
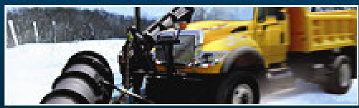
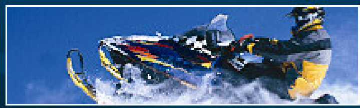
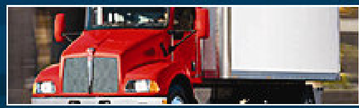

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

July 31, 2006
1st Quarter 2007

Sigma Ventures Inc. is a consolidator of manufacturing businesses operating in the fields of plastic composite technology and the manufacturing of metal that services the windmill energy, agriculture, industrial trucks, public transit and snow removal equipment industries. Our mission is to improve the performance of the businesses we acquire by developing new products as well as their synergies.

Our primary markets are served by a solid group of distributors that are concentrated in Canada and in the North-Eastern United States. The diversity of our products and the quality of our customer service are the trademarks of our business.

SIGMA
VENTURES INC.

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

MESSAGE TO SHAREHOLDERS

SIGMA VENTURES completed its first quarter with revenues of $11.6 million as expected, which is an increase of $10.3 million over the same quarter of last year. In the first quarter, the contribution from our last acquisition, René Composite Materials Ltd., to our interim consolidated statements of earnings and cash flows only accounted for 34 days of the total of 91 days, or 37.4%. This growth is due principally to the acquisitions of Remorques JMS, Faroex and René Composite Materials Ltd. as well as the internal growth of PNS Cast Iron. The increase in sales is directly related to the inclusion of new clients and to the development of new products. We are expecting a rise in revenues for our fiscal year ending April 30, 2007 with the addition of our recent acquisitions. EBITDA increased by $1.3 million, a growth similar to this rise.

Our priorities during the first quarter were to begin and continue the integration of our new companies, Remorques JMS, Faroex and René Composite Materials Ltd., acquired during the course of the past year and we anticipate that the business and operational synergies will continue to materialize during the next quarter. During our fiscal year, we will continue to develop new markets, increase our revenues by introducing new products, and spread our efforts to realize our strategic plan which will allow us to reinforce our position as a leading manufacturer and integrator in our different business segments.

Also, we will continue to work on the organizational objectives, develop the synergies in the start-up and the fabrication of our products, the integration of our quality plan in each plant of the organization and provide all the energy necessary to meet our objectives in cost reduction.

In conclusion, the acquisition of René Composite Materials Ltd. will allow SIGMA VENTURES to have in hand all the elements to become a first class corporation in the transport, bus, agriculture and industrial products. Naturally, the synergy made will allow us to produce and launch new products on the market for our companies operating in the metal components sector.

(S) Denis Bertrand
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 first quarter ended July 31, 2006 compared with the first quarter ended July 31, 2005 and its financial condition as at July 31, 2006 compared to April 30, 2006. This document should be read in conjunction with the unaudited interim consolidated financial statements 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 September 26, 2006, 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 September 26, 2006, 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 July 31, 2006, Sigma Ventures Inc. directly owned five wholly-owned subsidiaries:

- PNS Cast Iron Ltd. ("PNS"), specialized in the development, production and distribution of spare parts intended for the agricultural and snow removal industries;
- Remorques JMS Inc. ("JMS") specialized in the development and the manufacturing of trailers and light forestry products;
- Faroex Ltd ("Faroex"), specialized in the development and manufacturing of composite components for the road transportation industry, agriculture and windmill energy;
- René Composites Materials Ltd. ("René"), 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") specialized in the manufacturing of dies and moulds for René's customers.

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.

HIGHLIGHTS OF THE QUARTER

May 5, 2006

- The Company converted the $1 million debenture issued on March 15, 2006 into 1,681,079 common shares of its share capital including 14,412 common shares for the interest accrued from March 15, 2006 to April 28, 2006.

May 15, 2006

- The Company completed a $6 million private placement and issued 9,999,967 common shares and 4,999,991 warrants. Each warrant entitles its holder to purchase one common share of the Company at a price of $0.85 per share anytime until November 15, 2007. The net proceeds from the financing were used to repay a significant part of the long-term debt resulting from the acquisition of Faroex on March 15, 2006.

June 22, 2006

- The agent, Jones, Gable and Company Limited, exercised 100,000 stock options entitling to acquire 100,000 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.

June 28, 2006

- The Company, through 6564526 Canada Inc., its wholly-owned subsidiary, acquired all issued and outstanding shares of René Composite Materials Ltd. ("René"), located in St-Ephrem-de-Beauce, for a consideration of $22 million. At the time of this acquisition, the Company renegotiated its credit facilities, and the new agreement provides for a $14.7 million decreasing revolving term loan, a $5 million decreasing term loan and a $10 million operating line of credit.

  Founded in 1977, René is recognized for the quality of its products. It is a manufacturer 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.

Financial information for the quarters ended July 31, 2006 and 2005

The unaudited consolidated operating results of the Company as at July 31, 2006 include the results of the following companies:

- Faroex for the period from May 1, 2006 to July 31, 2006, being a 3-month period in 2006 and nil in 2005;

- PNS for the period from May 1, 2006 to July 31, 2006, being 3-month periods in 2006 and 2005;

- Sigma Ventures Inc. for the period from May 1, 2006 to July 31, 2006, being a 3-month period in 2006 and nil in 2005;

- JMS for the period from May 1, 2006 to July 31, 2006, being a 3-month period in 2006 and nil in 2005;

- René for the period from June 28, 2006 to July 31, 2006, being a 34-day period in 2006 and nil in 2005;

- 3547441 for the period from June 28, 2006 to July 31, 2006, being a 34-day period in 2006 and nil in 2005.

SELECTED FINANCIAL INFORMATION

Interim consolidated results of operations

	Quarters ended July 31,	
	2006	2005
	$	$
Sales	11,564,375	1,285,823
EBITDA	1,294,283	27,337
Earnings (loss) before income taxes	692,842	(79,413)
Net earnings (net loss)	436,138	(54,520)
Weighted average number of shares outstanding	31,970,662	16,250,000
Net earnings (net loss) per share		
Basic	0.014	(0.003)
Diluted	0.012	(0.003)

Consolidated balance sheet data

	July 31, 2006	April 30, 2006
	$	$
Current assets	28,475,134	10,061,825
Total assets	51,630,524	18,286,942
Current liabilities	23,094,133	7,549,298
Total liabilities	41,694,247	14,227,623
Shareholders' equity	9,936,277	4,059,319

QUARTER ENDED JULY 31, 2006 COMPARED WITH QUARTER ENDED JULY 31, 2005

Results of operations

Sales

Sales for the first quarter ended July 31, 2006 reached $11.6 million compared to $1.3 million for the same period in 2005, an increase of $10.3 million. The increase came primarily from the acquisitions of René, Faroex and JMS made in the last nine months. We anticipate a continued growth in sales in our fiscal 2007 due to these new acquisitions.

SEGMENT INFORMATION (by geographic region)

	Quarters ended July 31	
	2006	2005
	$	$
United States	7,364,190	286,200
Canada	3,506,380	973,538
Asia	285,929	-
South America	185,008	-
Australia	120,616	-
Europe	102,252	26,085
	11,564,375	1,285,823

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 63.7% of the total sales in the first quarter ended July 31, 2006 compared with 22.3% in 2005. U.S. sales were $7.4 million in 2006, compared with $0.3 million in 2005. The sales from countries other than United States and Canada contributed for an amount of $0.7 million. 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 first quarter ended July 31, 2006 represented 44.2 % of the Company's total sales.

Earnings from operations

Earnings from operations amounted to $1.2 million for the first quarter ended July 31, 2006, compared to $0.05 million in the same period in 2005, an increase of $1.2 million. This variation is primarily attributable to the gross margin from the newly-acquired companies. Earnings from operations improved from 3.5% in the first quarter of 2005 to 10.4 % in the current quarter.

Grants of stock options on October 7, 2005, to employees, officers, directors and consultants of the Company and grants of stock options on May 1, 2006, to a consultant providing public and investor awareness services required stock-based compensation costs of $85,457 in the first quarter ended July 31, 2006.

EBITDA

EBITDA for the first quarter ended July 31, 2006 stood at $1,294,283 compared to $27,337 for the first quarter of 2005. The EBITDA margin increased from 0.2% in the first quarter of 2005 to 11.2% for the corresponding period in 2006. The increase in the EBITDA margin results from the contribution of the businesses acquired over the last nine months, being René, Faroex and JMS. The EBITDA calculation for the first quarter ended July 31, 2006 has been obtained by adding earnings from operations of $1,201,961 to the foreign exchange gain of $92,322 recorded under the item "Other expenses (revenues)" in the interim consolidated statement of earnings.

Financial expenses

Financial expenses for the first quarter ended July 31, 2006 were $268,062 compared to $53,494 for the corresponding quarter last year. The increase for the quarter ended July 31, 2006 is due directly to the increase in debt levels related to our acquisitions, particularly René. We anticipate an increase in interest expenses for the same reason in our fiscal year 2007 beginning May 1, 2006 and ending April 30, 2007.

Depreciation and amortization

Depreciation and amortization expenses for the first quarter ended July 31, 2006 totalled $333,379, an increase of $280,123 compared to the amount of $53,256 registered in the first quarter of 2005. 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 $197,625;
- amortization of deferred charges representing the financing expenses related to the new credit facilities negotiated upon the acquisition of René;
- amortization of intangible assets resulting from the acquisition of René.

Foreign exchange gain

The foreign exchange gain amounting to $92,322 in the first 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.

Income taxes

The income tax expense for the first quarter ended July 31, 2006 stood at $107,647 compared to an income tax recovery of $14,671 of the first quarter of 2005. Concerning future income taxes, the total for the current quarter was $149,057 compared to a future income tax recovery of $10,222 in the same quarter last year. The tax rate for the first quarter ended July 31, 2006 is 37.1% because earnings before income taxes were decreased by stock-based compensation costs in the amount of $85,345; since this is not a deductible expense for income tax purposes, the tax rate has been brought back to 32.9%.

Net earnings

The Company's net earnings for the first quarter ended July 31, 2006 were $436,138 or $0.014 per share ($0.012 per share on a diluted basis) compared to a net loss of $54,520 or ($0.003) per share (($0.003) per share on a diluted basis) in the same quarter last year. The increase of $490,618 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

During the first quarter ended July 31, 2006, total assets increased by $33.3 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 for $0.9 million and finally, to the posting of goodwill and intangible assets for $5.3 million. Moreover, accounts receivable included an amount of $3.1 million representing the sum receivable from the insurance company following a fire that occurred last fall at one of our subsidiaries' place of business.

Liabilities

The Company's total liabilities increased by $27.5 million as a result of the increase in long-term debt by $12.2 million, the increase in bank loans by $6.7 million, the increase in accounts payable and accrued liabilities by $4.5 million and the increase in deferred revenues for $2.0 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 July 31, 2006, two financial ratios were not met. However, the company plans to renegotiate the methods for the calculation of its financial covenants.

Liquidity, cash flows and financing

Operating activities

Cash flows used in operating activities totalled $1.1 million for the first quarter ended July 31, 2006 compared to $0.9 million in the first quarter of 2005. The decrease in accounts payable during the quarter generated a negative net change in non-cash working capital items for a net amount of $0.9 million compared with the corresponding quarter last year.

Considering the above-mentioned variations, cash flows used in operating activities varied by a net amount of $0.2 million.

Financing activities

For the first quarter ended July 31, 2006, cash flows provided from financing activities resulted from the increase in long-term debt and bank loans for an amount of $17.8 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 $6.0 million which were offset by the repayment of the long-term debt contracted in March 2006 for the acquisition of Faroex. Furthermore, share issue expenses of $0.7 million reduced the cash flows provided from financing activities.

Investing activities

The decrease in cash flows from investing activities was $22.7 million for the first quarter ended July 31, 2006 of which $21.9 million were used to acquire René and $0.6 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 2005, cash flows from investing activities were used for the capital expenditures (CAPEX) for $0.2 million.

Shareholders' Equity

Share Capital

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

	As at July 31, 2006	
	Number	Amount $
Balance as at May 1, 2006	21,969,017	1,790,195
Issuance of 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 shares upon a private placement at a price of $0.60 per share, net of the value of warrants ($1,256,139)	9,999,967	4,743,860
Issuance of common shares further to the exercise of 25% of the stock options granted to the agent upon the private placement on October 7, 2005	100,000	49,084
Share issue expenses	-	(815,924)
Balance as at July 31, 2006	33,750,063	6,777,448

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

August 15, 2006

- The agent, Jones, Gable and Company Limited, exercised 101,000 options entitling to acquire 101,000 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.

August 16, 2006

- The holder of the $750,000 convertible debenture converted a part thereof for a sum of $150,000, thus entitling to acquire 180,462 common shares at a price of $0.8312 per share.

September 8, 2006

- One of the shareholders exercised 31,250 warrants entitling him to acquire 31,250 common shares at a price of $0.75 per share.

September 11, 2006

- The agent, Jones, Gable and Company Limited, exercised 100,000 options entitling to acquire 100,000 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.

As of the date of this MD&A, the Company's issued and outstanding share capital consists of 34,162,775 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 July 31, 2006:

	Number	**Total stock-based compensation costs * $**
Outstanding as at April 30, 2006	1,825,000	287,558
Granted		
Consultant – Investor relations	150,000	80,704
Exercised		
Agent	(100,000)	(9,084)
Outstanding as at July 31, 2006	1,875,000	359,178
Stock-based compensation costs for the year ended April 30, 2006		139,950
Stock-based compensation costs for the quarter ended July 31, 2006		85,457
Stock-based compensation costs for the next quarters		133,771
Options exercisable as at July 31, 2006	825,000	
Options exercised as at July 31, 2006	100,000	

* Stock-based compensation costs during the vesting period

As of the date of this MD&A, the agent exercised 101,000 and 100,000 options to purchase common shares on August 15, 2006 and September 11, 2006, respectively.

RELATED PARTY TRANSACTIONS

During the three-month periods ended July 31, 2006 and 2005, management fees paid to a director of the Company amounted to $6,000 and $12,944, 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 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, except for the depreciation method used by one of our acquired companies and the foreign currency forward contracts. 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 3 and 4 to the unaudited interim consolidated financial statements for the quarter ended July 31, 2006.

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 July 31, 2006, the Company held foreign currency forward contracts for the period from August 1, 2006 to November 30, 2006 for a total value of US$2,825,000 or an equivalent of CAN$3,173,250 for an average exchange rate of 1.1233.

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

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Denis Bertrand
President and Chief Executive Officer

(S) Bertrand Côté

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

September 28, 2006