



LES EXPLOSIFS NORDEX

LTEE./NORDEX EXPLOSIVES LTD.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTH PERIOD ENDED SEPTEMBER 30, 2009

Responsibility for Interim Financial Statements

The accompanying unaudited interim financial statements for Les Explosifs Nordex Ltee./Nordex Explosives Ltd. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the audited December 31, 2008 financial statements. Only changes in accounting information have been disclosed in these unaudited interim financial statements. These unaudited interim financial statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of these unaudited interim financial statements, management is satisfied that these unaudited interim financial statements have been fairly presented.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

November 16, 2009

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied with a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"Bruce Bent"

Director

"John Kozak"

Director

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2009 AND DECEMBER 31, 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

	SEPTEMBER 30 2009	DECEMBER 31 2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 297,053	\$ -
Accounts receivable	1,306,631	345,022
Inventories (Note 2)	1,146,249	1,244,620
	2,749,933	1,589,642
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	2,947,768	2,764,904
	\$ 5,697,701	\$ 4,354,546
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 73,358
Accounts payable and accrued liabilities	1,607,334	781,607
Current portion of long-term debt (Note 5)	168,245	138,725
	1,775,579	993,690
LONG-TERM DEBT (Note 5)	987,608	937,644
FUTURE INCOME TAXES PAYABLE (Note 8)	52,201	-
	2,815,388	1,931,334
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	1,988,238	1,988,238
STOCK OPTIONS (Note 7)	90,262	48,484
CONTRIBUTED SURPLUS	227,249	227,249
RETAINED EARNINGS	576,564	159,241
	2,882,313	2,423,212
	\$ 5,697,701	\$ 4,354,546

ON BEHALF OF THE BOARD:

"Bruce Bent"

BRUCE BENT
DIRECTOR

"John C. Kozak"

JOHN C. KOZAK
DIRECTOR

See accompanying notes.



LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

	2009		2008	
	3 MONTH PERIOD ENDED SEPTEMBER 30	9 MONTH PERIOD ENDED SEPTEMBER 30	3 MONTH PERIOD ENDED SEPTEMBER 30	9 MONTH PERIOD ENDED SEPTEMBER 30
SALES	\$ 2,394,163	\$ 5,805,889	\$ 1,694,927	\$ 4,963,410
COST OF GOODS SOLD (Schedule 1)	1,766,809	4,459,495	1,353,767	3,903,627
GROSS PROFIT	627,354	1,346,394	341,160	1,059,783
EXPENSES				
Administrative (Schedule 1)	296,458	834,706	172,478	593,547
Amortization	63,751	180,479	43,287	112,536
Interest on long-term debt	21,785	60,202	20,785	62,630
Stock based compensation (Note 7)	19,187	41,778	12,960	29,054
Bad debt (recovery)	-	(240,295)	196,846	196,846
	401,181	876,870	446,356	994,613
INCOME (LOSS) BEFORE UNDERNOTED	226,173	469,524	(105,196)	65,170
	226,173	469,524	(105,196)	65,170
RECOVERY OF INCOME TAXES	-	-	-	(28,573)
FUTURE INCOME TAX EXPENSE (Note 8)	52,201	52,201	-	-
INCOME(LOSS)	173,972	417,323	(105,196)	93,743
RETAINED EARNINGS, beginning of period	402,592	159,241	385,007	186,068
RETAINED EARNINGS, end of period	\$ 576,564	\$ 576,564	\$ 279,811	\$ 279,811
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.025	\$ 0.059	\$ (0.015)	\$ 0.013
WEIGHTED AVERAGE NUMBER OF COMMON SHARES	7,017,025	7,017,025	7,017,025	7,006,259

See accompanying notes.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

	2009		2008	
	3 MONTH PERIOD ENDED SEPTEMBER 30	9 MONTH PERIOD ENDED SEPTEMBER 30	3 MONTH PERIOD ENDED SEPTEMBER 30	9 MONTH PERIOD ENDED SEPTEMBER 30
OPERATING ACTIVITIES				
INCOME(LOSS)	\$ 173,972	\$ 417,323	\$ (105,196)	\$ 93,743
ADD ITEMS NOT REQUIRING A CASH OUTLAY				
Amortization	63,751	180,479	43,287	112,536
Stock based compensation	19,187	41,778	12,960	29,054
DECREASE (INCREASE):				
Accounts receivable	(68,492)	(961,609)	224,974	278,399
Inventory	118,570	98,371	(66,487)	(41,685)
Prepaid expenses	-	-	3,750	(19,750)
INCREASE (DECREASE):				
Accounts payable	(173,174)	825,727	(125,429)	71,590
Income taxes payable	52,201	52,201	-	(36,144)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	186,015	654,270	(12,141)	487,743
FINANCING ACTIVITIES				
Borrowing of long-term debt	-	200,000	-	-
Repayment of long-term debt	(43,865)	(120,515)	(34,339)	(106,920)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(43,865)	79,485	(34,339)	(106,920)
INVESTING ACTIVITIES				
Purchase of capital assets	(173,776)	(363,344)	(530,583)	(1,386,264)
Proceeds on disposal of capital assets	-	-	-	13,692
CASH FLOWS USED IN INVESTING ACTIVITIES	(173,776)	(363,344)	(530,583)	(1,372,572)
CHANGE IN CASH DURING THE PERIOD	(31,626)	370,411	(577,063)	(991,749)
CASH, beginning of period	328,679	(73,358)	353,504	768,190
CASH (DEFICIENCY), end of period	\$ 297,053	\$ 297,053	\$ (223,559)	\$ (223,559)
CASH FLOW SUPPLEMENTARY INFORMATION				
Interest paid	\$ 24,815	\$ 71,935	\$ 20,785	\$ 62,630

See accompanying notes.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

1. NATURE OF OPERATIONS

The Company is incorporated under the laws of Quebec and operates as a developer, manufacturer and reseller of explosive products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying consolidated financial statements do not include all of the information and disclosures required by Canadian generally accepted accounting principles for annual audited financial statements. The consolidated financial statements should be read in conjunction with the company's consolidated financial statements including the notes thereto for the year ended December 31, 2008.

(b) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company's wholly owned subsidiary, Nordex Explosives (Ontario) Limited, after the elimination of inter-company transactions and balances. There was no activity in the subsidiary during the period.

(c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short term investments.

(d) INVENTORIES

Inventories are valued at lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is originally recorded at the laid down cost and is amortized based on this cost less salvage value on the declining balance basis using the following rates:

Buildings	3%
Plant, machinery and equipment	5%
Office equipment and furniture	10%
Laboratory equipment	10%
Mobile equipment	25%

Plant and equipment assets are not amortized until they are put into use.

(f) REVENUE

The Company recognizes revenue at the time ownership passes to the customer which occurs upon delivery of the goods to the customer.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) USE OF ESTIMATES

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(h) INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(i) EARNINGS PER SHARE

The Company uses the treasury stock method for computing diluted earnings per share, which assumes that any proceeds obtained upon exercise of options would be used to purchase common shares at average market price during the period. Anti-dilutive factors are not included in the computation of diluted earnings per share.

(j) STOCK-BASED COMPENSATION

The Company has a stock-based compensation plan, which is described in Note 7. Any consideration paid upon exercise of options and issues of shares is credited to share capital. The fair value of each option at the date of grant was estimated using the Black-Scholes option pricing model and accreted over the vesting period of the stock options.

(k) FINANCIAL INSTRUMENTS, COMPREHENSIVE INCOME(LOSS) AND HEDGES

The financial instruments of the Company consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and long term debt. In the opinion of management, the Company is not exposed to material or significant interest, currency, liquidity, market and/or credit risk arising from these financial instruments, except as noted in Note 9 – Financial Instruments.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

(I) FUTURE ACCOUNTING CHANGES

The following Canadian accounting pronouncements were issued and not yet adopted by the Company. Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1582, Business Combinations, CICA Handbook Section 1601, Consolidated Financial Statements, CICA Handbook Section 1602, Non-controlling Interests and CICA Handbook Section 3064, Goodwill and Intangible Assets. The initial adoption of these new standards are not expected to have a material impact on the company's financial statements.

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 Company's financial statements has been analyzed in a diagnostic report identifying the areas that need to be addressed. The Company will ensure that sufficient resources are allocated to this project to meet the conversion deadline.

3. PROPERTY, PLANT AND EQUIPMENT

	COST	ACCUMULATED AMORTIZATION	Net 2009	2008
Land and land improvements	\$ 48,094	\$ -	\$ 48,094	\$ 48,094
Buildings	1,058,501	345,312	713,189	682,852
Plant, machinery and equipment	2,074,253	437,849	1,636,404	1,592,795
Office equipment and furniture	51,377	33,067	18,310	18,523
Laboratory equipment	31,492	8,933	22,559	17,450
Mobile equipment	1,183,688	674,476	509,212	405,190
Totals	\$ 4,447,405	\$ 1,499,637	\$ 2,947,768	\$ 2,764,904

Amortization expense for the three month period amounted to \$63,751 (2008 - \$43,287).

4. LINE OF CREDIT

The Company has an operating line 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.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

5. LONG-TERM DEBT

	2009	2008
Loan bearing interest at 8.6% per annum, repayable in blended monthly installments of \$643, secured by a vehicle. Maturing in 2011.	\$ 11,380	\$ 16,120
Loan bearing interest at 8.8% per annum , repayable in blended monthly installments of \$733 secured by a vehicle . Maturing in 2011.	13,593	19,092
Loan bearing interest at 3.2% per annum , repayable in blended monthly installments of \$1,834, secured by specific equipment. Maturing in 2012.	51,170	66,197
Loan bearing interest at 7.5% per annum , repayable in monthly installments of \$4,170 plus interest, secured by specific assets. Maturing in 2015.	312,750	350,290
Loan bearing interest at 7.5% per annum, repayable in monthly installments of \$2,980 plus interest, secured by specific assets. Maturing in 2016.	229,460	250,000
Loan bearing interest at 7.5% per annum , repayable in monthly installments of \$2,225 plus interest, secured by specific assets. Maturing in 2022.	347,100	367,233
Loan bearing interest at 7.25% per annum, repayable in monthly installments of \$2,380 plus interest, secured by specific assets. Maturing in 2016.	190,400	-
Other	-	7,437
	1,155,853	1,076,369
Current portion	168,245	138,725
	\$ 987,608	\$ 937,644

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

5. LONG-TERM DEBT (Cont'd)

Approximate principal repayments required over the next five years are as follows:

2010	\$ 168,245
2011	178,111
2012	164,932
2013	142,020
2014	142,020
Subsequent to 2014	360,525
	<hr/>
	\$ 1,155,853

6. SHARE CAPITAL

(a) AUTHORIZED

12,000,000 common shares

(b) ISSUED

	Number of Shares	Amount
Balance, September 30, 2009	<u>7,017,025</u>	\$ <u>1,988,238</u>

7. STOCK OPTIONS

At the Annual and Special Meeting of Shareholders held on May 8, 2008, shareholders approved a resolution authorizing the Corporation to establish a new stock option plan, (the "New Stock Option Plan") which will be a "rolling" plan under which up to 10% of the issued and outstanding common shares of the Corporation from time to time, subject to adjustment in certain circumstances, may be issued. The purpose of the New Stock Option Plan is to develop the interest of bona fide officers, directors, employees, management company employees and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation. Under the terms of the New Stock Option Plan, the 371,667 outstanding options issued under the prior stock option plan of the Corporation, which was approved by Shareholders at the Annual and Special Meeting of Shareholders held on May 17, 2007, will be deemed to have been issued under the New Stock Option Plan.

TSX Venture Exchange policies require that a rolling stock option plan be approved by the shareholders of the Corporation at each annual general meeting. At the Annual and Special Meeting of Shareholders of the Company held on May 22, 2009, Shareholders approved a resolution authorizing the Corporation to continue the New Stock Option Plan.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

7. STOCK OPTIONS (Cont'd)

A summary of the status of the Company's stock option plan and changes during the year is presented below.

The following stock options are outstanding:

NUMBER OF SHARES	EXERCISE PRICE	EXPIRY DATE
38,334	21 cents	November 28, 2010
23,333	50 cents	December 14, 2011
65,000	71 cents	June 25, 2012
245,000	48 cents	March 23, 2013
275,035	33 cents	August 23, 2014

Stock options issued are as follows:

	Number of shares	2009 Weighted average exercise price
Options outstanding as at January 1, 2009	371,667	\$ 0.49
Granted	275,035	0.33
Options outstanding at period end	646,702	\$ 0.42
Options exercisable at period end	175,001	\$ 0.48

Exercise price	Options outstanding	Options exercisable	Outstanding options weighted average contractual life (years)	Exercisable options weighted average contractual life (years)
\$ 0.21	38,334	38,334	0.07	0.25
0.50	23,333	11,667	0.08	0.15
0.71	65,000	43,333	0.28	0.68
0.48	245,000	81,667	1.32	1.62
0.33	275,035		2.08	
\$ -	646,702	175,001	3.83	2.70

Balance - January 1, 2009	\$ 48,484
Accretion of options granted	41,778
Balance - September 30, 2009	\$ 90,262

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

7. STOCK OPTIONS (Cont'd)

The Company recognizes the calculated benefit at the date of granting the stock options on a straight-line basis over the shorter of the expected service period and the vesting period. During the current period the company accreted \$19,187 in stock option compensation.

The fair value of each option at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions:

Expected life of options	5 years
Risk-free interest rate	2.62%
Expected stock price volatility	140%
Expected dividend yield	0%
Weighted-average fair value of options	\$0.29

8. INCOME TAXES

A reconciliation of income taxes at the rates expected to apply when the asset is realized of approximately 31% with the reported taxes is as follows:

	2009
Income before income taxes	\$ 469,524
Expected income tax expense	145,552
Tax rate changes	12,741
Timing differences	(105,090)
Stock-based compensation not deductible for tax purposes	12,951
Benefit of tax assets not previously recognized	(118,355)
Future income tax expense	\$ (52,201)

The significant components of the Company's future income tax assets(liabilities) are as follows:

	2009
Non-capital loss carryforwards	\$ 103,883
Other timing differences	(156,084)
	(52,201)
Future income tax liability	\$ (52,201)

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

9. FINANCIAL INSTRUMENTS

As at September 30, 2009, the financial instruments of the Company consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt. These financial instruments are classified as follows:

Financial Instrument	Classification	Basis	Amount
Cash and cash equivalents	Held for Trading	Fair value	\$ 297,053
Accounts receivable (a)	Loans and receivables	Amortized cost	\$ 1,306,631
Bank overdraft	Held for Trading	Fair value	\$ NIL
Accounts payable and accrued liabilities	Other financial liability	Amortized cost	\$ 1,607,337
Long term debt (b)	Other liabilities, held to maturity	Amortized cost	\$ 1,155,853

(a) The carrying value of accounts receivables are net of a general allowance for doubtful accounts in the amount of \$41,413.

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

The Board of Directors of the Company has overall responsibility for the oversight of the Company's risk management framework and the objectives of minimizing risk. Risk management procedures are established to monitor the risks faced by the company. The reduction in commodity prices combined with a more restrictive credit market has increased the Company's risk with respect to the profitable operations of mining clients. There have been no changes in the risk management objectives in the period.

CREDIT RISK

Approximately 72% of the Company's sales are concentrated in the mining industry. The Company reviews a new customer's credit history before extending credit and conducts regular review of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific customers, historical trends and other information. The allowance for doubtful accounts at September 30, 2009 was \$41,413 (December 31, 2008 - \$323,109).

LIQUIDITY RISK

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 cease operations at some point. 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.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

9. FINANCIAL INSTRUMENTS(Cont'd)

INTEREST RATE RISK

The Company is exposed to interest rate risk as its bank overdraft is at a variable rate. Hence , the interest cost will fluctuate with market changes in the bank rate. A one per cent change in interest rates would not materially affect the Company's earnings, cash flow or financial position. Long-term debt is at fixed rates.

CURRENCY RISK

The Company is exposed to currency risk as several of its supplier contracts are completed within US dollars. Hence , the cost of goods sold will fluctuate with market changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and the majority of purchases are transacted in Canadian dollars.

SENSITIVITY ANALYSIS

The carrying amount of financial instruments approximates their fair market value. The movement on long term debt interest rates of plus or minus 1% would affect net income by approximately \$9,000.

10. CAPITAL MANAGEMENT

The Company manages cash and cash equivalents, long term debt, common shares, stock options and other equity as capital. The amounts of these capital items are disclosed in the Balance Sheet.

The objectives of the Company in managing capital are as follows:

- to provide security for ongoing operations and future growth
- to ensure balance of capital funding and cost of capital
- to provide a strong capital base so as to maintain investor, creditor and market confidence
- to maintain required working capital and debt equity ratio
- to provide value for shareholders

The Company manages its capital structure in the context of economic and market conditions as well as related risks on the nature of the capital, and the planned use of the capital. To meet these objectives the Company targets and forecasts its long term cash flow to achieve positive net current asset working capital and available cash resources. The Company has consistently met its required annual working capital and debt equity ratios.

The debt to equity ratio as at September 30, 2009 was 0.98.

The Company has complied with all of it's externally imposed capital requirements during the period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PERIODS ENDED SEPTEMBER 30, 2009 AND 2008

(UNAUDITED - PREPARED BY MANAGEMENT)

11. MINING CLAIMS

The Company holds various mining claims covering 529 hectares in the Township of Melba located 22 kilometers north of Kirkland Lake, Ontario. At this time, the Company has no plans to carry out exploration work on these claims.

12. RELATED PARTY TRANSACTIONS

During the quarter ended September 30, 2009, the Company paid, or accrued, \$15,900 in Director fees and meeting expenses. An officer of the company is a partner in a legal firm that provides services to the Company. The Company paid, or accrued, \$13,283 in legal fees to the legal firm. An officer of the company is a partner in a public accounting firm that provides services to the Company. The Company paid, or accrued, \$11,000 in accounting fees to the firm. At September 30, 2009 \$15,000 was owing to the directors (December 31, 2008 - \$NIL).

Included in accounts receivable is \$3,439 receivable from an officer of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

LES EXPLOSIFS NORDEX LTEE./NORDEX EXPLOSIVES LTD.

THREE MONTH PERIOD ENDED SEPTEMBER 30 AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2009

(UNAUDITED - PREPARED BY MANAGEMENT)

	3 MONTH PERIOD ENDED SEPTEMBER 30	9 MONTH PERIOD ENDED SEPTEMBER 30
REVENUE		
Sale of product	\$ 2,207,866	\$ 5,381,597
Freight	186,297	416,092
Other	-	8,200
	\$ 2,394,163	\$ 5,805,889
COST OF GOODS SOLD		
Materials Purchased	\$ 1,255,118	\$ 3,323,191
Freight	117,035	249,241
Commissions	74,570	158,388
Wages & benefits	271,396	660,470
Foreign exchange	48,690	68,205
	\$ 1,766,809	\$ 4,459,495
ADMINISTRATIVE EXPENSES		
Consultants	\$ 5,235	\$ 10,552
Insurance	50,451	109,019
Utilities	11,504	54,919
Wages & benefits	131,928	314,465
Professional fees	42,660	160,678
Public company expenses	3,860	28,641
Interest and bank charges	3,030	11,734
Travel and expenses	21,867	70,366
Miscellaneous	25,923	74,332
TOTAL	\$ 296,458	\$ 834,706

Some of the comparative figures have been reclassified to conform to the current year's presentation.