

SIGMA VENTURES INC. CONSOLIDATED

**INTERIM FINANCIAL STATEMENTS (UNAUDITED)
OCTOBER 31, 2005**

SIGMA VENTURES INC CONSOLIDATED (UNAUDITED)

INTERIM FINANCIAL STATEMENTS AT OCTOBER 31, 2005

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INTERIM FINANCIAL STATEMENTS

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**SIGMA VENTURES INC. CONSOLIDATED
INTERIM STATEMENTS OF EARNINGS (UNAUDITED)**

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	Three Months Ended October 31,	Six Months Ended October 31,
	2005	2005
	\$	\$
REVENUES	4 646 212	5 932 035
COST OF SALES & OPERATING EXPENSES	3 751 692	4 991 995
EBITDA	<u>894 520</u>	<u>940 040</u>
OTHERS EXPENSES		
Interest on long-term debt	52 955	99 111
Interest and bank charges	27 817	35 155
Depreciation of fixed assets	46 640	88 370
Amortization of deferred charges	11 776	23 302
Stock-based compensation costs	83 471	83 471
Loss (Gain) on foreign exchange	(13 873)	4 310
Loss (Gain) on disposal assets	(6 387)	(6 387)
TOTAL OTHERS EXPENSES	<u>202 399</u>	<u>327 332</u>
EARNINGS(LOSS) BEFORE INCOME TAXES	<u>692 121</u>	<u>612 708</u>
INCOME TAX EXPENSE		
Current income taxes	254 696	240 025
Future income taxes	(13 004)	(23 226)
SUB TOTAL INCOME TAXES	<u>241 692</u>	<u>216 799</u>
NET EARNINGS(LOSS) FOR THE PERIOD	<u>450 429</u>	<u>395 909</u>
BASIC PROFIT PER SHARE	0,0214	0,0188
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	21 013 688	21 013 688

**SIGMA VENTURES INC. CONSOLIDATED
INTERIM RETAINED OF EARNINGS (UNAUDITED)**

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	<i>As at</i> <i>October 31,</i> <i>2005</i> <i>\$</i> <i>(unaudited)</i>	<i>As at</i> <i>July 31,</i> <i>2004</i> <i>\$</i> <i>(unaudited)</i>
BALANCE - Beginning of period	992 194	992 194
Retained earnings adjustment after RTO of Sigma	70 760	
Net earnings (loss) for the period	395 909	(54 520)
BALANCE - End of period	<u>1 458 863</u>	<u>937 674</u>

**SIGMA VENTURES INC. CONSOLIDATED
INTERIM BALANCE SHEET (UNAUDITED)**

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	<i>As at October 31, 2005 \$ (unaudited)</i>	<i>As at April 30, 2005 \$ (audited)</i>
CURRENT ASSETS		
Cash and cash equivalents	151 815	721 820
Accounts receivables (note 4)	3 939 136	1 299 401
Inventories	4 070 751	1 309 672
Prepaid expenses and others	79 089	48 676
TOTAL CURRENT ASSETS	<u>8 240 791</u>	<u>3 379 569</u>
FIXES ASSETS (note 5)	1 133 244	569 753
DEFERRED CHARGES (note 6)	176 068	184 370
GOODWILL	1 633 844	1 561 736
FUTURE INCOME TAX	58 736	35 510
TOTAL ASSETS	<u><u>11 242 683</u></u>	<u><u>5 730 938</u></u>
CURRENT LIABILITIES		
Bank loan (note7)	2 046 750	
Account payable and accrual liabilities	3 697 251	1 327 270
Note payable to shareholders with interest of 8%	101 000	101 000
Shareholders advance without interest		14 335
Current portion of long-term debt	602 294	811 484
TOTAL CURRENT LIABILITIES	<u>6 447 295</u>	<u>2 254 089</u>
LONG-TERM DEBT (note 8)	1 316 826	1 727 812
FUTURE INCOME TAX LIABILITIES	21 742	8 421
CONVERTIBLE DEBENTURE WITH INTEREST OF 9%	730 000	
TOTAL LIABILITIES	<u>8 515 863</u>	<u>3 990 322</u>
SHAREHOLDERS' EQUITY		
Capital stock (note 9)	1 128 150	684 422
Contributed surplus	119 807	
Convertible debenture with interest of 9%	20 000	64 000
Retained earnings	1 458 863	992 194
TOTAL SHAREHOLDERS' EQUITY	<u>2 726 820</u>	<u>1 740 616</u>
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	<u><u>11 242 683</u></u>	<u><u>5 730 938</u></u>

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

Approved by the Board of Directors
(s) Denis Bertrand, Director
(s) Bruno Doyon, Director

SIGMA VENTURES INC. CONSOLIDATED
INTERIM STATEMENT OF CASH FLOW (UNAUDITED)

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	Three Months Ended October 31,	Six Months Ended October 31,
	2005	2005
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Net earnings for the period	450 429	395 909
Items not affecting cash		
Depreciation of fixed assets	46 640	88 370
Amortization of deferred charges	11 776	23 302
Gain on disposal fixed assets	(6 387)	(6 387)
Stock-based compensation costs	83 471	83 471
Future income taxes	(13 004)	(23 226)
	<hr/>	<hr/>
	572 925	561 439
Net change in non-cash working capital items	(1 628 074)	(2 571 547)
	<hr/>	<hr/>
	(1 055 149)	(2 010 108)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank loan	1 526 750	1 826 750
Long-term debt contracted		208 000
Long-term debt redemption	(1 069 468)	(1 072 139)
Shareholders' advance	(37 561)	(52 561)
Capital stock issue	639 000	639 000
Convertible debenture issue	750 000	750 000
Share issue expenses	(158 936)	(158 936)
Convertible debenture conversion	(64 000)	(64 000)
	<hr/>	<hr/>
	1 585 785	2 076 114
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of fixed assets	(86 847)	(283 438)
Proceeds from disposal of fixed assets	25 726	25 726
Addition of deferred charges	(15 000)	(15 000)
Business cost acquisition	(500 000)	(500 000)
Insurance value premium	6 735	6 735
	<hr/>	<hr/>
	(569 386)	(765 977)
NET CHANGE IN CASH	<hr/>	<hr/>
	(38 750)	(699 971)
CASH - BEGINNING OF PERIOD	60 599	721 820
CASH - FROM BUSINESS ACQUISITION	129 966	129 966
CASH - END OF PERIOD	<hr/> <hr/>	<hr/> <hr/>
	151 815	151 815

1. STATUTS AND NATURE OF ACTIVITIES

Sigma Ventures inc. («the Corporation») was incorporated under the Alberta Business Corporations Act (Alberta) on September 5, 2001.

2. INTERIM FINANCIAL INFORMATION

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and use the same accounting policies and method used in the preparation of the company's most recent annual financial statements of 6172407 Canada inc. consolidated and Sigma Ventures inc. which are available on SEDAR database since they have been included in the financial statements of SIGMA VENTURES inc. included in (Déclaration de changement à l'inscription pour une opération admissible Sigma Ventures inc. dated of September 23, 2005). However, all disclosures required for annual financial statements have not included in these financial statements. These interim financial statements should therefore be read in conjunction with the company's most recent annual financial statements.

The financial information as at October 31, 2005 and for the six month ended October 31, 2005 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of this period has been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year due to the cyclicity of the company's operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the financial statements. Those estimates and assumptions also affect the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates includes the allowance for doubtful accounts receivables, provision for obsolete inventories, refundable tax credits, plant and equipment and intangible assets, future income taxes. Actual results could differ from those estimates.

FOREIGN CURRENCY TRANSLATION

Foreign currency transactions

The assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the period exchange rate. Exchange gains or losses are reflected in the statements of earnings. Revenue and expenses are translated at the last rate of the day of the prior month.

CONSOLIDATION

These consolidated financial statements include the company and their subsidiary, 6172407 Canada Inc. Consolidated (including Les Fontes PNS Ltée) and Remorques JMS Inc.

INVENTORIES

Raw materials inventories are valued at the lower of cost and replacement cost. Cost is determined on the first in, first out basis. Finished goods inventories are valued at the lower of cost and net realizable value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. They are depreciated using the following declining balance:

Plant	10 %
Equipment	30 %
Rolling stock	30 %
Computer equipment	50 %
Office furniture	20 %

DEFERRED CHARGES

The deferred charges included the financing expenses at cost and are amortized using the straight-line method over a maximum period of five years.

GOODWILL

Goodwill represents the excess of the purchase price over the value assigned to the net identifiable assets obtained upon acquisition of a business. The company values goodwill annually to determine whether a permanent impairment in value should be recorded.

EARNINGS PER SHARE

Basic earnings per share are determined using the weighted average number of common shares outstanding during the year.

STOCK-BASED COMPENSATION COSTS

The company accounts for all forms of employee stock-based compensation using the fair value-based method. Stock based compensation costs are amortized to expense over the vesting periods.

4. ACCOUNTS RECEIVABLES

	<i>As at October 31,</i>	<i>As at April 30,</i>
	<i>2005</i>	<i>2005</i>
	<i>\$</i>	<i>\$</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Account receivables	3 823 919	1 214 885
Other Account Receivables	64 000	64 000
Income tax	51 217	20 516
	<u>3 939 136</u>	<u>1 299 401</u>

5. PROPERTY, PLANT AND EQUIPMENT

	As at October 31, 2005			As at April 30, 2005		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
	(unaudited)			(audited)		
	\$	\$	\$	\$	\$	\$
Land	62 789		62 789	28 350		28 350
Plant	461 463	31 431	430 032	204 625	18 919	185 706
Equipment	633 223	136 018	497 205	323 662	88 867	234 795
Rolling stock	89 437	24 672	64 765	98 190	18 105	80 085
Computer equipment	91 448	24 322	67 126	40 861	11 683	29 178
Office Furniture	13 815	2 488	11 327	12 949	1 310	11 639
	1 352 175	218 931	1 133 244	708 637	138 884	569 753

6. DEFERRED CHARGES

	As at October 31, 2005			As at April 30, 2005		
	Cost	Accumulated Amortization	Net value	Cost	Accumulated Amortization	Net value
	(unaudited)			(audited)		
	\$	\$	\$	\$	\$	\$
Financing expenses	245 462	69 394	176 068	230 462	46 092	184 370
	245 462	69 394	176 068	230 462	46 092	184 370

7. **BANK LOAN**

The company has an available authorized line of credit of 3 000 000 \$, which 2 000 000 \$ bearing interest at prime rate plus 1,0 % and 500 000 \$ bearing interest at prime rate plus 1.5 % and renewable annually. Accounts receivables and inventories have been given as security for the line of credit and include certain covenants relating to financial ratios and secured by the holding and some shareholders. At October 31, 2005 the company used the line of credit for 2 046 750 \$.

8. **LONG-TERM DEBT**

	<u>As at October 31,</u> <u>2005</u> <u>(unaudited)</u>	<u>As at April 30, 2005</u> <u>(audited)</u>
Term loan, prime rate plus 3% maturing in June 2007 secured by the universality of movable and immovable property, inventories and accounts receivable present and futures and the by the holding and some shareholders.	1 450 000 \$	2 500 000 \$
Term loan, prime rate plus 1.5% maturing in June 2009 secured by the machinery and equipments.	195 000 \$	- \$
Term loans, interest 6.05% to 7.36 maturing in June 2006 and 2007 secured by the universality of movable and immovable property present and futures.	240 755 \$	- \$
Term loan interest varying between 4.9% and 6.98 %, maturing in June 2006 and February 2010 and guarantee by the rolling stock.	<u>33 365 \$</u>	<u>39 296 \$</u>
	1 919 120 \$	2 539 296 \$
Instalments due within one year	<u>602 294 \$</u>	<u>811 484 \$</u>
	<u>1 316 826 \$</u>	<u>1 727 812 \$</u>

Estimated repayments on long-term debt in the next years are detailed as follows:

2006	850 514 \$
2007	679 745 \$
2008	541 299 \$
2009	89 042 \$
2010	42 795 \$

9. AUTHORIZED CAPITAL STOCK

Authorized – unlimited number of shares without per value

Common shares, voting, non-cumulative dividends, rate to be determined by the Directors.

Preferred shares, issuable in series. The directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

Issue and fully paid:

	<u>As at</u> <u>October 31,</u> <u>2005</u> <u>(unaudited)</u>	<u>As at April</u> <u>30, 2005</u> <u>(audited)</u>
21 013 688 common shares	1 323 422 \$	
1 886 shares Class A		265 004 \$
5 000 000 shares Class C		419 418 \$
Share issue expenses	<u>195 272 \$</u>	
	1 128 150 \$	684 422 \$

10. CASH FLOWS

The cash flow related to interest paid and the income taxes are detailed as follows:

	<u>Three months ending</u> <u>October 31, 2005</u>	<u>Three months ending</u> <u>July 31, 2005</u>
Interest paid	121 450 \$	48 025 \$
Income taxes	261 462 \$	126 876 \$

11. FINANCIAL INSTRUMENTS

CREDIT INSTRUMENT

The company has no significant exposure with one particularly customer or third party. The company proceeds to the evaluation of their customers and examine the historical payment of the new customer. The company takes a bad debt reserve in relation with the evaluation of the risk of credit with their major customers.

FOREIGN EXCHANGE RISK

As October 31, 2005 the cash and cash equivalents, account receivables the accounts payable and income taxes totalled the following amounts: 9 997 \$ (8 494 \$ US), 1 481 099 \$ (1 253 893 \$ US), 1 281 005 \$ (1 084 494 \$ US), de 115 (97 \$US) in US dollars.

The company has an arrangement to hedge its foreign exchange risk maturing in November 30, 2005 to buy 54 145 euros for the amount in Canadian dollars 79 512 \$. The loss unrealized on this contract is 2 875 \$.

The company has an arrangement to hedge its foreign exchange risk maturing in November 20, 2005 to buy 135 000 \$ U.S for the amount in Canadian dollars 160 407 \$. The loss unrealized on this contract is 945 \$.

FAIR VALUE

Short-term financial instruments are financial instruments whose fair value approximates the carrying amount thereof given that they will mature shortly.

The fair value of the long-term debt is comparable to the carrying value thereof given that the important loans bear interest at floating rate or were incurred during the year.