



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

January 31, 2007
3rd Quarter of Fiscal 2007

Sigma Ventures Inc. is a leading composite and metal products manufacturer. Sigma has six operating subsidiaries which employ 650 people. The Company is active in the growing heavy duty truck, coach, transit and bus, train and subway, machinery, agriculture, light forestry and alternative energy market segments. Sigma offers its products to original equipment manufacturers and distributors in the United States, Canada and Europe.

Sigma has had a recent history of steady growth and accretive acquisitions. Its recent and planned growth initiatives are expected to continue to raise Sigma's profile with investors.





MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MESSAGE TO SHAREHOLDERS

SIGMA VENTURES experienced a third quarter as expected, with sales of \$22.9 million compared to \$5.9 million in 2006, an increase of \$17.0 million or 288%. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 283% to \$2.8 million compared to \$0.7 million for the same quarter last year. Net earnings reached \$1.0 million, an increase of 187% compared to the same quarter last year. The Company continued to generate cash flows from operating activities with \$7.9 million compared to \$0.2 million in 2006.

This growth is principally due to the recent acquisitions of René Matériaux Composites Ltée and Faroex Ltd. The integration of René Matériaux Composites Ltée has progressed as expected and we will see the commercial and operational synergies materialize in the next quarters through the launch of new products and development of new markets.

On January 27, 2006, we acquired the assets of Camoplast's truck composite division, allowing us to make further inroads in the field of composites intended for the Class 7 and 8 truck industry and the agricultural sector. This acquisition allows Sigma Ventures to acquire a new, promising technology, and will also solidify our advantageous market position and strengthen our two other facilities of René Matériaux Composites Ltée through the exchange of best practices as well as new market opportunities. Moreover, on February 2, 2007, we acquired Groupe Synergy Composites Inc. («GSC Inc.»), a company specialized in the development of advanced composite products and technology for the utility vehicle and bus industries. GSC Inc. 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 innovative technology and promising product line are a perfect fit for Sigma Ventures and a great way for us to further diversify into new markets.

During the third quarter, we began the shipments in the wind energy sector for a world-wide company. Our breakthrough into this highly promising market, as well as our expertise the various techniques or manufacturing processes in the composite sector, will enable us to offer our customers optimal solutions and applications.

During the next quarters, Sigma Ventures will remain focused on the deployment of its strategic plan to become a first class integrator in the transport, bus, wind energy, agriculture and industrial products sectors, while being devoted to the integration of recent acquisitions and the continued realization of related synergies.

Denis Bertrand
President and Chief Executive Officer

Scope of Management's Discussion and Analysis

In this Management's Discussion and Analysis ("MD&A"), the "Company", "we", "us", and "our" mean Sigma Ventures Inc. and its subsidiaries.

The following analysis provides a review of the Company's results of operations and cash flows for the three-month and nine-month periods ended January 31, 2007 compared with the three-month and nine-month periods ended January 31, 2006 and its financial condition as at January 31, 2006 compared to April 30, 2006. This document should be read in conjunction with the unaudited interim consolidated financial statements for the three-month and nine-month periods ended January 31, 2007 and 2006 and with our 2006 Annual Report. Additional information relating to Sigma Ventures Inc. may be found on SEDAR at www.sedar.com.

The following information takes into account all material events that took place until March 21, 2007, the date on which the Company's Board of Directors approved this MD&A.

The Company's unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Company. Such forward-looking statements are dependent upon a certain number of factors and are subject to risks and uncertainties. Actual results may differ from those expected. The information contained in this MD&A is dated March 21, 2007, the date on which the Board of Directors approved the interim consolidated financial statements and the MD&A. Management does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information or future events, except when required by the regulatory authorities.

For further information regarding Sigma Ventures Inc., the reader may consult the SEDAR database, at the following Internet address: www.sedar.com

Non-GAAP Financial Measures

The information included in this MD&A contains certain information which are not financial measures prescribed under GAAP. For example, we use the earnings before interest, taxes, depreciation and amortization ("EBITDA") as this measure allows management to evaluate the operational performance of the Company and the performance of its assets. This non-GAAP financial measure does not have any meaning prescribed by GAAP. This is not a measure designed to replace other measures of financial performance or the state of cash flow as an indicator of liquidity. This measure does not represent the cash flow for the repayment of long-term debt, the payment of dividends, the reinvestment or other discretionary uses, and should not be considered remotely or as a substitute to other measures of performance calculated according to GAAP.

This measure is used by the Company because management believes it provides useful information regarding performance. It is a frequently used tool in the business world to analyze and compare the performance of businesses in the sectors where the Company and its subsidiaries are active. The definition of this measure that we have adopted may differ from that of other businesses.

Company Overview

Who are we?

As at January 31, 2007, Sigma Ventures Inc. directly owned five wholly-owned subsidiaries:

- PNS Cast Iron Ltd. ("PNS"), located in Saint-Agapit (Quebec) and specialized in the development, production and distribution of spare parts intended for the agricultural and snow removal industries;
- Remorques JMS Inc. ("JMS"), located in l'Islet (Quebec) and specialized in the development and the manufacturing of trailers and light forestry products;
- Faroex Ltd ("Faroex"), located in Gimli (Manitoba) and specialized in the development and manufacturing of composite components for the road transportation industry, agriculture and windmill energy;
- René Composites Materials Ltd. ("René"), located in Saint-Éphrem-de-Beauce (Quebec) and specialized in the manufacturing of composite parts for the road transport industry such as parts for Class 7 and 8 trucks. During the last previous 30 years, René has developed a durable relationship with its customers and its suppliers to become the leader in its field of expertise. René's philosophy regarding innovation, creativity and research for new production technologies enabled it to be recognized on a worldwide scale with the most significant manufacturers in the truck transportation industry.
- 3547441 Canada Inc. ("3547441"), located in Saint-Éphrem-de-Beauce (Quebec) and specialized in the manufacturing of dies and moulds for René's customers. The plant located in Acton Vale (Quebec) manufactures a range of composite hoods for Class 7 & 8 highway trucks and vocational trucks, as well as B6 Magnum series tractors.

Long-term growth goals

From now to 2008, the development strategy of the Company consists in:

- taking advantage of the synergies amongst the subsidiaries of the Company by integrating their manufacturing activities;
- increasing sales by intensifying the penetration of potential market segments (USA, Europe and Asia);
- launching new value-added products on a regular basis;
- reducing production costs by the modernization of machinery and equipment;
- intensifying the research and development work; and
- acquiring businesses evolving in the same markets as its subsidiaries and manufacturing goods which are complementary.

FINANCIAL SUMMARY –THIRD QUARTER OF FISCAL 2007

- Cash flows from operating activities were \$7.9 million for the third quarter ended January 31, 2007 compared to \$0.2 million in 2006;
- Sales were \$22.9 million for the third quarter ended January 31, 2007 in comparison with \$5.9 million in 2006, an increase of \$17.0 million or 288 %;
- EBITDA increased by 283 % to \$2.8 million in the third quarter ended January 31, 2007 compared to \$0.7 million for the same quarter in 2006;
- Net earnings reached \$1.0 million for the third quarter ended January 31, 2007 compared to \$0.36 million in 2006, an increase of 187 %.

HIGHLIGHTS OF THE QUARTER

January 27, 2007

- The acquisition of the assets of Camoplast's truck composite division located in Acton Vale, Quebec through 3547441, a wholly-owned subsidiary of the Company, for \$4.7 million. The purchase price is subject to a future adjustment based on the carrying value of inventories and the cost of prepaid expenses over the 60-day period following the closing date. The transaction was paid in part through the issuance to Camoplast of 1.625 million common shares of Sigma Ventures Inc., and the remaining balance was paid in cash.

Camoplast's Acton Vale assets are composed of a state of the art facility which utilizes the "in mold coating for robotized spray molding technology." This technology allows the production of a finished product that is ready for final assembly. The plant manufactures a range of composite hoods for Class 7 and 8 highway trucks and vocational trucks, as well as B6 Magnum series tractors and directly employs approximately 85 people. Sales were approximately \$12 million over the past twelve months.

January 26, 2007

- A director exercised 100,000 stock options entitling him to acquire 100,000 common shares at a price of \$0.40 each. These stock options had been granted upon the implementation, on October 7, 2005, of the stock option plan for the employees, officers, directors and consultants of the Company and its subsidiaries.

December 15, 2006

- The holder of the \$750,000 convertible debenture converted a part thereof for a sum of \$300,000, thus entitling to acquire 437,254 common shares at a price of \$0.6861 per share.

SUBSEQUENT EVENTS

February 1, 2007

- 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. Sigma is purchasing 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 19, 2007

- The Company announced the appointment of Mrs. Judith Kavanagh to its Board of Directors. Mrs. Kavanagh, who has been working in the industry of the financial services since more than 25 years, also serves on the boards of Dundee Wealth Management, Concordia University and l'Agence partenariats public-privé Québec. Mrs. Kavanagh has acted as a consultant on a number of special projects to mutual fund companies, securities firms, banks and government agencies, among others.

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 5.0 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 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.

Financial information for the three-month and nine-month periods ended January 31, 2007 and 2006

For the three-month periods ended January 31, 2007 and 2006, the unaudited consolidated operating results of the Company include the results of the following companies:

- Faroex, PNS, Sigma Ventures Inc., JMS, René and 3547441 for the period from November 1, 2006 to January 31, 2007, being a three-month period in 2007;
- Sigma Ventures Inc., PNS and JMS for the period from November 1, 2005 to January 31, 2006, being a three-month period in 2006.

For the nine-month periods ended January 31, 2007 and 2006, the unaudited consolidated operating results of the Company include the results of the following companies:

- Faroex for the period from May 1, 2006 to January 31, 2007, being a nine-month period in 2007 and nil in 2006;
- PNS for the period from May 1, 2006 to January 31, 2007, being nine-month periods in 2007 and 2006;
- Sigma Ventures Inc. for the period from May 1, 2006 to January 31, 2007, being a nine-month period in 2007 and for the period from October 1, 2005 to January 31, 2006, being a four-month period in 2006;
- JMS for the period from May 1, 2006 to January 31, 2007, being a nine-month period in 2007 and for the period from October 1, 2005 to January 31, 2006, being a four-month period in 2006;
- René for the period from June 28, 2006 to January 31, 2007, being a six-month and 34-day period in 2007 and nil in 2006;
- 3547441 for the period from June 28, 2006 to January 31, 2007, being a six-month and 34-day period in 2007 and nil in 2006.

SELECTED FINANCIAL INFORMATION

Interim consolidated results of operations

	Three-month periods ended January 31,		Nine-month periods ended January 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Sales	22,895,279	5,895,200	60,763,532	11,827,235
EBITDA	2,754,123	719,527	7,701,737	1,578,173
Earnings before income taxes	1,642,129	551,523	4,905,364	1,164,231
Net earnings	1,032,948	359,356	3,118,765	755,265
Weighted average number of shares outstanding				
Basic	34,466,521	21,013,688	33,538,554	18,242,088
Diluted	35,681,834	21,013,688	35,217,192	18,242,088
Net earnings per share				
Basic	0.030	0.017	0.093	0.041
Diluted	0.029	0.017	0.089	0.041

Consolidated balance sheet data

	As at	
	January 31, 2007	April 30, 2006
	\$	\$
Current assets	26,292,868	10,061,825
Total assets	53,256,862	18,286,942
Current liabilities	21,594,595	7,549,298
Total liabilities	38,577,509	14,227,623
Shareholders' equity	14,679,353	4,059,319

**THREE-MONTH AND NINE-MONTH PERIODS ENDED JANUARY 31, 2007
COMPARED WITH THREE-MONTH AND NINE-MONTH PERIODS ENDED
JANUARY 31, 2006**

Results of operations

Sales

Sales for the three-month period ended January 31, 2007 reached \$22.9 million compared to \$5.9 million for the same period in 2006, an increase of \$17.0 million. For the nine-month period ended January 31, 2007, sales reached \$60.8 million compared to \$11.8 million for the same period in 2006, an increase of 414%. The increase came primarily from our recent business acquisitions. We anticipate a growth in our sales for the next quarters due to these new acquisitions and the internal growth.

**SEGMENTED INFORMATION
(by geographic region)**

	Three-month periods ended January 31,		Nine-month periods ended January 31,	
	2007 \$	2006 \$	2007 \$	2006 \$
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>

The increase in sales resulting from our U.S. customers is mainly due to the two businesses that we have acquired over the last few months. Sales from U.S. customers represent 71.9% of the total sales in the third quarter ended January 31, 2007 compared with 28.9% in 2006. U.S. sales were \$16.5 million in 2007, compared with \$1.7 million in 2006. For the nine-month period ended January 31, 2007, U.S. sales represent 70.6% of the total sales compared with 31.4% in 2006. This increase reflects the strengthening of our distribution network in the recently acquired companies for high value-added products on the foreign markets.

The most important customer in the three-month period ended January 31, 2007 represented 54.1% of the Company's total sales and 51.1% for the nine-month period ended January 31, 2007.

Earnings from operations

Earnings from operations amounted to \$2.7 million for the three-month period ended January 31, 2007, compared to \$0.7 million in the same period in 2006, an increase of \$2.0 million. This variation is primarily attributable to the gross margin from the newly-acquired companies. For the nine-month period ended January 31, 2007, earnings from operations amounted to \$7.5 million compared to \$1.6 million for the same period in 2006, representing an increase of \$5.9 million attributable to the gross margin from the newly-acquired companies.

Grants of stock options to employees, officers, directors and consultants of the Company and to a consultant providing public and investor awareness services required stock-based compensation costs of \$66,307 in the three-month period ended January 31, 2007 compared to \$40,113 for the same period in 2006. For the nine-month period ended January 31, 2007, stock-based compensation costs totalled \$242,800 compared to \$123,584 for the same period in 2006.

EBITDA

EBITDA for the third quarter ended January 31, 2007 stood at \$2.8 million compared to \$0.7 million for the same quarter in 2006. The EBITDA margin ratio decreased from 12.2% in the third quarter in 2006 to 12.0% for the corresponding period in 2007. For the nine-month period ended January 31, 2007, EBITDA stood at \$7.7 million compared with \$1.6 million for the same period in 2006. The EBITDA margin ratio decreased from 13.3% for the nine-month period ended January 31, 2006 to 12.7% for the same period in 2007. The decrease in the EBITDA margin ratio is primarily attributable to profit margins from the companies acquired over the last year. Moreover, for the nine-month period ended January 31, 2007, the EBITDA margin ratio is equivalent to the ratio shown in the pro forma financial statements (Business acquisition report - BAR) filed on SEDAR further to the acquisition of René on June 28, 2006. The EBITDA calculation for the third quarter ended January 31, 2007 has been obtained by adding earnings from operations of \$2.7 million to the foreign exchange gain of \$0.08 million recorded under the item "Other expenses (revenues)" in the interim consolidated statement of earnings.

Financial expenses

Financial expenses for the third quarter ended January 31, 2007 were \$503,916 compared to \$96,312 for the corresponding quarter last year. For the nine-month period ended January 31, 2007, financial expenses were \$1,263,495 compared to \$230,578 in the same period in 2006. The increase for the three-month and nine-month periods ended January 31, 2007 is due directly to the increase in debt levels related to our acquisitions, particularly René on June 28, 2006. We anticipate an increase in interest expenses for the same reason in our fiscal year 2007 ranging from May 1, 2006 to April 30, 2007.

Depreciation and amortization

Depreciation and amortization expenses for the third quarter ended January 31, 2007 totalled \$608,078 an increase of \$536,386 compared to the amount of \$71,692 registered in the third quarter last year. This increase is due to the following items:

- depreciation of property, plant and equipment of the newly-acquired companies, Faroex and René, for an amount of \$365,603;

- amortization of deferred charges representing the financing expenses related to the new credit facilities negotiated upon the acquisition of René and Faroex, for an amount of \$31,620;
- amortization of intangible assets resulting from the acquisition of René, for an amount of \$146,357.

For the nine-month period ended January 31, 2007, depreciation and amortization expenses totalled \$1,532,878, an increase of \$1,349,514 compared to the amount of \$183,364 registered in the same period in 2006. This increase is due to the following items:

- depreciation of property, plant and equipment of the newly-acquired companies, Faroex and René, for an amount of \$925,558;
- amortization of deferred charges representing the financing expenses related to the new credit facilities negotiated upon the acquisition of René and Faroex, for an amount of \$79,500;
- amortization of intangible assets resulting from the acquisition of René, for an amount of \$340,333.

Foreign exchange gain

The foreign exchange gain amounting to \$79,530 in the third quarter came primarily from one company whose level of receivables in the US currency is higher than the level of payables in the same currency. This foreign exchange gain is also attributable to the Canadian dollar's depreciation against the US dollar.

For the nine-month period ended January 31, 2007, the foreign gain exchange of \$229,079 came mainly from one of the companies acquired for the same reason as mentioned above.

Income taxes

The income tax expense for the third quarter ended January 31, 2007 stood at \$609,181 (or 37.1% of earnings before income taxes) compared to \$192,167 (or 34.8% of earnings before income taxes) for the same period last year. For the nine-month period ended January 31, 2007, the income tax expense amounted to \$1,786,599 (or 36.4% of earnings before income taxes) compared to \$408,966 (or 35.1% of earnings before income taxes) during the same period last year. The increase in income taxes is mainly due to our recent business acquisitions and to non-deductible expenses for income tax purposes such as stock-based compensation costs.

Net earnings

The Company's net earnings for the third quarter ended January 31, 2007 were \$1,032,948 or \$0.030 per share (\$0.029 per share on a diluted basis) compared to \$359,356 or \$0.017 per share (\$0.017 per share on a diluted basis) in the same quarter last year. For the nine-month period ended January 31, 2007, net earnings were \$3,118,765 or \$0.093 per share (\$0.089 per share on a diluted basis) compared to \$755,265 or \$0.041 per share (\$0.041 per share on a diluted basis) in the same period in 2006. The increase of \$2,363,500 in net earnings is primarily attributable to the positive impact of our recent acquisitions, thus allowing a better balance in sales and after-tax earnings in the next quarters.

Financial position

Assets

For the first nine-month period ended January 31, 2007, total assets increased by \$35 million. This increase is attributable mainly to the assets arising from the acquisition of René on June 28, 2006, for a total amount of \$23.1 million, to the revaluation adjustment of René's property, plant and equipment, net of depreciation since June 28, 2006 for \$0.8 million, and also to the posting of goodwill and intangible assets, net of amortization since June 28, 2006 for \$4.9 million and the acquisition of the assets of Camoplast's truck composite division located in Acton Vale, Quebec for \$5.1 million. Moreover, accounts receivable included an amount of \$0.5 million representing the sum receivable from the insurance company following a fire that occurred in fall 2005 at one of our subsidiaries' place of business.

Liabilities

The Company's total liabilities increased by \$24.3 million as a result of the increase in long-term debt by \$10.4 million, the increase in bank loans by \$3.1 million, the increase in accounts payable and accrued liabilities by \$5.7 million and the increase in deferred revenues for \$1.8 million. These increases are primarily due to the acquisition of René as of June 28, 2006.

Financial ratios

The Company is required by its financial institutions to meet specific financial ratios. As of January 31, 2007, one financial ratio was not met. However, the Company obtained a waiver from the financial institution in that regard.

Liquidity, cash flows and financing

Operating activities

Cash flows provided from operating activities before the change in non-cash working capital items totalled \$1.6 million for the third quarter ended January 31, 2007 compared to \$0.5 million in 2006. Concerning cash flows in non-cash working capital items, a decrease in accounts receivable of \$6.6 million, in inventories for \$1.3 million and in accounts payable and accrued liabilities of \$2.2 million during the third quarter generated a positive net change of \$6.3 million. Considering the above-mentioned variations, net cash flows provided from operating activities varied by \$7.9 million.

For the nine-month period ended January 31, 2007, cash flows provided from operating activities before the change in non-cash working capital items totalled \$5.5 million compared to \$1.0 million for the same period in 2006. This cash flows increase derives mainly from the \$2.4 million rise in net earnings, the increase in depreciation and amortization expenses for a total amount of \$1.3 million and an amount of \$0.7 million from future income taxes.

Financing activities

For the third quarter ended January 31, 2007, cash flows used in financing activities include the bank loan repayment of \$2.2 million, \$1.8 million for the long-term debt repayment and \$1.0 million for the partial financing of capital expenditures.

For the nine-month period ended January 31, 2007, cash flows provided from financing activities resulted from the increase in long-term debt and bank loans for a net amount of \$12.7 million, net of payments on long-term debt, which debt was used for the acquisition of René last June. Moreover, the issuance of equity components generated funds of \$6.2 million which were offset by the repayment of the long-term debt contracted in March 2006 for the acquisition of Faroex and the purchase of the assets of Camoplast's composite truck division in January 2007. Furthermore, equity component issue expenses of \$0.7 million and deferred charges related to financing fees in the amount of \$0.3 million reduced cash flows provided from financing activities.

Investing activities

The decrease in cash flows from investing activities was \$3.9 million for the third quarter ended January 31, 2007, mainly used for acquisitions of the assets of Camoplast's composite truck division.

For the nine-month period ended January 31, 2007, the decrease in cash flows from investing activities was \$26.9 million, of which \$25.3 million were used for the acquisition of René and Camoplast's composite truck division, and \$1.6 million used for the acquisition of machinery and equipment aiming to reduce the costs related to the automation and robotization program defined in the Company's development strategy. During the same period in 2006, cash flows from investing activities were used for the acquisition of JMS for \$0.5 million and capital expenditures for \$0.3 million.

Shareholders' Equity

Share Capital

The following table presents the share capital activity since May 1, 2006:

	<u>As at January 31, 2007</u>	
	<u>Number</u>	<u>Amount</u> <u>\$</u>
<i>Balance as at April 30, 2006</i>	21,969,017	1,790,195
Issuance of common shares upon the conversion of the debenture amounting to \$1,000,000 plus accrued interest for the period from March 15, 2006 to April 30, 2006	1,681,079	1,010,233
Issuance of common shares upon a private placement at a price of \$0.60 per share, net of the value of warrants (\$1,256,140)	9,999,967	4,743,860
Issuance of common shares further to the exercise of 75.25% of stock options granted to the agent upon the private placement on October 7, 2005	301,000	147,743
Issuance of common shares further to the conversion of sums of the convertible debenture, being \$450,000	617,716	450,000
Issuance of common shares further to the exercise of warrants granted on October 7, 2005	31,250	23,438
Issuance of common shares further to the exercise of stock options granted on October 7, 2005	140,000	56,000
Issuance of common shares in partial settlement of the acquisition of the assets of Camoplast's composite truck division	1,625,000	1,300,000
Reclassification of stock-based compensation costs to share capital upon exercise of stock awards	-	30,485
Share issue expenses	-	(822,656)
Balance as at January 31, 2007	<u>36,365,029</u>	<u>8,729,298</u>

As of the date of this MD&A, changes have occurred in the Company's share capital as mentioned below:

February 22, 2007

- The holder of the \$750,000 convertible debenture converted the balance of the convertible debenture for a sum of \$300,000, thus entitling to acquire 446,251 common shares at a price of \$0.6723 per share.

March 8, 2007

- The agent, Jones, Gable and Company Limited, exercised 20,000 options entitling to acquire 20,000 common shares at a price of \$0.40 each. These options had been granted as part of the private placement concomitant to the qualifying transaction on October 7, 2005.

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.

As of the date of this MD&A, the Company's issued and outstanding share capital consists of 41,471,781 issued and fully paid common shares.

Stock options

A stock option plan for the employees, officers and directors of the Company and its consultants came into force on October 7, 2005. The maximum number of shares issuable under the plan is limited to 10 % of the Company's issued and outstanding shares. The maximum term of the options is five years. Options may be exercised under the terms and conditions established by the Board of Directors at the date of grant. The purchase price of the shares under the plan cannot be lesser than the discounted market price.

The following table presents information about stock options outstanding and exercisable under the plan as of January 31, 2007:

	Number	Total stock-based compensation costs * \$
	<u> </u>	<u> </u>
<i>Outstanding as at April 30, 2006</i>	1,825,000	251,222
Granted on May 1, 2006		
Consultants - Investor relations	150,000	80,704
Granted on October 3, 2006		
Officers, employees and consultants	300,000	150,732
Granted on December 1, 2006		
Officers, employees	<u>150,000</u>	<u>65,314</u>
Total stock options granted as at January 31, 2007	2,425,000	547,972
Exercised as at January 31, 2007		
Directors and officers	(140,000)	(22,383)
Agent	(301,000)	-
Forfeited as at January 31, 2007		
Directors	<u>(50,000)</u>	<u>(8,102)</u>
Outstanding as at January 31, 2007	<u>1,934,000</u>	<u>517,487</u>
Stock-based compensation costs for the year ended April 30, 2006		139,950
Stock-based compensation costs for the nine-month period ended January 31, 2007		242,800
Impact of the stock options exercised and forfeited on the stock-based compensation costs for the next quarters		7,160
Stock-based compensation costs for the next quarters		158,062
Options exercisable as at January 31, 2007	1,059,000	
Options exercised as at January 31, 2007	441,000	
Options forfeited as at January 31, 2007	50,000	

* Stock-based compensation costs during the vesting period

As of the date of this MD&A, the agent exercised 20,000 stock options, on March 8, 2007.

RELATED PARTY TRANSACTIONS

During the nine-month periods ended January 31, 2007 and 2006, management fees paid to a director of the Company amounted to \$34,604 and \$37,355 respectively. This transaction has been measured at the exchange amount.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Our interim consolidated financial statements have been prepared in accordance with Canadian GAAP. The preparation of financial statements in accordance with GAAP 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 reporting periods.

Significant estimates include the allowance for doubtful accounts, provisions for excess and obsolete inventories, the useful lives and recoverable amount of property, plant and equipment and intangible assets, the impairment of goodwill, the purchase price allocation resulting from business acquisitions, the valuation allowance of future income tax assets and certain accrued liabilities. Management believes its estimates to be appropriate; however, actual results could differ from those estimates.

No significant changes have been brought to the Company's accounting policies and estimates since April 30, 2006. Please refer to the corresponding section in our 2006 Annual Report for a complete description of our significant accounting policies and estimates.

New accounting standards

In January 2005, the Canadian Institute of Chartered Accountants issued four new accounting standards in relation with financial instruments: Section 3855 "*Financial Instruments – Recognition and measurement*", Section 3865 "*Hedges*", Section 1530 "*Comprehensive Income*" and Section 3251 "*Equity*".

Section 3855 expands on Section 3860 "*Financial Instruments – Disclosure and Presentation*", by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13 "*Hedging Relationships*", and the hedging guidance in Section 1650 "*Foreign Currency Translation*" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530 "*Comprehensive Income*" introduces a new requirement to temporarily present certain gains and losses outside net income.

Consequently, Section 3250 "*Surplus*" has been revised as Section 3251 "*Equity*".

Sections 1530, 3855 and 3865 apply to fiscal years beginning on or after October 1, 2006. The Company is currently assessing the effects of these new standards on its future consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

Interest rate risk

We are exposed to market risk due to possible interest rate fluctuations. Our bank loans and the majority of our long-term debt bear interest at variable rates. The interest rates of the bank loans and the long-term debt are mentioned respectively in notes 4 and 5 to the unaudited interim consolidated financial statements for the quarter ended January 31, 2007.

Credit risk

The Company continuously reviews, in the normal course of its operations, the financial position of its clients and examines the credit continuity schedule of all new clients. There is no existing account receivable that represents a substantial risk for the Company. The Company contracted a credit insurance with an insurer for its accounts receivable denominated in US dollars for two of its subsidiaries, being PNS and JMS.

Foreign currency risk

Since the Company operates on an international scale, it is exposed to foreign currency risks as a result of potential exchange rate fluctuations. In order to offset the risk resulting from the sales denominated in US dollars, the Company completes several purchases of raw materials in US dollars and enters into foreign currency forward contracts. As at January 31, 2007, the Company held foreign currency forward contracts for the period from February 1, 2007 to July 31, 2007 for a total value of US\$2,800,000 or an equivalent of CAN\$3,187,675 for an average exchange rate of 1.1385.

RISK FACTORS AND UNCERTAINTIES

There have been no significant changes in the risk factors and uncertainties facing Sigma Ventures, as described in the Company's 2006 annual MD&A.

CONTINUOUS DISCLOSURE AND DISCLOSURE CONTROLS

The Company is a reporting issuer under the securities legislation in the provinces of Alberta, British Columbia and Quebec and it is, therefore, required to file continuous disclosure documents such as interim and annual financial statements, proxy circulars, annual information forms, material change reports and press releases with such securities regulatory authorities. Copies of these documents may be obtained free of charge on request from the office of the Vice-President, Finance of the Company or through our Internet site at the following address: www.sigmaventures.ca or on the following Internet site: www.sedar.com .

(s) Denis Bertrand

Denis Bertrand
President and Chief Executive Officer

(s) Bertrand Côté

Bertrand Côté
Vice-President, Finance and Chief Financial Officer,

March 21, 2007