



## **NORDEX EXPLOSIVES LTD. ANNOUNCES POSTPONEMENT OF AGM AND PROPOSED PRIVATE PLACEMENT OF SHARES**

Mississauga, Ontario (June 16, 2010) LES EXPLOSIFS NORDEX LTEE/NORDEX EXPLOSIVES LTD. ("Nordex" or the "Company")(TSXV:NXX) announces that it has postponed its Annual General and Special Meeting of Shareholders (the "AGM") which was previously scheduled for 10:30 a.m. (Montreal time) on Thursday, June 17, 2010 to 10:30 a.m. (Montreal time) on Wednesday, July 14, 2010.

As indicated in its Annual Management Discussion and Analysis for the year ending December 31, 2009, dated March 3, 2010, and its Management Discussion and Analysis for the quarter ending March 31, 2010, dated May 25, 2010 and filed on SEDAR, copies of which have previously been mailed to shareholders of the Company, Nordex has continued to experience significant levels of demand for products from existing clients, and anticipates this trend to continue throughout the fiscal 2010 year. It is expected that during the fiscal 2010 year, the increased level of trade will require additional equipment and working capital to fund expansion, and maintain sufficient inventory levels to service clients. The Company had previously disclosed that it was evaluating its expected equipment and working capital requirements, and investigating alternatives for financing this expected growth and that it may seek additional financing through debt or equity offerings.

Management of the Company has been evaluating alternatives to finance this expected growth and on June 8, 2010, received an offer to subscribe for 1,710,000 common shares of the Company at a price of \$0.45 for proceeds to the Company of \$769,500.00, representing 19.52% of the outstanding shares of the Company after completion of the transaction. This offer to subscribe was conditional upon the Company obtaining the necessary approvals from the TSX Venture Exchange (the "TSXV") for the transaction by June 11, 2010 as an Expedited Private Placement. The TSXV was unable to provide their approval by that date, and it was agreed by the Subscriber that they would extend the time for acceptance by the TSXV until June 14, 2010.

On June 14, 2010, the TSXV advised that they would not accept the private placement as an expedited private placement. As a result of discussion between management and the TSXV, the Company and the Subscriber agreed to amend the terms of the subscription, so that the Subscriber would subscribe for

1,320,000 common shares of the Company at a price of \$0.45. If approved by the TSXV, the Subscriber would be an Insider of the Company, as they would own more than 10% of the issued and outstanding common shares of the Company. A second subscriber (the "Second Subscriber") also agreed to subscribe for an additional 440,000 common shares of the Company at the same price. The Subscription agreements entered into by the Subscriber and the Second Subscriber on June 15, 2010, both provided that the approval of the TSXV would be required and the transaction was to be completed by June 16, 2010.

The Company filed with the TSXV the Notices required for an Expedited Private Placement on June 15, 2010, however, as of the time of this press release, approval of the Private Placement has not been received. If the transaction is approved and completed there will be 8,810,359 common shares outstanding.

Both the Subscriber and the Second Subscriber are arm's length third party investors. Both subscribers are accredited investors and if the transaction is completed, the Company will be relying on the accredited investor exemption (as such term is defined in National Instrument 45-106 – Prospectus and Registration Exemptions) in Canada. All securities issued in connection with the transaction will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws.

Both Management and the Board of Directors (the "Board") of the Company believes that if approved and completed, this transaction significantly enhances the ability of the Company to continue its expected growth, by providing necessary working capital required as the Company continues to increase its sales, and enable the company to purchase additional equipment required by the Company. Management and the Board are of the opinion that this transaction is in the best interests of all the Shareholders of the Company.

As the AGM of the Company had been originally scheduled for June 17, 2010, on June 16 at approximately 4:30 p.m., the Board determined that it was necessary to postpone the AGM until July 14, 2010, in order to provide time for the dissemination of a supplement (the "Supplement") to the Management Information Circular of the Company previously provided to provide Shareholders with information relating to the transaction.

Three shareholders of the Company (the "Concerned Shareholders") have filed a Proxy Circular with respect to the AGM of the Company, nominating an alternative Board of Directors for election at the AGM. The Concerned Shareholders have indicated in their Proxy Circular that they beneficially own, control or direct 2,105,100 common shares of the company, representing 29.86% of the outstanding common shares of the Company.

As of the time the Board determined it necessary to postpone the AGM, proxies representing approximately 2,326,059 shares had been deposited by shareholders in favour of the nominees for election to the Board of Directors made by Management of the Company in the Management Information

Circular. In addition, shareholders holding a further 360,000 common shares had indicated in correspondence to Management that they would be voting their shares in favour of the recommendations made by Management. To the knowledge of Management total support for the recommendations made by Management exceeds 38% of the outstanding shares of the Company.

The Board determined that it would in the best interests of all the Shareholders of the Company to postpone the AGM, as the decision of the Board to proceed with the private placement transaction could have an effect on whether Shareholders who had previously filed proxies in favour of Management's nominees or indicated that they were supporting Management's nominees would wish to reconsider their earlier decision.

The Supplement will be mailed to Shareholders of the Company as of the Record Date for the original AGM, and a revised proxy (the "Revised Proxy") will accompany the Supplement. Any proxies deposited by Shareholders of the Company with respect to the original AGM will be valid at the rescheduled AGM, however, Shareholders may revoke any proxy they have previously deposited by depositing a Revised Proxy.

Shareholders are urged to read the Management Information Circular previously distributed to shareholders, the Supplement and the Revised Proxy, which contain important information. Shareholders with questions regarding the Management Information Circular, the Supplement or the Revised Proxy should contact John Kozak, President of the company by telephone at (416) 907-6933 or by email at [jkozak@nordexplosives.com](mailto:jkozak@nordexplosives.com)

### **Forward-Looking Statements – Not for U.S. Distribution**

Certain information included herein may contain "forward-looking statements" which reflect the current expectations of management of the Company regarding the Company'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", "endeavor", "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 Company. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the Company'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" contained in the Company's Management Discussion and Analysis 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 press release. 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 press release are based upon what management currently believes to be reasonable assumptions, the Company 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 press release, and, other than as required by law, the Company 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.

**ABOUT NORDEX EXPLOSIVES:** LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD. is a manufacturer and distributor of explosives for the mining, quarry and road construction industries since 1970. Its manufacturing operations and distribution centre is strategically located in one of the world's largest mining regions near Kirkland Lake, Ontario. Nordex trades on the TSX Venture Exchange under the symbol "NXX".

#### **FOR FUTHER INFORMATION PLEASE CONTACT**

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