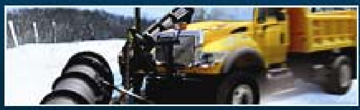
SIGMA VENTURES INC.

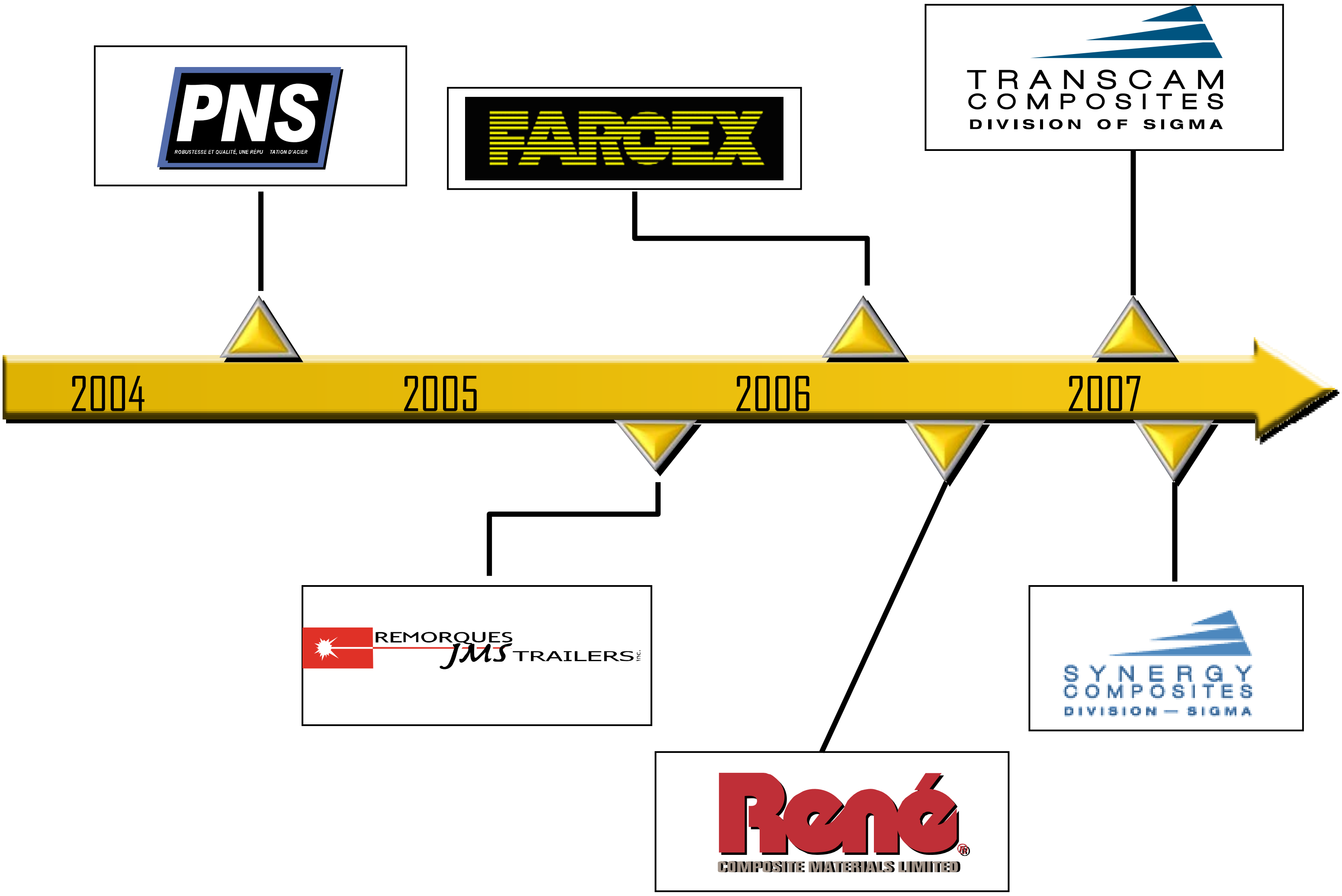



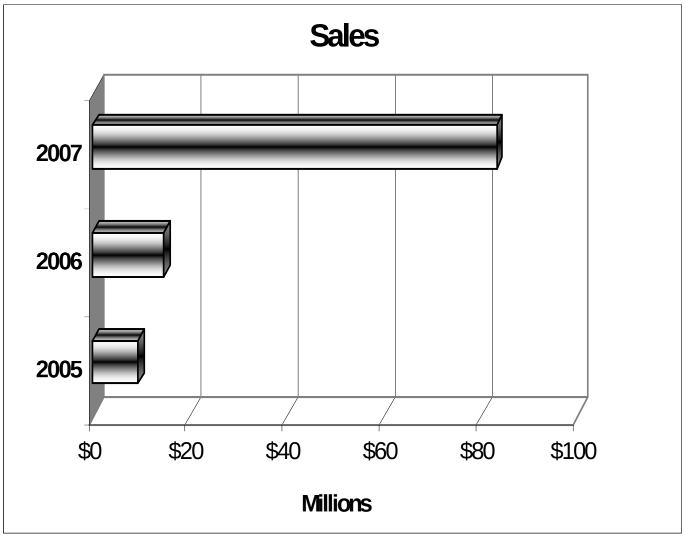
2007 ANNUAL REPORT

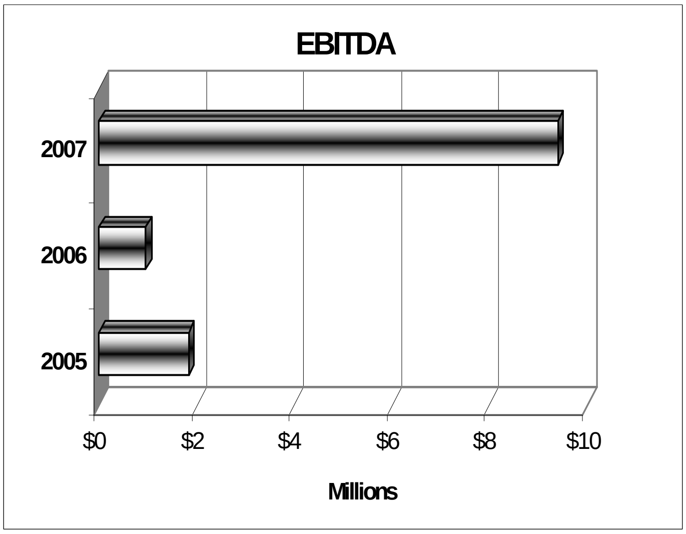
Sigma Ventures Inc. (TSX-V: SVX), a leading composite and metal products manufacturer, has five operating subsidiaries and employs 600 people. The Company is active in the growing heavy-duty truck, coach, transit and bus, train and subway, machinery, agriculture, light forestry, and wind energy market segments. Sigma sells 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 profitable acquisitions. Its recent and planned growth initiatives are expected to continue to raise Sigma's profile with investors.

A TRACK RECORD OF SUCCESSFUL ACQUISITIONS

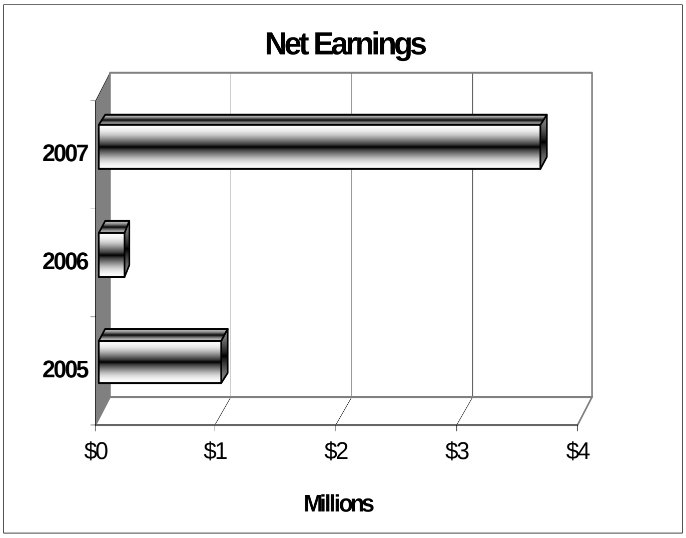


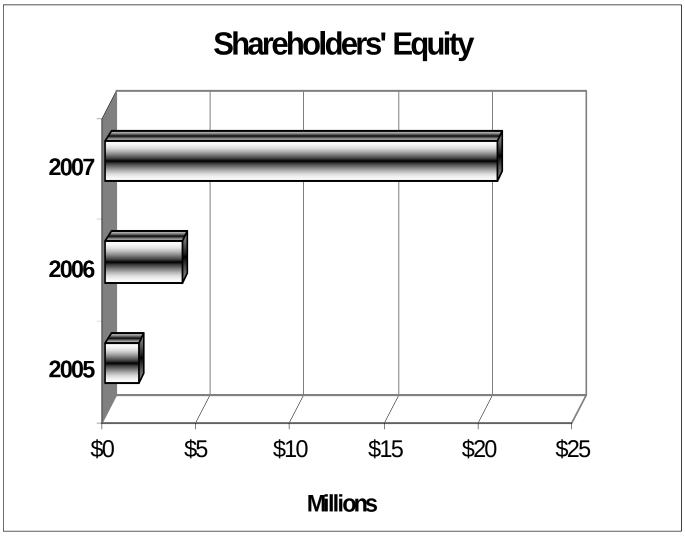




FINANCIAL HIGHLIGHTS

Fiscal Years Ended April 30	**2007**	**2006**	**2005**
	$	**$**	**$**
Sales	83,161,145	14,695,424	9,348,438
EBITDA	9,416,190	974,303	1 847,113
Earnings Before Income Taxes	5,183,768	360,378	1,428,145
Net Earnings	3,651,313	205,793	1,012,927
Net Earnings per Share			
Basic	0.104	0.011	0.062
Diluted	0.099	0.011	0.062
Total Assets	59,380,750	18,286,942	5,730,938
Working Capital	7,336,532	2,512,527	1,125,480
Long-term Debt (including current portion)	14,538,372	8,228,376	2,539,296
Shareholders' Equity	20,763,789	4,059,319	1,740,616





MESSAGE TO SHAREHOLDERS

During its 2007 fiscal year, Sigma Ventures clearly demonstrated its ability to achieve methodical and opportunistic growth while maintaining a strong financial performance. We successfully integrated three companies into our corporate framework, providing us with additional access points to a range of opportunities while achieving solid revenue and EBITDA growth supported by a healthy, consistent cash flow.

Largely as a result of acquisitions, our fiscal 2007 revenues reached $83.2 million, compared with $14.7 million the previous year. EBITDA soared to $9.4 million during the year compared with $1.0 million in 2006. Net earnings grew from $0.2 million in 2006 to $3.7 million in 2007. Cash flows from operations was $5.6 million, an increase of $5.0 million over 2006.

These financial results were achieved despite a reduction, late in our fiscal year, in demand from the truck manufacturing sector following the introduction of new environmental regulations governing gas emissions. These results demonstrate the resiliency and depth of our strategic plan and the skill of our management team.

As part of our growth strategy, we intend to optimize customer relationships by offering a one-stop manufacturing solution that delivers both significant cost savings and enhanced operating efficiencies. This focus on meeting a customer's total needs and expectations, rather than simply providing individual parts, will foster internal growth.

In parallel, we are seeking potential acquisitions by diligently targeting established and profitable entities whose products will complement our own. These companies must have a flair for innovation and enable us to build a solid presence with market leaders.

All acquisitions completed during fiscal 2007 met these strict criteria. First, René Composites brought us a thirty-year tradition of innovation and creativity that spawned close relationships with Class 7 and 8 truck manufacturers. Second, Camoplast's composite truck division accelerated consolidation of our composite products manufacturing capabilities by bringing Sigma a new, promising technology and optimizing our relationships with heavy truck manufacturers. Third, Groupe Synergy Composites' innovative technology and promising product line offer major opportunities to further diversify into new markets. We must now achieve synergies by sharing best corporate practices and exploiting new marketing opportunities at all levels of the organization.

During 2008 and beyond, we intend to grow sales by intensifying our penetration in key market segments in the US, Europe and Asia. In response to anticipated market demand, we will be introducing new products that deliver added value to our customers while continuously improving existing ones through enhanced manufacturing processes.

We believe it is equally important to keep an eye on emerging markets and applications that could benefit from our leadership and vision. The most telling example was the award of a $3.6-million contract to produce components for the wind energy sector, a first for Sigma in that booming market. In fact, according to the World Wind Energy Association, global wind power generating capacity could reach 160 gigawatts by 2010, up from 74 gigawatts in 2006. Both Canada and the United States should witness an increase of about 30% in capacity in 2007. Wind has become a renowned power generation mode, and, as a result, is attracting capital from both private and public sources. We aim to strategically position the Company in that niche.

We are building a company that has abundant technological expertise, excellent products and a solid reputation in the marketplace. To sustain that reputation, we intend that fiscal 2008 will be primarily a period of consolidation for Sigma as we ensure that each of our operating subsidiaries support overall corporate objectives. To support this strategy, we have launched a supply chain initiative aimed at lowering costs by centralizing purchasing decisions, and identifying new, low-cost sourcing partners.

Yet, we will continue to look in a disciplined manner at acquisition opportunities, particularly in the vast U.S. market. Given an anticipated slowdown in the heavy truck industry in 2007, we must maintain our focus on diversification by business segment, industry sector and geographic location to build sustainable shareholder value.

For all these reasons, we look to the future with confidence and enthusiasm. We have a strong management team with extensive senior-level experience in manufacturing, finance, product development and acquisitions. Our employees are committed, capable and highly proficient in carrying out their duties. Our products are world-class. We know our customers and we are committed to meeting their expectations in the years ahead. In fulfilling this commitment, we will also meet the expectations of our shareholders.

Denis Bertrand
Chairman of the Board and CEO
Sigma Ventures Inc.

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

Scope of Management's Discussion and Analysis

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

The following analysis provides a review of the Company's results of operations, financial condition and cash flows for the years ended April 30, 2007 and 2006, as well as a review of the fourth quarter. This document should be read in conjunction with the audited annual consolidated financial statements and notes for the financial years ended April 30, 2007 and 2006.

The following information takes into account all material events that took place until August 22, 2007, the date on which the Company's Board of Directors approved this MD&A.

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

Non-GAAP Financial Measures

This MD&A contains certain information that are not financial measures prescribed under GAAP. For example, we use 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. We also use “EBITDAG”, which is EBITDA with the exchange gain or loss included. EBITDA and EBITDAG do not have any meaning prescribed by GAAP, and are not designed to replace other measures of financial performance or the state of cash flow as an indicator of liquid assets. These measures do not represent the funds available for the repayment of debt, the payment of dividends, reinvestment or other discretionary uses, and should not be considered in isolation or as substitutes for other measures of performance calculated according to GAAP.

These measures are used by the Company because management believes they provide useful information regarding performance. They are tools frequently used in the business world to analyze and compare the performance of businesses in the sectors in which the Company and its subsidiaries operate. The definitions of the measures that we adopted may differ from those of other businesses.

Company Overview

Who are we?

As at April 30, 2007, the Company had five wholly-owned subsidiaries:

- René Composites Materials Ltd. ("René"), located in Saint-Ephrem-de-Beauce, Quebec, specializes in the manufacturing of composite parts for the road transport industry, such as parts for Class 7 and 8 trucks. In the last 30 years, René has developed strong relationships with its customers and its suppliers to become the leader in its field of expertise. Innovation, creativity and research into new production technologies allowed René to gain worldwide recognition from the major manufacturers in the heavy trucking industry.

- Groupe Synergy Composites Inc. ("GSC"), located in Chesterville, Quebec, which has developed a unique composite body for the transportation sector that is lightweight, corrosion-resistant and provides high payload capacity. GSC's plant uses the state-of-the-art, environmentally-friendly Resin Transfer Molding (RTM-light) process;

- Transcam Composites Inc. ("Transcam"), formerly 3547441 Canada Inc., located in Saint-Ephrem-de-Beauce, Quebec, specializes in the manufacturing of dies and moulds for René's customers. Its plant 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;

- Faroex Ltd. ("Faroex"), located in Gimli, Manitoba specializes in the development and manufacturing of composite components for the road transportation, agriculture and wind energy industries;

- PNS Tech Inc. ("PNS"), located in Saint-Agapit, Quebec and L'Islet, Quebec, specializes in the development, production and distribution of spare parts for the agricultural and snow removal industries. It also develops and manufactures trailers and loaders sold under the JMS name.

Growth Objectives

From now through 2008, the Company's development strategy includes:

- Fostering synergies among its various subsidiaries by integrating their manufacturing activities;
- Increasing sales by stepping up penetration of potential market segments (USA, Europe and Asia);
- Launching new value-added products on a regular basis;
- Reducing production costs by updating its machinery and equipment;
- Acquiring businesses that operate in the same markets as its subsidiaries and that manufactured complementary goods and innovating; and
- Improving its existing products and developing new products and manufacturing processes.

2007 Financial Summary:

- Sales totalled $83.2 million, up 466% from $14.7 million in 2006.
- EBITDA increased 840% to $9.4 million in fiscal 2007 from $1.0 million in fiscal 2006.
- Net earnings were $3.7 million for fiscal 2007 compared to $0.2 million for fiscal 2006.
- Cash flows from operations before changes in non-cash working capital items amounted to $5.6 million for fiscal 2007, $5.0 million higher than in fiscal 2006.

2007 Highlights:

Private Placements

On May 15, 2006, the Company issued 9,999,967 units priced at $0.60 per unit. The gross proceeds of the private placement amounted to $6,000,000. Of this, $1,026,185 (net of $229,954 in issue expenses) was attributed to the warrants using the Black&Scholes model. Each unit consisted of one common share and a half-warrant. Each whole warrant enables its holder to acquire one common share at a price of $0.85 per share until November 15, 2007. The agents were paid a fee of 8% of the gross proceeds of the financing and an additional compensation in warrants entitling the purchase of 797,332 shares at a price of $0.60 per share until November 15, 2007. An amount of $292,107 was allocated to these warrants using the Black&Scholes model. The net proceeds of the private placement were used to repay the debt contracted upon the acquisition of Faroex on March 15, 2006.

On May 15, 2006, the Company issued 416,667 warrants to the former holder of a convertible debenture entitling him to purchase common shares at a price of $0.85 per share until November 15, 2007. This option arose pursuant to the acquisition of a convertible debenture on March 15, 2006, which was reflected in shareholders' equity and converted into shares on April 28, 2006. An amount of $104,679 was allocated to the warrants using the Black&Scholes model.

On March 14 and 29, 2007, the Company issued 5,556,315 units at a price of $0.90 per unit. The gross proceeds of the private placement amounted to $5,000,683. Of this, $931,865 (net of $94,382 in issue expenses) was allocated to the warrants using the Black&Scholes model. Each unit consisted of one common share and a half-warrant. Each whole warrant enables its holder to acquire one common share at a price of $1.15 until March 14, 2012. The agents were paid a fee of 7.2% of the gross proceeds of the financing and an additional compensation in warrants entitling the purchase of 135,289 shares at a price of $0.90 per share until September 29, 2008. An amount of $28,040 was allocated to these warrants using the Black&Scholes model. The net proceeds of the private placement were used to reduce the Company's long-term debt and to meet working capital requirements.

Acquisition of René Composite Materials Ltd.

On June 28, 2006, the Company acquired all the shares of René Composite Materials Ltd. ("René") and 3547141 Canada Inc., both located in Saint-Ephrem-de-Beauce, for a total cash consideration of $23,196,279, including $1,148,411 in acquisition expenses. These acquisitions were financed through a new long-term loan and a bank loan. René manufactures composite parts for the road transport industry, such as Class 7 and 8 truck parts, while 3547141 Canada Inc. specializes in the manufacturing of moulds for René's customers.

Acquisition of the Camoplast Truck Division

Through 3547141 Canada Inc. which later became Transcam Composites Inc., the Company acquired the assets of Camoplast's truck composite division in Acton Vale, Quebec ("Acton Vale") on January 27, 2007, for a total consideration of $4,898,960, 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 $1,074,000, $250,792 in acquisition expenses payable and a balance of purchase price payable of $139,602. A discount of 20.4% was applied to the value of the shares issued to account for the effect of escrow on the value of the shares, along with a limited liquidity discount given the size of the share block issued relative to the volume of shares traded. The share price was determined based on the weighted average price for the four days preceding and following the announcement of the transaction. The plant manufactures a range of composite hoods for Class 7 and 8 vocational trucks and for B6 Magnum series tractors.

Acquisition of Groupe Synergy Composites Inc.

On February 1, 2007, the Company acquired all of the shares of Groupe Synergy Composites Inc. ("GSC") of Chesterville, Quebec through René Composite Materials Ltd. for a total consideration of $2,321,291 settled as follows: a cash payment of $1,100,000, an interest-free balance of purchase price payable of $1,121,291 ($1,200,000 discounted at 6.5%) and the acquisition-related cost to be paid amounted $100,000.

GSC specializes in the development of advanced composite products for the utility vehicle and bus industries. GSC has also developed a unique composite body for the transportation sector that is lightweight, corrosion-resistant, and provides high payload capacity. GSC's plant uses the state-of-the-art, environmentally-friendly Resin Transfer Molding (RTM-light) process.

Annual Financial Information for Financial Years Ended April 30, 2007 and 2006

The Company's consolidated results as at April 30, 2007 and 2006 include the results of the following companies:

- Faroex for the period from May 1, 2006 to April 30, 2007, namely for a 12-month period for fiscal 2007, and for the period from March 15 to April 30, 2006, namely for a period of one and a half months for fiscal 2006;

- PNS for the period from May 1, 2005 to April 30, 2007, namely for 12-month periods for fiscal 2007 and 2006, with the exception of JMS for the period from October 1, 2005 to April 30, 2006, namely for a seven-month period for fiscal 2006;

- Sigma for the period from May 1, 2006 to April 30, 2007, namely for a 12-month period for fiscal 2007, and for the period from October 1, 2005 to April 30, 2006, namely for a seven-month period for fiscal 2006;

- René for the period from June 28, 2006 to April 30, 2007, namely for a period of 10 months and three days for fiscal 2007 and nil for fiscal 2006, and its subsidiary GCS for the period from February 1 to April 30, 2007, namely for a period of three months for fiscal 2007 and nil for fiscal 2006;

- Transcam for the period from June 28, 2006 to April 30, 2007, namely for a period of 10 months and three days for fiscal 2007 and nil for fiscal 2006, and the Acton Vale acquisition for the period from January 27 to April 30, 2007, namely for a period of three months and four days for fiscal 2007 and nil for fiscal 2006.

Consolidated Results of Operations

	Years ended April 30,		
	2007	2006	2005
	$	$	$
Sales	83,161,145	14,695,424	9,348,438
EBITDA	9,416,190	974,303	1,847,113
Earnings before income taxes	5,183,768	360,378	1,428,145
Net earnings	3,651,313	205,793	1,012,927
Weighted average number of shares outstanding			
Basic	35,092,429	18,942,955	16,250,000
Diluted	37,057,644	19,271,983	16,250,000
Net earnings per share			
Basic	0.104	0.011	0.062
Diluted	0.099	0.011	0.062

Consolidated Balance Sheet Data

	As at April 30,		
	2007	2006	2005
	$	$	$
Current assets	29,692,200	10,061,825	3,379,569
Total assets	59,380,750	18,286,942	5,730,938
Current liabilities	22,355,668	7,549,298	2,254,089
Long-term debt (including the current portion)	14,538,372	8,228,376	2,539,296
Total liabilities	38,616,961	14,227,623	3,990,322
Shareholders' equity	20,763,789	4,059,319	1,740,616
Dividends declared	-	-	-

Consolidated Results of Operations for the Financial Year ended April 30, 2007

Sales

Revenues for 2007 amounted to $83.2 million, up 466% from $14.7 million for fiscal 2006. This increase in sales was primarily attributable to acquisitions made during fiscal 2007. Despite the decline in the truck market following the introduction of new environmental regulations regarding greenhouse gas emissions in early 2007, we expect higher sales in the coming year due to recent acquisitions as well as internal growth arising from new products and new market development. Furthermore, in January 2007 we began making deliveries of components for the wind energy industry for total sales of $0.9 million for the year ended April 30, 2007, on a contract worth a total of $3.6 million annually.

SEGMENTED INFORMATION
(Sales by geographic region)

	Fiscal Years ended April 30			
	2007		2006	
	$	%	$	%
United States	59,927,072	72.1%	4,120,476	28.0%
Canada	21,113,120	25.4%	10,118,826	68.9%
Asia	872,285	1.0%	-	0.0%
South America	744,882	0.9%	-	0.0%
Europe	266,306	0.3%	456,122	3.1%
Australia	156,762	0.2%		0.0%
Other	80,718	0.1%	-	0.0%
	83,161,145	100.0%	14,695,424	100.0%

Supplementary Information
Sales by Family of Product

	Fiscal Years ended April 30			
	2007		2006	
	$	%	$	%
Transportation	59,979,787	72.1%	622,810	4.2%
Snow removal	11,260,821	13.5%	9,504,609	64.8%
Agriculture	5,746,956	6.9%	2,160,857	14.7%
Wind energy	900,016	1.1%	-	0.0%
Forestry	1,299,036	1.6%	828,311	5.6%
Industrial	2,992,907	3.6%	-	0.0%
Other	981,622	1.2%	1,578,837	10.7%
	83,161,145	100.0%	14,695,424	100.0%

The increase in sales to US customers was mainly due to the acquisition of René in June 2006 and Acton Vale in January 2007. Sales to the US represented $59.9 million, or 72.1% of total sales in 2007 compared to $4.1 million or 28.0% in 2006.

In the financial year ended April 30, 2007, the largest customer accounted for 47.5% of the Company's total sales.

EBITDAG

Earnings before interest, income taxes, depreciation and amortization and the exchange gain were $9.3 million for the year ended April 30, 2007, up $8.3 million from $1.0 million for fiscal 2006. The difference was mainly attributable to the integration of gross margins for the new companies acquired during the year. Gross margins would also have risen significantly if not for the absorption of $547,200 in fixed costs at the Acton Vale and Tring Jonction plants in the fourth quarter, as the transfer of operations of the Tring Jonction plant was completed in May 2007.

Due to the grant of stock options to the Company's employees, officers, directors and consultants, as well as an investor relations firm, stock-based compensation expenses of $288,919 were recognized for the financial year ended April 30, 2007, compared to $139,950 for the same period in 2006.

The strength of the Canadian dollar against the US currency also put pressure on the Company's gross earnings. In the coming year, the Company plans to increase its US dollar sales to reduce the impact of exchange rate fluctuations on sales.

EBITDA

EBITDA for the year ended April 30, 2007 was $9.4 million compared to $1.0 million for the same period in 2006. The EBITDA margin rose from 6.6% in fiscal 2006 to 11.3% for the same period in 2007. For the year ended April 30, 2007, the EBITDA margin was equal to that shown in the pro forma financial statements (Business Acquisition Report) filed on SEDAR in relation to the René acquisition on June 28, 2006. EBITDA for the year ended April 30, 2007 is equal to net earnings plus income taxes, financial expenses and depreciation and amortization, for a total of $9.4 million reflected on the consolidated statement of earnings.

Financial Expenses

Financial expenses for the year ended April 30, 2007 amounted to $1.7 million, compared to $0.4 million for the same period a year earlier. The increase in financial expenses for the year ended April 30, 2007 was directly attributable to the increase in the balance of the debt related to acquisitions, particularly the René acquisition of June 28, 2006.

We expect financial expenses to decrease during the coming year given the $4.3 million reduction in the long-term debt in March 2007, using the gross proceeds from the $5 million private placement of March 14 and 29, 2007.

Depreciation and Amortization

Depreciation and amortization for the fiscal year ended April 30, 2007 totalled $2.5 million, $2.3 million more than in fiscal 2006. The increase in this item was due to the following:

- $0.5 million in depreciation of property, plant and equipment of acquired companies, namely René and Acton Vale;
- $0.4 million in depreciation of property, plant and equipment of Faroex, the company acquired in 2006;

- $0.1 million in amortization of deferred expenses, representing the financial expenses for the new credit facilities negotiated during the acquisition of René and Faroex;
- $1.2 million in amortization of intangible assets from the René and GSC acquisitions.

Foreign Exchange Gain (Loss)

The exchange gain of $71,747 recorded for the year is mainly attributable to translation gains on the exchange contracts held by the Company on April 30, 2007. These contracts total $2.5 million, and extend from May to November 2007 at an average rate of 1.1715 for an unrealized gain of $160,141. However, this amount was reduced by exchange gains resulting from the appreciation of the Canadian dollar against the US currency during the year.

In fiscal 2006, the Company recorded an exchange loss arising from the purchase of Euros for the acquisition of products for distribution, the strengthening of the Euro against the Canadian dollar, and the appreciation of the Canadian dollar against the US currency.

Income Taxes

The income tax expense for the year ended April 30, 2007 was $1,532,455 (29.6% of earnings before income taxes) compared to $154,585 (42.9% of earnings before income taxes) for the same period last year. The decrease in the tax rate was primarily due to the adjustment in income taxes for the parent company following the recognition of $220,726 in previously-unrecognized deferred losses, and to the smaller impact of stock-based compensation expense on earnings before income taxes.

Net Earnings

The Company posted net earnings of $3.7 million or $0.104 per share ($0.099 per share, fully diluted) for the year ended April 30, 2007, compared to $0.2 million or $0.011 per share ($0.011 per share, fully diluted) for fiscal 2006. The $3.5 million increase in net earnings was mainly due to the positive effect of the recent acquisitions, which will allow a better balance between sales and after-tax earnings in future years.

Financial Position

Assets

Total assets rose by $41.1 million during the financial year ended April 30, 2007, mainly due to $31.9 million in assets from the René acquisition on June 28, 2006, the recognition of $6.9 million in intangible assets net of amortization since June 28, 2006, $4.9 million in the recently-acquired assets of the Camoplast truck composite division, the acquisition of GSC on February 1, 2007 for $1.4 million and recognition of $1.8 million in intangible assets net of amortization since February 1, 2007. At April 30, 2007, accounts receivable included a claim receivable of $4.2 million in relation to the fire at René's facilities in Saint-Ephrem-de-Beauce on October 19, 2005.

Liabilities

The Company's total liabilities grew by $24.4 million due to a $6.3 million increase in the long-term debt to finance acquisitions made during the period, a $3.3 million increase in bank loans, a $7.8 million rise in accounts payable, a $4.0 million increase in future income tax liability, an additional $2.6 million in income taxes and a $0.4 million rise in proceeds received in advance. These increases are primarily attributable to the acquisition of René on June 28, 2006 and GSC on February 1, 2007.

Financial Ratios

The Company has made undertakings to its financial institution to maintain certain financial ratios. At April 30, 2007, all such financial ratios were within the agreed-upon limits.

Cash, Cash Flows and Sources of Financing

Sigma's activities, acquisitions and capital expenditures are primarily financed by cash flows from operating activities, cash and credit facilities, and the issuance of common shares.

At April 30, 2007, Sigma's consolidated cash position was $0.6 million, bank loans stood at $5.2 million on an authorized bank credit line of CAN $10 million bearing interest at prime plus 0.5%, and long-term debt, including the current portion, was $14.5 million. One of the components of this long-term debt is $8.6 million from a decreasing revolving bank loan, of which $4.4 million was repaid in April 2007 from the proceeds of the private placement of March 14 and 29, 2007, leaving the same amount available, decreasing at a rate of $175,000 per month. In addition, the acquisitions of the Acton Vale plant on January 27, 2007 and GSC on February 1, 2007 used a total of $4.5 million in cash.

The Company considers that this cash, combined with its renewable credit facility and its funds from operations, is sufficient to meet its financial requirements in the foreseeable future. However, future corporate acquisitions may require new sources of financing.

Operating Activities

For the year ended April 30, 2007, cash flows from operating activities before changes in non-cash working capital items amounted to $5.6 million, up $5.0 million from $0.6 million in 2006. The change was primarily due to increases of $3.5 million in net earnings, $0.9 million in depreciation of property, plant and equipment, $1.2 million in intangible assets, and $0.6 million in future income taxes. A positive net change of $6.1 million in non-cash working capital items over the year arose from decreases of $4.7 million and $1.5 million, respectively, in accounts receivable and proceeds received in advance as well as increases of $0.5 million and $1.0 million, respectively, in accounts payable and accrued liabilities, and income taxes. Given these changes, cash flows from operating activities showed a net positive change of $11.7 million for the year.

Financing Activities

For the year ended April 30, 2007, cash flows from financing activities was generated by a $7.2 million increase in the long-term debt and bank loans net of instalments paid on the long-term debt, which was used to finance the René acquisition in June 2006. In addition, equity offerings generated $11.6 million, offset by long-term debt used to finance the acquisition of Faroex for a total of $7.4 million in March 2006 and the acquisition of René for a total of $4.4 million in June 2006, as well as for the acquisition of the assets of Camoplast's truck composite division in January 2007. Cash flows from financing activities were reduced by equity issue expenses of $1.1 million and $0.3 million in deferred expenditures related to financial expenses.

Investing Activities

Investing activities used $28.5 million during the year ended April 30, 2007. Of this, $26.7 million was primarily related to the acquisition of René and the assets of Camoplast's truck composite division, and $2.0 million to acquire machinery and equipment intended to reduce the costs related to the automation and robotization plan contained in our growth strategy.

Shareholders’ Equity

Share Capital

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

	Number	Amount $
Balance as at April 30, 2006	21,969,017	1,790,195
Issuance of common shares pursuant to the conversion of the debenture for $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 pursuant to 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 pursuant to the exercise of 100% of stock options granted to the agent pursuant to the private placement of October 7, 2005	400,000	196,336
Issuance of common shares pursuant to the full conversion of the $750,000 debenture	1,063,967	750,000
Issuance of common shares pursuant to the exercise of warrants granted on October 7, 2005	463,750	347,812
Issuance of common shares pursuant 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	1,074,000
Issuance of common shares pursuant to a private placement at a price of $0.90 per share, net of the value of the warrants ($1,026,247)	5,556,315	3,974,437
Share issue expenses, net of $395,122 in related income taxes	-	(838,832)
Reclassification of stock-based compensation costs to share capital upon exercise of stock awards	-	22,383
Balance as at April 30, 2007	42,899,095	13,126,424

There were no changes in the Company’s share capital as of the date of this MD&A.

Stock Options for Directors, Officers, Employees and Consultants

The Company's stock option plan for its employees, officers, directors and consultants came into effect 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 grant date. The purchase price of the shares under the plan cannot be less than the discounted market price.

The following table presents information about stock options outstanding and exercisable under the plan as of April 30, 2007:

	Number	Total compensation costs (Note a) $
Outstanding as at April 30, 2006	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 and employees	150,000	65,314
Total stock options granted as at April 30, 2007	2,425,000	547,972
Exercised as at April 30, 2007		
Directors and officers	(140,000)	(22,383)
Agent	(400,000)	-
Forfeited as at January 31, 2007 (Note b)		
Directors	(50,000)	-
Outstanding as at April 30, 2007	1,835,000	525,589
Stock-based compensation costs for the year ended April 30, 2006		139,950
Stock-based compensation costs for the year ended April 30, 2007		288,919
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 fiscal years		111,943
Options exercisable as at April 30, 2007	1,060,003	
Options exercised as at April 30, 2007	540,000	
Options forfeited as at April 30, 2007	50,000	

Note a- Total compensation costs during the vesting period
Note b- During the year, a sum of $8,103 was recorded under contributed surplus

There were no changes in the stock option plan as of the date of this MD&A.

Warrants

The table below provides a summary of the information on the warrants outstanding and exercisable as at April 30, 2007.

Expiry Date	Exercise Price	Number	Value (if fully exercised)
November 14, 2007	$0.60	797,332	478,399
November 14, 2007	$0.85	5,416,658	4,604,159
September 29, 2008	$0.90	135,289	121,760
October 6, 2010	$0.40	100,000	40,000
March 14 and 29, 2012	$1.15	2,778,159	3,194,883

In the next financial year, 6,213,990 warrants worth a total of $5,082,558 if fully exercised will expire on November 14, 2007.

There were no changes in the Company’s outstanding and exercisable warrants as of the date of this MD&A.

SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

Consolidated Results of Operations

	1st Quarter $	2nd Quarter $	3rd Quarter $	4th Quarter $	Year ended April 30, 2007 $
2007					
Sales	11,564,375	26,303,878	22,895,279	22,397,613	83,161,145
EBITDA *	1,294,283	3,653,331	2,754,123	1,714,453	9,416,190
Earnings before income taxes	692,842	2,570,393	1,642,129	278,404	5,183,768
Net earnings	436,138	1,649,679	1,032,948	532,548	3,651,313
Weighted average number of shares outstanding					
Basic	31,970,602	34,059,387	34,466,521	39,879,438	35,092,429
Diluted	35,746,795	36,128,103	35,681,834	40,704,015	37,057,644
Net earnings per share					
Basic	0.014	0.048	0.030	0.013	0.104
Diluted	0.012	0.046	0.029	0.013	0.099
2006					
Sales	1,285,823	4,646,212	5,895,200	2,868,189	14,695,424
EBITDA *	27,337	831,309	719,527	(603,870)	974,303
Earnings(loss) before income taxes	(79,413)	692,121	551,523	(803,853)	360,378
Net earnings(loss)	(54,520)	450,429	359,356	(549,472)	205,793
Weighted average number of shares outstanding					
Basic	16,250,000	17,506,358	21,013,688	21,096,022	18,942,955
Diluted	16,250,000	17,506,358	21,013,688	21<,096,022	19,271,983
Net earnings(loss) per share					
Basic	(0.003)	0.026	0.017	(0.026)	0.011
Diluted	(0.003)	0.026	0.017	(0.026)	0.011

* Non-GAAP financial measure

Consolidated Balance Sheet Data

	July 31, 2006 $	October 31, 2006 $	January 31, 2007 $	April 30, 2007 $
Current assets	28,475,134	31,827,770	26,292,868	29,692,200
Total assets	51,630,524	55,185,280	53,256,862	59,380,750
Current liabilities	23,094,133	24,801,669	21,594,595	22,355,668
Total liabilities	41,694,247	43,261,182	38,577,509	38,616,961
Shareholders' Equity	9,936,277	11,924,098	14,679,353	20,763,789
	July 31, 2005 $	**October 31, 2005 $**	**January 31, 2006 $**	**April 30, 2006 $**
Current assets	5,436,891	8,240,791	7,825,325	10,061,825
Total assets	7,941,817	11,242,683	10,822,942	18,286,942
Current liabilities	4,361,393	6,447,295	5,862,179	7,549,298
Total liabilities	6,255,721	8,515,863	7,696,653	14,227,623
Shareholders' Equity	1,686,096	2,726,820	3,126,289	4,059,319

Fourth Quarter Results

Sales

Sales for the fourth quarter ended April 30, 2007 totalled $22.4 million, up $19.5 million from $2.9 million for the same period last year. The increase in sales was mainly due to acquisitions made during the financial year. Sales for the third and fourth quarter were 13% lower than in the second quarter due to new environmental regulations on greenhouse gas emission that came into effect on January 1, 2007. We expect sales to rise in the coming quarters given recent acquisitions and internal growth arising from new product and market development. In the fourth quarter, the largest customer accounted for 39.7% of the Company's total sales.

EBITDA

EBITDA was $1.7 million in the fourth quarter ended April 30, 2007, up $2.3 million from negative $0.6 million in the same period of fiscal 2006. The change was primarily due to the integration of gross margins from the new companies acquired during the year. Gross margins would also have risen significantly if not for the absorption of $547,200 in fixed costs at the Acton Vale and Tring Jonction plants in the fourth quarter as the transfer of operations of the Tring Jonction plant was completed in May 2007.

Earnings before Income Taxes

For the fourth quarter ended April 30, 2007, the Company had earnings before income taxes of $0.3 million compared to a pre-tax loss of $0.8 million for the same period last year.

Fourth quarter earnings before income taxes were down from the previous three quarters due mainly to the following three factors:

- Finalization of the allocation of the purchase price of the three acquisitions made in fiscal 2007, namely René, Acton Vale and GSC. Adjustments were made during the quarter following the receipt of evaluation reports from independent experts, including in particular an additional $0.8 million amortization charge for intangible assets such as customer relations and technologies in René and GSC;

- The absorption of certain fixed costs at the Acton Vale and Tring Jonction plants for a total of $0.5 million. All the manufacturing activities at the Tring Jonction plant were integrated into the Acton Vale plant in early May 2007;

- A $0.2 million foreign exchange loss attributable to the rise in the Canadian dollar against the US currency during the fourth quarter.

Net Earnings

The Company's net earnings for the fourth quarter ended April 30, 2007 amounted to $0.5 million, or $0.013 per share ($0.013 per share, fully diluted), compared to a net loss of $0.5 million, or $0.026 per share ($0.026 per share, fully diluted), for the same quarter last year.

The $1.0 million increase in net earnings resulted in large part from the positive effect of recent acquisitions and an adjustment in the parent company's income taxes following the recognition of $0.2 million in previously-unrecognized losses.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

Our 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 evaluation of goodwill, 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.

The following summarizes the principal accounting policies that require critical judgment and estimates by management. Please refer to the appropriate section of our financial statements in our 2007 Annual Report for a complete description of our significant accounting policies and estimates.

Allowance for Doubtful Accounts

We evaluate the recovery of our accounts receivable on a regular basis by examining accounts receivable over time. We establish a reserve for unrecoverable debts based on our past experience in recovering accounts receivable and on the information available with regard to the status of our outstanding accounts receivable. Should our customers' financial position deteriorate so as to reduce their ability to make the required payments, an additional allowance may be required that may have an adverse effect on our future results.

Allowance for Excess or Obsolete Inventories

Inventories are evaluated at the lesser of cost and market value. Cost is determined on a first-in, first-out basis for raw materials and a full-cost basis for work in progress and finished products. Market value corresponds to the replacement cost for raw materials and the net realizable value for work in progress and finished products.

We establish these allowances based on inventory levels and forecast requirements to support the future sale of our products. Additional allowances may be required should future sales be lower or the sales mix be very different from expected, which could have an adverse effect on our future results.

Evaluation of Goodwill and Intangible Assets

Property, plant and equipment and intangible assets with a limited useful life are subject to an impairment test when events or circumstances indicate that costs may not be recoverable. Impairment exists when the carrying value of an asset is higher than the undiscounted future cash flows that should be generated by the asset. The amount of any loss in value, if appropriate, represents the excess of the carrying value of the asset over its fair value.

Intangible assets with a finite useful life are written down whenever there is impairment of the unamortized portion. Intangible assets with indefinite lives are subject to an impairment test on an annual basis, or more often, if events or circumstances indicate a loss in value. A loss in value exists when the carrying value of the intangible asset exceeds its fair value. No events or circumstances existed at April 30, 2007, to indicate that the carrying value of intangible assets could not be recovered.

Finally, goodwill is subject to an impairment test annually at year-end, or more often, if there are indicators of impairment of the fair value of the operating unit underlying the goodwill. A loss in value is recognized for any goodwill subject to impairment. No events or circumstances existed at April 30, 2007, to indicate that the carrying value of goodwill could not be recovered.

New Accounting Standards and Policies

The CICA has published new sections applicable to interim and annual financial statements for financial years beginning on or after October 1, 2006:

In January 2005, the CICA issued four new accounting standards with respect to 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 in 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 that 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 exclude certain gains and losses from net income.

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

These new accounting standards, which were adopted by the Company effective May 1, 2007, will have only a minor effect on the Company's consolidated financial statements.

The CICA has also published the following new sections applicable to interim and annual financial statements for financial years beginning on or after October 1, 2007:

Section 3862, "*Financial Instruments – Disclosure*", establishes the information to be disclosed to assess the importance of financial instruments with regard to an entity's financial position and financial performance, and the nature and degree of risk arising from the financial instruments to which the entity is exposed, as well as how such risks should be managed.

Section 3863, "*Financial Instruments – Presentation*" establishes presentation standards for financial instruments and non-financial derivatives. It repeats the presentation standards established by Section 3861, "*Financial Instruments – Disclosure and Presentation*".

Section 1535, "Capital Disclosures" establishes standards for the disclosure of information on the entity's capital and how it is managed. The section describes the information to be disclosed on the entity's objectives, capital management policies and processes and the quantitative data on elements included in capital management. The purpose of the section is to indicate whether entities have complied with capital requirements and, if not, the consequences of non-compliance.

The Company has not yet assessed the effects of these new standards on its consolidated financial statements. The new standards will apply to the financial year beginning on May 1, 2008.

FINANCIAL AND OTHER INSTRUMENTS

Fair Value

Cash assets, accounts receivable, bank loans, accounts payable and accrued liabilities, as well as long-term debt are financial instruments whose carrying value approximates their fair value due to their short-term maturities, or prevailing market rates for most loans included in long-term debt.

The fair value of short-term investments was $126,690 at April 30, 2007 and $129,780 at April 30, 2006.

Credit Risk

Financial instruments that could expose the Company to a credit concentration risk consist primarily of cash assets, short-term investments and accounts receivable. Cash and short-term investments are held or issued by leading financial institutions. Consequently, management considers the risk of non-execution of these instruments to be very minimal.

In general, the Company does not require any additional security from its customers for its customer accounts. However, credit is only granted to customers following an assessment of their solvency. The Company also reviews the credit of all its customers on an ongoing basis, and creates a reserve for unrecoverable debts whenever it determines that an account may not be recovered. The allowance for doubtful accounts was $372,710 at April 30, 2007 and $28,931 at April 30, 2006.

Interest Rate Risk

At April 30, 2007, the Company's exposure to interest rate risk was as follows:

Cash	Variable interest rate
Short-term investments	Non-interest bearing
Accounts receivable	Non-interest bearing
Bank loans	Variable interest rate
Accounts payable and accrued liabilities	Non-interest bearing
Long-term debt	As described in Note 10 to the consolidated financial statements as at April 30, 2007

Currency risks and foreign currency forward contracts

The Company is exposed to currency risk through the sale abroad of products manufactured in Canada, most of them denominated in US dollars. These risks are partially managed through foreign currency forward contracts and operating costs in US dollars. At April 30, 2006, the Company did not hold any foreign currency forward contracts. However, at April 30, 2007, the Company had contracts allowing it to sell US dollars forward at various rates, as follows:

Expiry	Contracted amount	Weighted average contract rate
May 2007 to November 2007	$2,500,000	$1.1715

OFF-BALANCE-SHEET ARRANGEMENTS

There were no off-balance-sheet arrangements in the consolidated financial statements as at April 30, 2007.

CONTRACTUAL OBLIGATIONS

The table below summarizes the Company's contractual obligations for operating leases, the acquisition of property, plant and equipment and long-term debt as at April 30, 2007:

Year	Operating lease	Property, plant and equipment	Long-term debt	Total
	$	$		
2008	403,748	113,391	2,525,425	3,042,564
2009	200,296	-	2,354,694	2,554,990
2010	124,420	-	2,145,872	2,270,292
2011	75,920	-	2,316,140	2,392,060
2012	24,872	-	5,010,166	5,035,038
Thereafter	-	-	186,075	186,075
	829 ,256	113,391	14,538,372	15,481,019

Certain leases have a renewal option. The obligation for the acquisition of property, plant and equipment includes an initial deposit of $36,533.

RELATED-PARTY TRANSACTIONS

During the year, management fees paid to a director of the Company amounted to $34,604 ($49,855 in 2006). These transactions took place in the normal course of business and have been measured at the exchange amount.

RISKS AND UNCERTAINTIES

The following is a summary of the main risks that apply to the Company:

Operational Risks

Market Development and Sustained Growth

Failure to further develop our key markets and existing geographic markets or to successfully expand our business into new markets could have an adverse impact on sales growth and operating results. Our ability to further penetrate our key markets in the existing geographic markets in which we compete, and successfully expand our business into other countries in Europe, South America or elsewhere, is subject to numerous factors, many of which are beyond our control. There can be no assurance that our efforts to increase market penetration in our key markets and our existing geographic markets will be successful. Failure to achieve our goals may have an adverse effect on our operating results.

Exclusive Intellectual Property Rights

The Company uses technologies for which it holds certain intellectual property rights. Other businesses may develop similar products independently, thus decreasing the life cycle of the products manufactured by the Company.

Acquisition Plan

We plan to continue to acquire companies and assets. There can be no assurance that acquisitions will take place or that we will succeed in integrating the newly-acquired companies and assets into our activities. Failure to do so or failure to retain the services of key personnel of the acquired companies could have a significant adverse effect on our results of operation. In addition to the cash flows from operation activities, our acquisition plan may require other sources of financing. There can be no assurance that additional financial resources will be available or that such resources will be available under conditions acceptable to the Company. Failure to secure such financing could render acquisitions difficult or even impossible.

Dependence on Key Personnel and Labour Relations

Our success depends on our ability to attract and keep highly qualified manpower. Failure to retain the services of qualified personnel and the loss of key employees could compromise the Company's rate of development and our efforts to achieve growth.

Continuous Disclosure process and Disclosure Controls

The Company is a reporting issuer under the securities legislation in Québec, Alberta and British Columbia and is therefore required to file continuous disclosure documents such as interim and annual financial statements, proxy circulars, information circulars, 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: http:// www.sigmaventures.ca or on the following Internet site: http://www.sedar.com.

The Company's Chief Executive Officer and Vice President Finance are responsible for establishing and maintaining the Company's disclosure procedures and controls. These disclosure procedures and controls have been designed to ensure that the information that the Company is required to disclose in its reports to regulatory authorities are filed or provided in a timely manner as required by law, and that they are communicated to management, including the Chief Executive Officer and Vice President Finance, thus allowing them to react promptly to the information provided.

Company management, including the Chief Executive Officer and Vice President Finance, has evaluated the effectiveness of the financial disclosure procedures and controls as at April 30, 2007, and have concluded that such financial disclosure procedures and controls are, in all material respects, effective as at April 30, 2007, and that the material information on the Company, including its subsidiaries, has been communicated to them.

The company will supplement the documentation of the internal audits during the second and third quarter of its 2008 financial year ending on April 30, 2008.

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. We consider the assumptions on which these forward-looking statements are based to be reasonable, but we advise the reader that these assumptions with regard to future events, many of which are beyond our control, could prove incorrect as they are subject to risks and uncertainties inherent in our activities. The information contained in this MD&A is dated August 22, 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.

(S) Denis Bertrand

Per: ____________________
Denis Bertrand
President and Chief Executive Officer

(S) Bertrand Côté

Per: ____________________
Bertrand Côté
Vice-President, Finance

August 22, 2007

MANAGEMENT REPORT

The accompanying consolidated financial statements of Sigma Ventures Inc. and all other financial information included in this annual report are the responsibility of management.

Management has prepared the consolidated financial statements in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, management chose those it deems to be most appropriate in the circumstances. The financial statements include amounts based on the use of estimates and best judgment. Management has determined these amounts in a reasonable way in order to ensure that the financial statements are presented fairly, in all material respects. Management has also prepared the financial information presented elsewhere in the annual report, and has ensured that it is consistent with that in the financial statements.

Management maintains systems of internal accounting and administrative controls designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and the Company’s assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and has ultimate responsibility for examining and approving the financial statements. The Board exercises this responsibility principally through its Audit Committee. The Audit Committee met with management as well as with the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to ensure that all parties carry out their duties correctly, and to examine the financial statements and the external auditors’ report.

The consolidated financial statements have been audited on behalf of the shareholders by external auditors Pricewaterhouse Coopers LLP for the year ended April 30, 2007, and by Demers Beaulne LLP, chartered accountants, member of the IAPA international network, for the year ended April 30, 2006, in accordance with Canadian generally accepted accounting principles. The external auditors, having been appointed by the shareholders to serve as the Company’s external auditors, were given full and unrestricted access to the Audit Committee to discuss matters related to their audit and the reporting of information.

The Board of Directors has approved the Company’s consolidated financial statements on the recommendation of the Audit Committee.

Denis Bertrand
President and Chief Executive Officer

Bertrand Côté
Vice President Finance

Quebec City, Quebec, Canada

August 22, 2007