

# **Sigma Ventures Inc.**

Interim Consolidated Financial Statements  
(unaudited)  
**January 31, 2007**

*The interim consolidated financial statements have not been subject to a review by the company's external auditors.*

# Sigma Ventures Inc.

## Interim Consolidated Balance Sheet (unaudited)

	As at January 31, 2007 \$	As at April 30, 2006 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,962,469	215,025
Investments, at cost (market value: \$459,661)	377,261	61,800
Accounts receivable	13,185,836	3,806,550
Income taxes receivable	-	310,888
Inventories	10,414,361	5,451,695
Prepaid expenses	352,941	215,867
	<u>26,292,868</u>	<u>10,061,825</u>
<b>Property, plant and equipment</b>	19,287,989	6,103,195
<b>Deferred charges</b>	517,063	303,500
<b>Intangible assets</b>	2,372,123	76,446
<b>Future income tax assets</b>	511,160	91,720
<b>Goodwill</b>	4,275,659	1,650,256
	<u>53,256,862</u>	<u>18,286,942</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank loans (note 4)	4,945,029	1,890,695
Accounts payable and accrued liabilities	8,609,630	2,952,679
Deferred revenues	1,759,964	-
Income taxes	2,278,793	54,484
Current portion of long-term debt	4,001,179	2,651,440
	<u>21,594,595</u>	<u>7,549,298</u>
<b>Long-term debt (note 5)</b>	14,632,225	5,576,936
<b>Future income tax liabilities</b>	2,350,689	1,101,389
	<u>38,577,509</u>	<u>14,227,623</u>
<b>Shareholders' Equity</b>		
<b>Share capital (note 6)</b>	8,729,298	1,790,195
<b>Stock options (note 6)</b>	361,257	176,285
<b>Warrants (note 6)</b>	1,377,194	-
<b>Convertible debentures</b>	-	1,000,000
<b>Retained earnings</b>	4,211,604	1,092,839
	<u>14,679,353</u>	<u>4,059,319</u>
	<u>53,256,862</u>	<u>18,286,942</u>

(Note 10 – Subsequent events)

The accompanying notes are an integral part of these interim consolidated financial statements.

Approved by the Board of Directors

(1)

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## **Sigma Ventures Inc.**

### Interim Consolidated Statements of Retained Earnings (unaudited)

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	<u>Nine Months Ended January 31,</u>	
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Balance – Beginning of period</b>	1,092,839	992,194
Retained earnings adjusted following the reverse takeover	-	70,760
Net earnings for the period	<u>3,118,765</u>	<u>755,265</u>
<b>Balance – End of period</b>	<u>4,211,604</u>	<u>1,818,219</u>

The accompanying notes are an integral part of these interim consolidated financial statements.

# Sigma Ventures Inc.

## Interim Consolidated Statements of Earnings (unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>Sales</b>	22,895,279	5,895,200	60,763,532	11,827,235
<b>Cost of sales and operating expenses</b>	20,220,686	5,168,597	53,290,874	10,237,676
<b>Earnings from operations</b>	2,674,593	726,603	7,472,658	1,589,559
<b>Other expenses (revenues)</b>				
Interest on long-term debt	364,078	53,845	931,864	152,956
Other interest and bank charges	139,838	42,467	331,631	77,622
Depreciation of property, plant and equipment	409,034	59,416	1,050,582	147,786
Amortization of intangible assets	151,692	-	355,851	-
Amortization of deferred charges	47,352	12,276	126,445	35,578
Foreign exchange loss (gain)	(79,530)	7,076	(229,079)	11,386
	1,032,464	175,080	2,567,294	425,328
<b>Earnings before income taxes</b>	1,642,129	551,523	4,905,364	1,164,231
<b>Income tax expense</b>				
Current	744,114	206,566	1,167,134	446,591
Future	(134,933)	(14,399)	619,465	(37,625)
	609,181	192,167	1,786,599	408,966
<b>Net earnings for the period</b>	1,032,948	359,356	3,118,765	755,265
<b>Net earnings per share (note 8)</b>				
Basic	0.030	0.017	0.093	0.041
Diluted	0.029	0.017	0.089	0.041

The accompanying notes are an integral part of these interim consolidated financial statements.

# Sigma Ventures Inc.

## Interim Consolidated Statements of Cash Flows (unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>Cash flows from operating activities</b>				
Net earnings for the period	1,032,948	359,356	3,118,765	755,265
Items not affecting cash				
Depreciation of property, plant and equipment	409,034	59,416	1,050,582	147,786
Amortization of intangible assets	151,692	-	355,851	-
Amortization of deferred charges	47,352	12,276	126,445	35,578
Stock-based compensation	66,307	40,113	242,800	123,584
Gain on disposal of property, plant and equipment	-	(1,779)	(1,200)	(8,166)
Investments	(15,234)	-	(15,434)	-
Future income taxes	(134,933)	(14,399)	619,465	(37,625)
	1,557,166	454,983	5,497,274	1,016,422
Change in non-cash working capital items (note 7a)	6,331,660	(265,816)	5,307,101	(2,837,363)
	7,888,826	189,167	10,804,375	(1,820,941)
<b>Cash flows from financing activities</b>				
Variation in bank loans	(2,200,000)	220,000	3,054,334	2,046,750
Long-term debt contracted	1,000,000	41,570	20,700,000	249,570
Payments on long-term debt	(1,848,005)	(275,500)	(11,038,973)	(1,347,639)
Variation in advances from shareholders	-	-	-	(52,561)
Increase in deferred charges	(11,688)	-	(340,006)	(15,000)
Issuance of a convertible debenture	-	-	-	750,000
Issuance of equity components (note 7 b)	56,000	-	6,199,838	575,000
Equity component issue expenses	-	-	(701,601)	(158,936)
	(3,003,693)	(13,930)	17,873,592	2,047,184
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(464,968)	(34,828)	(1,558,942)	(318,266)
Variation in intangible assets	(7,975)	-	(26,123)	-
Proceeds from disposal of property, plant and equipment	1,000	-	1,000	25,726
Cash surrender value of life insurance policy	-	-	-	6,735
Business acquisition, net of cash acquired (note 3)	(3,434,566)	(16,412)	(25,346,458)	(516,412)
	(3,906,509)	(51,240)	(26,930,523)	(802,217)
<b>Net change in cash</b>	978,624	123,997	1,747,444	(575,974)
<b>Cash -Beginning of period</b>	983,845	151,815	215,025	851,786
<b>Cash- End of period</b>	1,962,469	275,812	1,962,469	275,812

### Additional information (note 7c)

The accompanying notes are an integral part of these interim consolidated financial statements.

# **Sigma Ventures inc.**

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

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## **1 Interim financial information**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. However, all disclosures required for annual financial statements have not been included in these financial statements. These unaudited interim consolidated financial statements should therefore be read in conjunction with the company's most recent audited annual consolidated financial statements.

The financial information as at January 31, 2007 and for the three-month and nine-month periods ended January 31, 2007 and 2006 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

## **2 New accounting policies**

These interim consolidated financial statements are based on the same accounting policies and methods used in the preparation of the company's most recent annual consolidated financial statements, except for the following:

### **Foreign currency forward contracts**

The company's foreign currency forward contracts, which are used to hedge anticipated US dollar-denominated sales, do not qualify for hedge accounting and are recorded at fair value. Any unrealized exchange gains or losses are included in earnings.

### **Comparative figures**

Certain comparative figures from the previous periods have been reclassified in order to conform to the current period presentation.

## **3 Business acquisitions**

- a) On June 28, 2006, the company completed the acquisition of all the shares of René Composite Materials Ltd. ("René") and 3547441 Canada Inc., two companies located in Saint-Éphrem-de-Beauce, for a total cash consideration of \$23,144,085, including acquisition-related costs. These acquisitions have been financed through a new long-term loan and a bank loan. René is a manufacturer of composite parts for the road transport industry such as parts for Class 7 and 8 trucks whereas 3547441 Canada Inc is specialized in the manufacturing of moulds for the customers of René.
- b) On January 27, 2007, the company acquired, through one its wholly-owned subsidiaries, the assets of Camoplast's truck composite division located in Acton Vale, Province of Quebec ("Acton Vale"), for a total consideration of \$4,834,566 including acquisition-related costs, settled as follows: a cash amount of \$3,434,566, the issuance of 1,625,000 common shares of the company for an amount of \$1,300,000, and accrued acquisition-related costs totalling \$100,000. The plant manufactures a range of composite hoods for Class 7 and 8 highway trucks and vocational trucks, as well as B6 Magnum series.

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

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Both acquisitions have been accounted for using the purchase method, and the results of operations have been included in the financial statements of the company from the date of acquisition. The purchase price allocation shown below is preliminary and is based on the fair value estimate made by the company with the help of an independent expert as regards property, plant and equipment. Further to the final allocation which is expected to be completed by the end of the current fiscal year, a portion of the purchase price of René may be allocated from goodwill to identifiable intangible assets and property, plant and equipment.

The allocated values of the net assets acquired are detailed as follows:

	René \$	Acton Vale \$
Assets acquired		
Cash	1,258,910	-
Investments	300,027	-
Other current assets	18,507,410	1,484,566
Property, plant and equipment	9,051,260	3,584,195
Intangible assets	2,625,403	-
	<u>31,743,010</u>	<u>5,068,761</u>
Liabilities assumed		
Current liabilities	10,906,208	234,195
Long-term liabilities	121,791	-
Future income tax liability	196,329	-
	<u>11,224,328</u>	<u>234,195</u>
Net identifiable assets acquired	20,518,682	4,834,566
Goodwill *	<u>2,625,403</u>	<u>-</u>
Purchase price	<u>23,144,085</u>	<u>4,834,566</u>
Settled as follows:		
Cash used for the acquisitions	22,047,868	3,434,566
Acquisition-related costs	1,096,217	100,000
Issuance of common shares	-	1,300,000
	<u>23,144,085</u>	<u>4,834,566</u>

\* Goodwill is not deductible for income tax purposes.

# Sigma Ventures inc.

## Notes to Interim Consolidated Financial Statements (unaudited)

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### 4 Bank loans

The company has an available line of credit of an authorized amount of \$10,000,000 in Canadian dollars, bearing interest at prime rate plus 0.5%. A moveable hypothec over accounts receivable, inventories and all present and future tangible and intangible assets has been given as security for the line of credit. This line of credit is renewable annually.

### 5 Long-term debt

	As at January 31, 2007 \$	As at April 30, 2006 \$
Decreasing revolving bank loan, bearing interest at prime rate plus 0.60%, payable in monthly principal instalments of \$175,000, maturing in July 2011. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	13,475,000	-
Bank loan for real estate credit, bearing interest at prime rate plus 0.60%, payable in monthly principal instalments of \$11,905, maturing in February 2012. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	1,000,000	-
Decreasing bank loan, bearing interest at prime rate plus 4.00%, payable in monthly principal instalments of \$138,889 plus interest from January 2007, maturing in December 2009. A moveable hypothec over the universality of the company's present and future tangible and intangible assets has been given as security for this loan	3,711,111	-
Convertible debenture secured by a junior moveable hypothec over all assets owned by a subsidiary, bearing interest at 9%, payable in semi-annual principal instalments of \$75,000 plus interest, maturing in October 2011 *	300,000	750,000
Bank loans for which moveable hypothecs over automotive equipment have been given as security, 6.98% and nil, payable in monthly instalments of \$488, including principal and interest, and in principal instalments of \$716 plus interest, maturing in February 2010 and December 2007, respectively	24,093	28,376
Loan granted by Canada Economic Development under the Innovation, Development of Entrepreneurship and Access Program for SME, non-interest bearing, payable in five annual instalments of \$30,800, maturing in January 2011. Instalments will begin in January 2007	123,200	-
Reimbursed during the period	-	7,450,000
	18,633,404	8,228,376
Less: Current portion	4,001,179	2,651,440
	<u>14,632,225</u>	<u>5,576,936</u>

\* Sums of \$150,000 and \$300,000 out of that debenture were converted in the second and the third quarters, respectively.

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

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The annual principal instalments due on long-term debt over the next five twelve-month periods are as follows:

	\$
2007	4,001,179
2008	4,005,564
2009	2,717,049
2010	2,334,146
2011	2,302,860

### 6 Shareholders' equity

#### Share capital

##### Authorized

Unlimited number of common shares, without par value, voting and participating

Unlimited number of preferred shares with rights and restrictions fixed by the Board of Directors upon issuance

##### Issued

	<u>Nine Months Ended</u> <u>January 31, 2007</u>		<u>Twelve Months Ended</u> <u>April 30, 2006</u>	
	Number	Amount \$	Number	Amount \$
Balance – Beginning of period	21,969,017	1,790,195	16,250,000	668,196
Issuance of common shares:				
For cash consideration	9,999,967	4,743,860	1,437,500	575,000
For the acquisition of assets (note 3)	1,625,000	1,300,000	-	-
Following the conversion of debentures	2,298,795	1,460,233	1,064,900	574,849
Reverse takeover	-	-	3,112,855	-
Following the exercise of stock options	441,000	234,228	103,762	20,752
Following the exercise of warrants	31,250	23,438	-	-
Share issue expenses	-	(822,656)	-	(48,602)
Balance – End of period	<u>36,365,029</u>	<u>8,729,298</u>	<u>21,969,017</u>	<u>1,790,195</u>

## Sigma Ventures inc.

### Notes to Interim Consolidated Financial Statements (unaudited)

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On May 15, 2006, the company issued 9,999,967 units at a price of \$0.60 per unit. The gross proceeds from the private placement amount to \$6,000,000. Of this amount, a sum of \$1,040,087 (net of issue expenses of \$216,052) has been allocated to warrants using the Black-Scholes model. Each unit consists of one common share and one-half warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.85 per share until November 15, 2007. The underwriters obtained a monetary consideration equivalent to 8% of the gross proceeds from the placement and an additional compensation in warrants entitling for the purchase of 797,332 warrants at a price of \$0.60 per warrant until November 15, 2007. An amount of \$292,107 has been allocated to these warrants using the Black-Scholes model. The net proceeds from the private placement were used to repay the debts contracted upon the acquisition of Faroex on March 15, 2006.

On May 15, 2006, the company issued 416,667 warrants to a former holder of a convertible debenture entitling the latter to purchase common share at a price of \$0.85 per warrant until November 15, 2007. This option results from the acquisition of a convertible debenture on March 15, 2006, which had been reflected in shareholders' equity and converted into shares on April 28, 2006. A sum of \$45,000 has been allocated to these warrants using the Black-Scholes model.

#### Warrants

The following table presents information about warrants outstanding and exercisable for the nine-month period ended January 31, 2007:

	Number	Carrying value \$	Weighted average exercise price \$
Outstanding and exercisable – Beginning of period	818,750	-	0.71
Granted	6,213,990	1,593,246	0.82
Exercised	(31,250)	-	0.75
Issue expenses	-	(216,052)	-
Outstanding and exercisable – End of period	7,001,490	1,377,194	0.81

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

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The following table summarizes certain information about warrants outstanding and exercisable as at January 31, 2007:

Exercise price	Warrants outstanding and exercisable	
	Number	Weighted average remaining contractual life (years)
\$0.40	100,000	0.18
\$0.60	797,332	0.79
\$0.75	687,500	0.18
\$0.85	5,416,658	0.79
	<hr/>	
	7,001,490	0.72
	<hr/>	

For the nine-month period ended January 31, 2007, the fair value of warrants was estimated using the Black-Scholes model with the following assumptions:

Risk-free interest rate	4.08%
Expected volatility	57%
Dividend yield	0%
Expected weighted average life of each warrant granted	18 months
Weighted average fair value of each warrant granted	\$0.256

### Stock options

On May 1, 2006, the company granted 150,000 stock options at an exercise price of \$0.60. These stock options will generate aggregate stock-based compensation costs of \$80,704 over their vesting period. Those costs will be amortized on a straight-line basis over their vesting period of three years.

On October 3, 2006, the company granted 300,000 stock options at an exercise price of \$0.92. These stock options will generate aggregate stock-based compensation costs of \$150,732 over their vesting period. Those costs will be amortized on a straight-line basis over their vesting period of three years.

On December 1, 2006, the company granted 150,000 stock options at an exercise price of \$0.80. These stock options will generate aggregate stock-based compensation costs of \$65,314 over their vesting period. Those costs will be amortized on a straight-line basis over their vesting period of three years.

For the nine-month period ended January 31, 2007, the fair value of stock options granted was estimated using the Black-Scholes options pricing model with the following assumptions:

Risk-free interest rate	3.95%
Expected volatility	63%
Dividend yield	0%
Expected weighted average life of each option granted	5 years
Weighted average fair value of each option granted	\$0.495

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

The following table presents information about stock options outstanding for the nine-month period ended January 31, 2007:

	Number	Carrying value \$	Weighted average exercise price \$
Outstanding – Beginning of period	1,825,000	176,285	0.40
Granted	600,000	-	0.81
Exercised	(441,000)	(49,726)	0.40
Forfeited	(50,000)	(8,102)	0.40
Compensation costs for the period	-	242,800	-
	<hr/>	<hr/>	<hr/>
Outstanding – End of period	1,934,000	361,257	0.53

The following table summarizes information about outstanding and exercisable stock options as at January 31, 2007:

Exercise price	<u>Options outstanding</u>		<u>Options exercisable</u>	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
\$0.40	1,524,000	3.25	859,000	3.25
\$0.60	150,000	2.25	50,000	2.25
\$0.80	150,000	4.83	50,000	4.83
\$0.92	300,000	4.67	100,000	4.67
	<hr/>	<hr/>	<hr/>	<hr/>
	1,934,000	3.52	1,059,000	3.41

# Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

## 7 Statements of cash flows

### (a) Change in non-cash working capital items

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
Accounts receivable	6,642,042	(636,119)	4,404,933	(3,039,736)
Inventories	1,300,570	1,127,229	847,120	(1,082,185)
Prepaid expenses	35,137	(2,863)	221,257	(27,796)
Accounts payable and accrued liabilities	(2,193,702)	(849,490)	(1,046,687)	1,217,907
Deferred revenues	(350,185)	-	(169,008)	-
Income taxes	897,798	95,427	1,049,486	94,447
	<u>6,331,660</u>	<u>(265,816)</u>	<u>5,307,101</u>	<u>(2,837,363)</u>

### (b) Items not affecting cash related to financing and investing activities

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
Conversion of debentures into shareholders' equity	300,000	-	1,450,000	64,000
Issuance of common shares in partial settlement of the acquisition of the assets of Camoplast's composite truck division	1,300,000	-	1,300,000	-
Issuance of warrants in settlement of issue expenses	-	-	292,107	-
Issuance of common shares in settlement of accounts payable	-	-	10,233	-

### (c) Additional information

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
Interest paid	496,066	83,915	1,238,279	205,365
Income taxes paid (recovered)	(141,612)	110,348	190,560	371,810

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

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### 8 Earnings per share

The following table summarizes the basic and potentially dilutive weighted average number of common shares outstanding used in the basic and diluted net earnings per share calculations:

	<b>Three Months Ended January 31,</b>		<b>Nine Months Ended January 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Basic weighted average number of shares outstanding	34,466,521	21,013,688	33,538,554	18,242,088
Diluted weighted average number of shares outstanding	35,681,834	21,013,688	35,217,192	18,242,088

Furthermore, the following table presents the items excluded from the calculation of diluted earnings per share for the three-month and nine-month periods ended January 31, 2007 and 2006 because the exercise price was greater and/or anti-dilutive than the average market price of the common shares:

	<b>Three Months Ended January 31,</b>		<b>Nine Months Ended January 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Weighted average number of stock options at exercise prices varying from \$0.20 to \$0.92	450,000	2,136,286	450,000	2,136,286
Weighted average number of warrants at exercise prices varying from \$0.40 to \$0.75	-	818,750	-	818,750
Weighted average number of common shares for the convertible debenture at a minimum exercise price of \$0.40	-	1,875,000	-	1,875,000

## Sigma Ventures inc.

Notes to Interim Consolidated Financial Statements (unaudited)

January 31, 2007

### 9 Segment information

The company is organized under five operating segments. All of the long-lived assets are located in Canada.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>Sales by operating segment</b>				
Transportation	16,472,346	50,851	42,797,065	67,263
Snow removal products	3,442,094	4,683,427	9,264,059	8,608,996
Agriculture products	1,193,701	165,605	4,617,622	1,217,707
Alternative energy	360,543	-	360,543	-
Light forestry products	142,795	493,469	966,609	722,350
Others	1,283,800	501,848	2,757,634	1,210,919
	<u>22,895,279</u>	<u>5,895,200</u>	<u>60,763,532</u>	<u>11,827,235</u>

The following sales have been allocated to geographic regions based on the country of residence of the related customers.

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>Sales by geographic region</b>				
United States	16,467,466	1,703,736	42,910,278	3,717,926
Canada	6,133,371	4,165,220	16,149,535	8,030,895
Asia	102,540	-	641,610	-
South America	178,693	-	712,747	-
Europe	45	26,244	171,668	78,414
Australia	13,164	-	157,875	-
Others	-	-	19,819	-
	<u>22,895,279</u>	<u>5,895,200</u>	<u>60,763,532</u>	<u>11,827,235</u>

For the nine-month period ended January 31, 2007, one customer represents 51.1% of the company's total sales (nil for the same period in 2006) and 37.6% of the latter's total accounts receivable (nil as at April 30, 2006).

## **Sigma Ventures inc.**

Notes to Interim Consolidated Financial Statements (unaudited)

**January 31, 2007**

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### **10 Subsequent events**

*February 1, 2007*

The company completed the acquisition of Groupe Synergy Composites ("GSC INC."), a company specialized in the development of advanced composite products and technology for the utility vehicle and bus industries. The company has then purchased all outstanding shares of GSC INC. through René, a wholly-owned subsidiary of the company.

GSC INC., based in Chesterville, Quebec has developed a unique composite body for the transportation sector, which offers unique characteristics such as light weight and resistance to corrosion while preserving high payload capacity. GSC INC.'s plant utilizes the state-of-the-art and environmentally friendly Resin Transfer Molding (RTM-light) process.

*February 21, 2007*

The company announced that it has reached an agreement pertaining to a private placement of a minimum of 3.9 million dollars (\$ 3,900,000), and a maximum of five million dollars (\$ 5,000,000). Each unit will consist of one common share, at the agreed-upon price of \$0.90, and one-half common share subscription warrant. Each whole subscription warrant will entitle its holder to purchase a common share at a cost of \$1.15 for a period of 60 months from the closing date of the private investment. The net proceeds from the private placement will be used in part to reduce the company's long-term debt.

*March 16, 2007*

The company announced that it has completed the initial closing, in the amount of \$4,176,450.90 of the private placement announced on February 21. As part of the initial closing, Sigma issued 4,640,501 units at a price of \$0.90 a unit. Each unit is composed of a common share and a half warrant. Each full warrant will allow its holder to subscribe to a common Sigma share at the price of \$1.15 per share and the warrant is valid for 60 months from the date the unit issuance is closed. All securities issued are subject to a four-month (4) resale restriction.