forward-looking statements. Although any forward-looking statements contained in this interim report are based upon what management currently believes to be reasonable assumptions, the Corporation cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. These forward-looking statements are made as of the date of this report and, other than as required by law, the Corporation does not intend, and does not assume any obligation, to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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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