

Interim Consolidated Financial Statements of

C.A. BANCORP INC.

September 30, 2006 (Unaudited)

C.A. BANCORP INC.

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C.A. BANCORP INC.
Consolidated Balance Sheets

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

	As at <u>September 30, 2006</u>	As at <u>December 31, 2005</u>
ASSETS		
CURRENT		
Cash and cash equivalents (Note 6)	\$ 415,461	\$ 76,693
Asset Management Fees receivable (Note 4)	55,490	-
Other receivables	230,150	12,508
Marketable securities (Note 7)	949,167	1,082,939
Prepaid expense	28,917	-
Due from related parties (Note 16(a))	17,041	-
	1,696,226	1,172,140
NON-CURRENT		
Investments in Capital Pool Companies (Note 8)	690,000	-
Deferred costs (Note 9)	321,150	130,483
Contingency fund deposit (Note 10)	10,000	10,000
	\$ 2,717,376	\$ 1,312,623
LIABILITIES		
CURRENT		
Due to broker	\$ -	\$ 81,641
Accounts payable and accrued liabilities	569,203	11,685
Due to related party (Note 16(a))	-	184,204
Due to Petro Assets Inc. (Note 16 (b))	-	1,124,178
	569,203	1,401,708
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	3,114,085	1
Warrants (Note 11)	253,716	-
Contributed surplus (Note 12)	49,054	-
Deficit	(1,268,682)	(89,086)
	2,148,173	(89,085)
	\$ 2,717,376	\$ 1,312,623

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

"John F. Driscoll"
..... Director

"Richard J. Zarzeczny"
..... Director

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

C.A. BANCORP INC.
Consolidated Statements of Operations and Deficit
For the periods ended September 30, (Unaudited)

	Three months ended Sept.30		Nine months ended Sept.30	
	2006	2005	2006	2005
REVENUE				
Asset management fees (Note 4)	\$ 52,349	\$ -	\$ 52,349	\$ -
Interest and investment income	19,398	326	68,728	939
Realized gain on sale of marketable securities	2,889	-	3,825	-
	74,636	326	124,902	939
EXPENSES				
General and administrative (Note 5)	200,197	297	495,970	297
Audit, legal and filing fees	89,850	150	155,646	1,531
Stock based compensation (Note 12)	13,127	-	49,054	-
Investment management fees (Note 4)	28,554	-	28,554	-
Management fees (Note 5)	9,330	-	9,330	-
Interest and bank charges	95	(198)	7,147	-
	341,153	249	745,701	1,828
Unrealized loss on marketable securities (Note 7)	(161,664)	-	(196,588)	-
(LOSS) INCOME BEFORE INCOME TAXES	(428,181)	77	(817,387)	(889)
Provision for income taxes (Note 15)	-	-	-	-
NET (LOSS) INCOME AFTER TAXES	(428,181)	77	(817,387)	(889)
Issue Costs of Qualifying Transaction (Note 3)	-	-	(362,209)	-
DEFICIT, BEGINNING OF PERIOD	(840,501)	(4,607)	(89,086)	(3,641)
DEFICIT, END OF PERIOD	\$ (1,268,682)	\$ (4,530)	\$ (1,268,682)	\$ (4,530)

LOSS PER SHARE (Note 13)

Basic	\$ (0.04)	\$ -	\$ (0.08)	\$ -
Diluted	\$ (0.04)	\$ -	\$ (0.08)	\$ -

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

C.A. BANCORP INC.
Consolidated Statements of Cash Flows
For the periods ended September 30, (Unaudited)

	Three months ended Sept.30		Nine months ended Sept.30	
	2006	2005	2006	2005
OPERATING ACTIVITIES				
Net (loss) income	\$ (428,181)	\$ 77	\$ (817,387)	\$ (889)
Stock based compensation	13,127	-	49,054	-
Unrealized loss on marketable securities	161,664	-	196,588	-
Realized gain on sale of marketable securities	(2,889)	-	(3,825)	-
Net change in non-cash working capital:				
Increase in receivables and other current assets	(252,030)	(70)	(296,075)	(308)
Increase (decrease) in current liabilities	418,077	18	(154,764)	-
Increase in deferred costs	(232,641)	-	(137,550)	-
Net cash provided by (used in) operating activities	(322,873)	25	(1,163,959)	(1,197)
INVESTING ACTIVITIES				
Investments in capital pool companies (Note 8)	(690,000)	-	(690,000)	-
Purchase of marketable securities	(30,000)	-	(330,876)	-
Proceeds on sale of marketable securities	230,389	-	271,885	-
Recovery of Tiverton action costs, net of payments made	-	-	26,750	-
Net cash used in investing activities	(489,611)	-	(722,241)	-
FINANCING ACTIVITIES				
Proceeds from common shares issued (Note 11)	241,608	-	241,608	-
Cash and cash equivalents acquired from C.A. Bancorp Inc.	-	-	379,365	-
Cash acquired from the Fund (Note 3)	-	-	1,590,831	-
Cash advance received from Petro Assets Inc.	-	-	72,000	-
Issue costs paid	-	-	(58,836)	-
Net cash provided by (used in) financing activities	241,608	-	2,224,968	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(570,876)	25	338,768	(1,197)
CASH AND CASH EQUIVALENTS, BEG. OF PERIOD	986,337	60,421	76,693	61,643
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 415,461	\$ 60,446	\$ 415,461	\$ 60,446
REPRESENTED BY:				
Cash	\$ 192,262	\$ 789	\$ 192,262	\$ 789
Cash equivalents (Note 6)	223,199	59,657	223,199	59,657
	\$ 415,461	\$ 60,446	\$ 415,461	\$ 60,446
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Income taxes paid	\$ -	\$ -	\$ -	\$ -
Interest paid	\$ 158	\$ -	\$ 3,454	\$ 198

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

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

1. ORGANIZATION

C.A. Bancorp Inc. (the "Company") was incorporated as Master Mines and Metals Inc., pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 29, 2005 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV"). On April 19, 2005 the Company changed its name to Master West Resources Ltd. and on April 27, 2005 changed its name to Masthead Resources Ltd. The Company completed its initial public offering on August 22, 2005 issuing 1,500,000 common shares at \$0.20 per share. On September 2, 2005 the Company began trading on the TSXV under the symbol "MTH.P". On January 26, 2006, the Company completed a Qualifying Transaction (described in Note 3) and changed its name to C.A. Bancorp Inc. and its trading symbol to "BKP". On October 2, 2006 the Company issued a preliminary short form prospectus (the "Prospectus") qualifying the distribution of common shares (the "Offering") in the capital of the Company. The size of the Offering including the price per share were not determined at the time of the filing of the Prospectus.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(a) *Principles of consolidation*

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: C.A. Bancorp Ltd. (“CABL”) and C.A. Bancorp Financial Ltd. (“CABFL”). CABFL, which was incorporated on March 15, 2006, has been inactive since incorporation and has no assets, liabilities, revenues or expenses. CABL was acquired on January 26, 2006 as part of the Qualifying Transaction (see Note 3). The Qualifying Transaction has been recorded as a reverse takeover transaction, which does not constitute a business combination, in accordance with Abstract No. 10 of the Emerging Issues Committee (“EIC-10”) of the Canadian Institute of Chartered Accountants. Therefore, the consolidated financial statements are issued under the name of C.A. Bancorp Inc., the legal parent company, but are considered to be a continuation of the financial statements of CABL, the legal subsidiary. The comparative balance sheet as at December 31, 2005 and the comparative statements of operations and cash flows for the three-month and nine-month periods ended September 30, 2005 are those of CABL. The consolidated statements of operations and cash flows for the nine-month period ended September 30, 2006 include the results of operations and cash flows of CABL from January 1, 2006 and of the Company since January 26, 2006. All intercompany transactions and balances have been eliminated in these consolidated financial statements.

(b) *Revenue recognition*

Asset management fees recorded as revenue are based upon the average net asset value of the Sentry Select Total Strategy Fund (“Total Strategy Fund”) and are recognized on an accrual basis.

Performance fees related to the Total Strategy Fund are recognized when performance thresholds have been satisfied and management is assured of their realization and are recognized on an accrual basis.

Interest income is recognized on an accrual basis as it is earned. Dividend and distribution income are recorded on the ex-dividend or ex-distribution date, respectively.

(c) *Cash and cash equivalents*

Cash and cash equivalents are comprised of cash and short-term investments with maturities of three months or less from the date of their acquisition. Short-term investments are carried at cost plus accrued interest, which approximates market value.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

(d) *Marketable securities*

Investments in marketable securities are carried at lower of cost or market value determined on an individual security basis. The closing prices are used in determining the market value of individual securities within the portfolio.

(e) *Investments in Capital Pool Companies*

Investments in Capital Pool Companies are accounted for using the equity method as the Company is deemed to exercise significant influence over its investments.

(f) *Incentive stock options*

The Company has an incentive stock option plan as described in Note 12. The Company follows the fair value method of accounting for the expense associated with the plan, whereby an estimate of the fair value of the stock options granted is measured and recorded as an expense over the vesting period or at the date of grant if options vest immediately, with the related offset recorded as shareholders' equity. The effect of actual forfeitures of previously granted options is recognized as they occur. Any consideration paid to the Company with respect to the exercise of stock options is credited to share capital. For the purpose of accounting for incentive stock options, directors, officers and direct employees of the Company are considered employees and other parties are considered non-employees.

(g) *Income taxes*

The Company uses the asset and liability method to provide for income taxes on all transactions recorded in the financial statements. The asset and liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax basis. Future income tax assets and liabilities are determined for each temporary difference and unused losses, as applicable, at substantively enacted tax rates expected to be in effect when the assets are realized or the liabilities are settled. A valuation allowance is established to reduce future income tax assets to the amount that is more likely than not to be realized.

(h) *Earnings per share*

Basic earnings per share is calculated using the weighted average number of shares for the period. The treasury stock method is used to determine diluted earnings per share.

(i) *Use of estimates*

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

3. QUALIFYING TRANSACTION

On January 26, 2006, the Company completed the acquisition of (a) the net assets of Sentry Select Focused Wealth Management Fund (the "Fund") in exchange for 4,516,379 common shares and 4,516,379 common share purchase warrants of the Company and (b) 100 per cent of the outstanding common shares of CABL and \$9,874 due from Petro Assets Inc. ("PAI"), the sole shareholder of CABL, in exchange for 3,399,906 common shares and 3,399,906 common share purchase warrants of the Company. The acquisitions constituted the Company's "Qualifying Transaction" pursuant to Policy 2.4 of the TSXV.

The Fund was managed by Sentry Select Capital Corp. ("Sentry Select"), which is beneficially owned and controlled by the Chairman of the Board of Directors and CEO of the Company. The net assets of the Fund were comprised of cash of \$1,590,831 and accrued liabilities of \$10,098. The aggregate purchase price was \$1,580,733 allocated to common shares valued at \$1,424,014 and common share purchase warrants valued at \$156,718.

CABL (previously, Capital Access Corporation) was a private company which was indirectly controlled by the Chairman of the Board of Directors and CEO of the Company through Petro Assets Inc. The fair value of the assets and liabilities of CABL on the date of acquisition was \$1,180,093. The aggregate purchase price was \$1,189,967, including \$9,874 due from Petro Assets Inc., allocated to common shares valued at \$1,071,990 and common share purchase warrants valued at \$117,977.

The common share purchase warrants issued in connection with the above transactions entitle the holders thereof to purchase one common share of C.A. Bancorp Inc. for \$0.35 for one year following the closing of the transactions. The warrants had an aggregate estimated fair value of \$274,695, or \$0.0347 per warrant, on the date of issuance as determined by the Company using a Black-Scholes option pricing model.

In determining the fair value of the warrants, management was required to make assumptions that have a material impact on the valuation. The following were the significant assumptions: market price per common share of \$0.35; dividend yield of 0%; expected volatility of 20%; risk-free interest rate of 4.01%; and expected life of one year.

The Qualifying Transaction has been accounted for as a reverse takeover transaction (an "RTO"), which does not constitute a business combination. The Qualifying Transaction is measured at the exchange amount. Pursuant to the RTO accounting CABL, the legal subsidiary of the Company, was considered to have acquired the net assets of the Fund and all of the common shares of the Company. Issue costs of \$362,209 incurred in connection with the Qualifying Transaction have been charged to deficit.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

3. QUALIFYING TRANSACTION (continued)

The following table summarizes the estimated fair value of the assets and liabilities and the costs of the Qualifying Transaction of the Company immediately prior to the RTO:

	<u>As at January 26, 2006</u>
ASSETS	
Cash and cash equivalents	\$ 379,365
Accounts and other receivables	7,920
Total current assets	<u>387,285</u>
Deferred costs of the Qualifying Transaction	<u>362,209</u>
	<u>749,494</u>
 LIABILITIES	
Accounts payable and accrued liabilities	<u>410,086</u>
 NET ASSETS	
	<u>\$ 339,408</u>

4. ASSET AND INVESTMENT MANAGEMENT FEES

The Company acts as the manager (the “Manager”) of the Sentry Select Total Strategy Fund – an investment trust listed under the symbol TSF.UN on the Toronto Stock Exchange - for which it earns a management fee (“Asset Management Fee”) in accordance with the terms of the prospectus of the Total Strategy Fund. The Company, in its capacity as Manager, has appointed Sentry Select as the investment manager (“Investment Manager”) and pays a portion of its Asset Management Fees to the Investment Manager in the form of investment management fees (“Investment Management Fees”).

The Company recognized \$52,349 in Asset Management Fees as revenue and recognized \$28,554 of Investment Management Fees as expenses for the three-month and nine-month periods ended September 30, 2006 (2005 – Nil).

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

5. ADMINISTRATION AND MANAGEMENT AGREEMENTS WITH SENTRY SELECT

On May 18, 2006, the independent members of the Board of Directors of the Company approved an Amended and Restated Administration Agreement (the "Administration Agreement") between the Company and Sentry Select which was effective from July 1, 2006 (replacing the previous administration agreement) and on September 25, 2006, an Amended and Restated Management Agreement (the "Management Agreement") which was retroactively effective from July 1, 2006.

(a) Administration Agreement

The Administration Agreement was amended to provide Sentry Select with a monthly fee of \$40,000 (from \$35,000 prior to amendment), plus applicable taxes for the provision of administrative services including accounting and recordkeeping, regulatory reporting and compliance, investor relations, office space, equipment and administrative and management personnel, and other administrative and office services.

For the nine month period ended September 30, 2006, \$330,000 was charged to C.A. Bancorp Inc. in respect of the Administration Agreement (and its predecessor) including \$120,000 that was charged in the three-months ended September 30, 2006. The consolidated statements of operations includes \$300,645 which has been charged to general and administrative expenses and reflects the prorated amount of such fees since the date of the RTO. As of September 30, 2006 \$nil was due to Sentry Select in respect of such fees.

Prior to the Company's Administration Agreement referred to above, CABL had a support services agreement dated September 1, 2005 with Sentry Select to provide consulting, administration and accounting services. For the period from September 1, 2005 to December 31, 2005 the fee for administration services was \$67,128 and was due to Sentry Select at December 31, 2005.

(b) Management Agreement

The Management Agreement engages Sentry Select to provide investment management services in respect of the Company's merchant banking business and other investing activities, including searching for, evaluating and screening investment opportunities and conducting due diligence with respect to potential investments, for a quarterly fee of $\frac{1}{4}$ of 1.50% (the "Management Fee"), plus applicable taxes, based on the Company's closing consolidated book value from the previous quarter (subject to certain adjustments in accordance with the Management Agreement).

Sentry Select will also be entitled to a performance bonus ("Performance Bonus") equal to 20% of the amount by which the annual consolidated pre-tax, pre-Management Fee and pre-Performance Bonus net income of the Company, as at December 31 in each year, exceeds the Yearly Bonus Threshold (as defined in the Management Agreement and subject to Clawback Payments and Cumulative Bonus Thresholds also as defined in the Management Agreement) for such year. The Yearly Bonus Threshold is an amount equal to a return of 8% per annum based on the Company's consolidated book value.

For the three-month and nine-month periods ended September 30, 2006 (2005 – Nil) the Company incurred \$9,330 in Management Fees to Sentry Select. No Performance Bonus was incurred as the Company has a net pre-tax, pre-Management Fee, pre-Performance Bonus net loss for the three-month and nine-month period ended September 30, 2006.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

6. CASH EQUIVALENTS

As at September 30, 2006 the Company held a Government of Canada Treasury Bill, yielding 3.44% and maturing on November 2, 2006 in the amount of \$60,000 and a Bankers' Acceptance yielding 3.95% and maturing on October 17, 2006. As at December 31, 2005 the Company held a Government of Canada Treasury Bill, yielding 2.63% and maturing on January 26, 2006 in the amount of \$60,000.

7. MARKETABLE SECURITIES

In accordance with the Company's accounting policies a carrying value adjustment of \$161,664 was recognized in the three-month period ended September 30, 2006 (2005 - Nil) as the market value of three of the securities was less than their carrying values prior to the adjustment.

A similar carrying value adjustment of \$34,924 was recognized in the preceding six-month period ended June 30, 2006 (2005 - Nil) bringing the cumulative portfolio cost adjustments charged to income for the nine-month period ended September 30, 2006 to \$196,588 (2005 - Nil).

<u>Investment Name</u>	<u>Number of shares/ units</u>	<u>September 30, 2006</u>	
		<u>Carrying Value</u>	<u>Market Value</u>
CAPVEST Income Corp. - Debentures	2,000	\$ 196,020	\$ 200,000
CAPVEST Income Corp. - Common shares	400,000	65,000	60,000
Arsenal Energy Inc. - Common Shares	457,547	594,811	457,547
Strategic Energy Fund - Trust units	20,000	255,000	235,600
Carrying value prior to portfolio cost adjustment		1,110,831	953,147
Portfolio cost adjustment		(161,664)	-
Carrying value of securities per financial statements		\$ 949,167	\$ 953,147

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

7. MARKETABLE SECURITIES (Continued)

Investment Name	Number of shares/ units	December 31, 2005	
		Carrying Value	Market Value
CAPVEST Income Corp. - Debentures	2,000	\$ 200,000	\$ 200,000
CAPVEST Income Corp. - Common shares	200,000	40,000	38,000
Tiverton Petroleums Ltd. - Class A shares	2,020,360	563,179	626,312
Strategic Energy Fund - Trust units	20,000	279,760	279,000
		\$ 1,082,939	\$ 1,143,312

Pursuant to the acquisition of Tiverton Petroleums Ltd. ("Tiverton"), by Arsenal Energy Inc. ("Arsenal"), which closed on March 13, 2006, the Company received 0.23 of an Arsenal common share for each (1) Tiverton share held. The manager of Strategic Energy Fund, and the investment advisor of CAPVEST Income Corp. are controlled by the Chairman of the Board of Directors and CEO of the Company.

8. INVESTMENTS IN CAPITAL POOL COMPANIES

The Company had the following investments in capital pool companies ("CPCs") as at September 30, 2006:

Capital Pool Company Investment	Number of Shares	September 30, 2006	
		Ownership %	Cost
Charter Realty Holdings Ltd.	2,500,000	41.7%	\$ 500,000
Universal Infrastructure Corp.	950,000	47.5%	95,000
Global Alternative Investments Inc.	950,000	47.5%	95,000
Total Cost and Carrying Value			\$ 690,000

On September 14, 2006 C.A. Bancorp Inc. purchased 2.5 Million common shares of Charter Realty Holdings Ltd. ("Charter") in a private placement transaction. Charter is a publicly traded CPC (CRH.P on the TSX Venture) that was controlled, by virtue of a 73.3% ownership position (either directly or through other controlled entities which include C.A. Bancorp Inc.) by the CEO/Chairman of C.A. Bancorp Inc. As at September 30, 2006 the CEO/Chairman held a 50.2% fully-diluted interest in C.A. Bancorp Inc. and is considered to control both the Company and Charter by the Company's management.

The Company, along with its CEO/Chairman as well as two other board members founded two CPCs: Universal Infrastructure Corp. ("Universal") and Global Alternative Investments Inc. ("Global") on August 2, 2006. Each CPC was seeded with \$200,000 in gross proceeds (2,000,000 shares at \$0.10). Universal and Global each filed a preliminary prospectus on September 26, 2006 for an initial public offering ("IPO") to raise an additional \$300,000 in gross proceeds (1,500,000 shares at \$0.20). Charter, Universal and Global are each considered related parties to C.A. Bancorp Inc.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

9. DEFERRED COSTS

As at September 30, 2006 the Company had aggregate deferred costs of \$321,150 related primarily to legal and filing costs associated with the Company's Offering and legal fees incurred for the drafting of an offering memorandum related to a proposed private equity fund ("Private Equity Fund") that it expects to launch in fiscal 2007. The costs related to the Offering will be deferred until the Offering's closing after which they will be reclassified as a reduction of share capital against the gross proceeds from the Offering. Any deferred costs related to the Private Equity Fund which are not expected to be recoverable will be expensed when that determination is made.

During the three-months ended September 30, 2006 \$80,509 of costs that were deferred as at June 30, 2006 were no longer deferred and were reclassified as a receivable from Sentry Select (a related party) as Sentry Select has agreed to reimburse the Company for costs associated with the formation of a closed-end investment trust ("Trust") as Sentry Select had expressed a greater interest and likelihood of launching and managing the Trust.

As at December 31, 2005 the Company had deferred costs of \$80,667, \$49,816 of which related to a corporate action suit against Tiverton Petroleums Ltd, in an effort to replace its Board of Directors. In 2006 the Company recovered these costs from Arsenal Energy Inc.

10. CONTINGENCY FUND DEPOSIT

The Company is required by the Ontario Securities Commission (the "OSC") to maintain a contingency fund deposit of \$10,000 with CIBC Mellon Trust Company. The funds in the plan are invested and any interest may be used to settle with creditors of any bankrupt OSC participant and to pay registrant related legal fees.

11. SHAREHOLDERS' EQUITY

(a) Share Capital

Authorized:

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of First Preferred Shares without nominal or par value.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

11. SHAREHOLDERS' EQUITY (Continued)

The following is a continuity of the share capital of the Company:

Common shares	Prior to RTO		After RTO	
	Number	Amount	Number	Amount
C.A. Bancorp Ltd., outstanding as at January 1, 2006	1	\$ 1	-	\$ -
Conversion of amounts due to PAI to Common Shares	120	1,196,177	-	-
C.A. Bancorp Ltd., outstanding as at January 26, 2006	121	1,196,178	3,368,590	1,078,201
Contribution from PAI	-	9,874	31,316	9,874
	121	1,206,052	3,399,906	1,088,075
C.A. Bancorp Inc., outstanding as at January 26, 2006	3,500,000	407,894	3,500,000	339,408
Issued to Fund unitholders in exchange for net assets	-	-	4,516,379	1,424,014
As at June 30, 2006			11,416,285	2,851,497
Common Shares issued in the third quarter as a result of:				
Agent option exercised			150,000	30,000
Warrants exercised			604,595	232,588
As September 30, 2006			12,170,880	\$ 3,114,085

(b) Warrants

Common share purchase warrants	Prior to RTO		After RTO	
	Number	Amount	Number	Amount
Issued to Fund unitholders on January 26, 2006 (Note 3)	-	\$ -	4,516,379	\$ 156,718
Issued to C.A. Bancorp Ltd. shareholder on January 26, 2006 (Note 3)	-	-	3,399,906	117,977
As at June 30, 2006	-	-	7,916,285	274,695
Warrants exercised during the third quarter	-	-	(604,595)	(20,979)
As at September 30, 2006	-	\$ -	7,311,690	\$ 253,716

On July 27, 2006 a non-employee Agent option (see Note 12) to purchase 150,000 Common Shares was exercised at a strike price of \$0.20 providing the Company with \$30,000 in proceeds and share capital.

During the period from August 4, 2006 to September 21, 2006 604,595 warrants were exercised at a price of \$0.35 providing the Company with \$211,608 in proceeds and \$232,588 in share capital.

The number of outstanding Common Shares of the Company increased to 12,170,880 as at September 30, 2006 as a result of these transactions.

The fair value of the outstanding warrants as at September 30, 2006 was \$219,351, or \$0.03 per warrant based upon the last transacted price on the TSXV which occurred on September 29, 2006.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

12. INCENTIVE STOCK OPTIONS

On September 2, 2005, pursuant to the public offering, the agent was granted a non-transferable option (“Agent option”) to purchase up to 150,000 Common Shares at \$0.20 per share. The Agent option was exercisable at any time from issuance to 24 months from the date of listing of the Company’s shares on the TSXV. The estimated fair value of this Agent option on the date of grant was \$6,000 and was charged to share issue costs in the financial statements of C.A. Bancorp Inc., the accounting subsidiary, in the third quarter of 2005 and therefore is not included in the comparative financial statements. The Agent option was exercised on July 27, 2006 (see Note 11).

The Company has a stock option plan (the “Plan”) for the benefit of Directors, Officers and employees of and consultants and service providers to the Company. Pursuant to the Plan, the Board of Directors may allocate non-transferable options to purchase up to a maximum of 10% of the outstanding Common Shares of the Company. Options granted pursuant to the Plan are exercisable at a price not less than the market price of the Common Shares on the stock exchange on which such shares are traded less any applicable discounts permitted by the rules of such exchange. The maximum number of Common Shares which may be reserved for issuance to any one person under the Plan is 5% of the Common Shares outstanding at the time of grant.

Pursuant to the Plan and approval by the Board of Directors on September 15, 2005, the Company granted, to Directors, an aggregate of 215,000 options to purchase Common Shares which may be exercised from issuance at a price of \$0.20 per share for a period of five years from the date of grant. The stock option plan and the grant of options there under are subject to regulatory approval and the Escrow Agreement. The estimated fair value of these options on the date of grant was \$14,405 and was charged to incentive stock option compensation on the statement of operations of C.A. Bancorp Inc., the accounting subsidiary, in the third quarter of 2005 and therefore are not included in the comparative financial statements.

Pursuant to the Plan and approval by the Board of Directors on June 22, 2006, the Company granted, to certain directors, officers, employees and consultants an aggregate of 780,000 options to purchase Common Shares which may be exercised from issuance at a price of \$0.33 per share for a period of five years from the date of grant subject to vesting restrictions. One-third of the options vested on the date of grant with the remaining two-thirds vesting equally on June 22, 2007 and June 22, 2008. The estimated fair value of these options on the date of grant was \$107,780 and will be expensed as they vest. For the three-month and nine-month periods ended September 30, 2006 the Company recorded an expense of \$13,127 and \$49,054 respectively in relation to this option grant. On August 24, 2006 a director of the Company resigned and forfeited 20,000 (fair value of \$2,764 on date of grant) of his unvested options.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

12. INCENTIVE STOCK OPTIONS (Continued)

The fair value of the incentive stock option grants on the date of grant were estimated using a Black-Scholes option pricing model. In determining the fair value of options, management was required to make assumptions that could have a material impact on the valuation. For the purposes of assuming a dividend yield management assumed a rate of 0%. Other assumptions used on the dates of grant including the risk-free rate and the expected volatility are disclosed in the following table which summarizes information about the stock options outstanding as of September 30, 2006:

<u>Optionee Type</u>	<u># of Optioned Shares Issued</u>	<u>Vested at 30-Sep-06</u>	<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Risk-Free Rate</u>	<u>Volatility Assumption</u>	<u>Value at Grant</u>
<i>Sept. 15, 2005 Grant</i>							
Employee	215,000	215,000	15-Sep-10	\$ 0.20	3.82%	30%	\$14,405
<i>June 22, 2006 Grant</i>							
Employee	410,000	143,333	22-Jun-11	\$ 0.33	4.45%	40%	\$56,654
Non-Employee	350,000	116,666	22-Jun-11	\$ 0.33	4.45%	40%	\$48,363
	<u>760,000</u>	<u>260,000</u>					<u>\$105,017</u>
Total	<u>975,000</u>	<u>475,000</u>					<u>\$119,422</u>

As at September 30, 2006, the weighted average contractual remaining life of the options was 4.56 (December 31, 2005 – 3.46) years.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

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13. LOSS PER SHARE

The weighted average numbers of shares outstanding for the period ended September 30, 2006 and loss per share were as follows:

	Three-months ended		Nine-months ended	
	Weighted Average Number of shares	Loss Per Share	Weighted Average Number of Shares	Loss Per Share
Basic	11,910,192	\$ (0.04)	10,848,629	\$ (0.08)
Diluted *	11,910,192	\$ (0.04)	10,848,629	\$ (0.08)

The weighted average numbers of shares outstanding for the period ended September 30, 2005 and loss per share were as follows:

	Three-months ended		Nine-months ended	
	Weighted Average Number of shares	Loss Per Share	Weighted Average Number of Shares	Loss Per Share
Basic	3,399,906	\$ -	3,399,906	\$ -
Diluted *	3,399,906	\$ -	3,399,906	\$ -

* The incentive stock options and warrants were excluded from the calculations of diluted earnings per share because they were anti-dilutive.

14. FINANCIAL INSTRUMENTS

Except as disclosed elsewhere in these consolidated financial statements, the carrying value of the Company's financial instruments approximates their fair value.

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

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15. INCOME TAXES

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future income tax assets (liabilities) as at September 30, 2006 are as follows:

	<u>As at Sept. 30, 2006</u>
Future income tax assets	
Non-capital loss carryforwards	\$ 372,519
Issue costs	130,479
	<u>502,998</u>
Valuation allowance	(502,998)
Net future tax asset	<u>\$ -</u>

As at September 30, 2006, the Company and its subsidiaries had non-capital losses available to be carried forward to offset income in future years of \$1,037,657. The benefit of these losses has not been recognized in these financial statements. These losses expire as follows:

Year	
2012	\$ 130,439
2015	<u>907,218</u>
	<u>\$ 1,037,657</u>

The provision for income taxes differs from the result which would be obtained by applying the combined Canadian Federal and Provincial statutory income tax rates to income before income taxes as follows:

	<u>For the three-months ended Sept. 30, 2006</u>	<u>For the nine-months ended Sept. 30, 2006</u>
Loss before income taxes	\$ (428,181)	\$ (817,387)
Combined federal and provincial income tax rate	35.9%	35.9%
Expected recovery of income taxes	153,717	293,442
Permanent differences	(257)	(664)
Valuation allowance	<u>(153,460)</u>	<u>(292,778)</u>
	<u>\$ -</u>	<u>\$ -</u>

C.A. BANCORP INC.

Notes to Consolidated Financial Statements

As at September 30, 2006 (Unaudited) and December 31, 2005 (Audited)

16. OTHER RELATED PARTY TRANSACTIONS

Unless mentioned elsewhere in the notes to these consolidated financial statements the following are additional disclosures regarding related party transactions.

a) Reimbursement of expenses

As at September 30, 2006 \$61,935 (December 31, 2005: \$117,076) was due to Sentry Select for reimbursement of third party expenses of the Company paid for by Sentry Select. The amount is due on demand and is non-interest bearing. The balance as at September 30, 2006 is included in "Due from related parties" as an offset to other net items receivable from Sentry Select of \$78,976.

b) Due to Petro Assets Inc.

As at December 31, 2005, Petro Assets Inc. ("PAI"), a company controlled by the Chairman of the Board of Directors and CEO, was the sole shareholder of CABL. As at December 31, 2005, CABL had the following amounts due to PAI:

- i. \$39,181 due to PAI in respect of reimbursement of third party expenses of the Company paid for by PAI.
- ii. Pursuant to a loan agreement dated October 24, 2005, CABL had a loan payable to PAI in the amount of \$1,000,000 plus accrued interest of \$7,497 thereon. The loan is payable on demand and bears interest at the prime rate.
- iii. Pursuant to a subordinated debt agreement dated September 1997, CABL had a loan payable to PAI in the amount of \$77,500 which is unsecured, non-interest bearing and payable on demand.

The amounts due to PAI by CABL as at January 25, 2006, immediately prior to the Qualifying Transaction, were converted into common shares of CABL.

17. SUBSEQUENT EVENTS

On November 16, 2006 the Company filed a Short Form Prospectus qualifying the distribution (the "Offering") of a maximum of 166,666,667 (the "Maximum Offering") and a minimum of 33,333,334 (the "Minimum Offering") common shares in the capital of the Company at a price of \$0.30 per common share (the "Offering Price"), pursuant to an agency agreement among the Company and the agents.

The Company granted to the agents an option (the "Over-allotment Option"), exercisable in whole or in part at the sole discretion of the agents until 30 days after closing of the Offering, enabling them to purchase up to an additional 25,000,000 common shares at the Offering Price.

The fee payable to the agents on each common share sold as part of the Offering will be \$0.0195. As a result, after considering the fee payable to the agents, but before deducting expenses of the Offering estimated to be \$710,000, the net proceeds to the Company per common share sold will be \$0.2805.

Conditional to and pursuant to the completion of the Offering, the Chairman and CEO of the Company and his family have agreed to cancel 3,974,379 common share purchase warrants. Such cancellation will result in the reclassification of \$137,897 (the carrying value of the cancelled warrants) from warrants to contributed surplus.