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Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of C.A. Bancorp Inc. at The Exchange Tower, 130 King Street West, Suite 2805, Toronto, Ontario, M5X 1A4 (Telephone: 1-866-388-5985), and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this short form prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Secretary of the issuer at the above-mentioned address and telephone number and is also available electronically at www.sedar.com.

**SHORT FORM PROSPECTUS**

New Issue

November 17, 2006



**C.A. BANCORP INC.**

**\$50,000,000**

**(Maximum Offering)**

**\$10,000,000**

**(Minimum Offering)**

**A maximum of 166,666,667 and a minimum of 33,333,334 Common Shares**

This short form prospectus (the "Prospectus") qualifies 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 (each a "Common Share") in the capital of C.A. Bancorp Inc. (the "Company") at a price of \$0.30 per Common Share (the "Offering Price"), pursuant to an agency agreement (the "Agency Agreement") among the Company, Sentry Select Capital Corp. ("Sentry Select") and National Bank Financial Inc., CIBC World Markets Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., Blackmont Capital Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc. and Raymond James Ltd. (together, the "Agents"). The head office of the Company is located at The Exchange Tower, 130 King Street West, Suite 2805, Toronto, Ontario, M5X 1A4. The registered office of the Company is located at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta T2P 4H2. The outstanding Common Shares are listed for trading on the TSX Venture Exchange (the "Exchange") under the symbol "BKP". On November 16, 2006, the last day of trading prior to the date of this Prospectus, the closing price of the Common Shares on the Exchange was \$0.37. The Exchange has conditionally approved the listing of the Common Shares distributed under this Prospectus. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange.

Investing in the Common Shares involves a significant degree of risk which potential investors should carefully consider. THIS IS A BLIND POOL OFFERING. Other than as described in the Company's continuous disclosure documents and this Prospectus, the Company has not entered into any agreements to invest in or acquire businesses or to manage or sponsor private equity funds or structured products. Investing in the Common Shares involves a significant degree of risk which potential investors should carefully consider. See "Risk Factors". The Company will be relying on Sentry Select to provide certain management and administrative services to the Company (see "Management and Administration Agreements").

The Common Shares offered hereby, if issued on the date hereof, would not be precluded as investments under certain statutes. See "Eligibility for Investment".

**Price: \$0.30 per Common Share**

	Price to the Public	Agents' Fee <sup>(1)</sup>	Net Proceeds to the Company <sup>(2)</sup>
Per Common Share	\$0.30	\$0.0195	\$0.2805
Minimum Offering <sup>(1)</sup>	\$10,000,000.20	\$650,000.01	\$9,350,000.19
Maximum Offering <sup>(1)</sup>	\$50,000,000.10	\$3,250,000.01	\$46,750,000.09

Notes:

- (1) The Company has 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 (assuming the Maximum Offering is completed) at the Offering Price. If the Maximum Offering is completed and the Over-allotment Option is exercised in full, the Price to the Public, the Agents' Fee and the Net Proceeds to the Company will be \$57,500,000.12, \$3,737,500.00 and \$53,762,500.12, respectively. This Prospectus also qualifies the grant of the Over-allotment Option and the distribution of any Common Shares issued pursuant to the exercise of the Over-allotment Option. See "Plan of Distribution".
- (2) After deducting the fee payable to the Agents equal to \$0.0195 per Common Share (the "Agents' Fee"), but before deducting expenses of the Offering estimated to be \$710,000, which will be paid by the Company from the proceeds of the Offering.

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The Agents, as agents, conditionally offer the Common Shares on a “best efforts” basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Macleod Dixon LLP and on behalf of the Agents by Torys LLP. The Offering Price was determined by negotiation between the Company and the Agents.

In connection with this Offering and subject to applicable laws, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

<u>Agents' Position</u>	<u>Maximum size or number of securities held</u>	<u>Exercise period / Acquisition date</u>	<u>Exercise price or average acquisition price</u>
Over-allotment Option <sup>(1)</sup> . . . . .	25,000,000	30 days from the closing of the Offering	\$ 0.30

Note:

(1) The securities comprise Common Shares.

Subscriptions for Common Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on or about November 27, 2006 or such earlier or later date as may be agreed by the Company and the Agents. Certificates in definitive form representing the Common Shares will be available for delivery on the closing of the Offering.

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## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Offering and should be read together with, and is qualified in its entirety by, the more detailed information contained elsewhere in this Prospectus.*

### BUSINESS OF THE COMPANY

**Issuer:** C.A. Bancorp Inc. (the “Company”).

**Overview:** The Company is a merchant bank established to provide investors with access to a range of private equity and other alternative investment opportunities typically available only to large institutional and high net worth investors not generally offered through public companies. The Company is focused on investments, either directly or through entities managed and/or sponsored by it, across a broad range of industries.

The Company is currently an affiliate of Sentry Select Capital Corp. (“Sentry Select”), a portfolio manager and mutual fund dealer engaged in the business of sponsoring and managing investment funds in Canada. As at October 31, 2006, Sentry Select had approximately \$8.1 billion in gross assets under management.

**Business Model:** The Company’s business model is based on two types of revenue generating investment activities:

- (1) direct investing, to generate capital gains realized from the sale of investments and interest payments, management fees, syndication fees and dividends paid by portfolio companies; and
- (2) fund management, to generate management fees and performance bonuses paid by private equity funds and structured products managed and/or sponsored by the Company.

See “Summary Description of the Business”.

**Industry Focus:** The Company expects to focus on investment opportunities in the industrials, real estate, infrastructure and financial services sectors.

The Company believes the industrials, real estate, infrastructure and financial services sectors represent attractive investment opportunities as: (i) they often enjoy stable growth rates and sustainable cash flows; (ii) consolidation opportunities exist in the small to mid-market sectors of these industries; and (iii) management of C.A. Bancorp and Sentry Select have experience in investing in these industries. Within each sector, the Company will generally target investments with tangible asset bases and sustainable cash flows. While these sectors will be its initial focus, the Company may also pursue investments in other sectors on an opportunistic basis.

**Competitive Advantage:** The Company will combine the private equity/merchant banking capabilities of its management with Sentry Select’s investment and advisory expertise and strong relationships within the Canadian public capital markets.

C.A. Bancorp’s senior executive team, which consists of Mark Gardhouse (President) and Mark MacDonald (Managing Director, Private Investments), offers a combination of strategic investment management experience and significant experience investing in private and public companies in Canada. Messrs. Gardhouse and MacDonald are principally responsible for investing the Company’s funds.

The Company will be able to draw on the resources of Sentry Select, including its significant expertise and knowledge of the Canadian capital markets. The Company has entered into management and administration agreements with Sentry Select in order to access Sentry Select's investment, advisory and administrative expertise.

**Direct Investing:**

The Company's direct investments may be made to finance acquisitions, expansions, restructurings, refinancings, privatizations and management buy-outs. The Company will seek to invest \$500,000 to \$20 million of its own capital in each transaction. Such investments, when combined with non-recourse leverage or capital provided by co-investors, can target companies with enterprise values ranging from \$25 million to \$200 million. Although the Company cannot provide any assurances in respect of future performance, the Company will pursue investments that are expected to offer a minimum return of 1.5 times invested capital, with a typical range of 1.5 to 3.0 times invested capital (representing approximately 15% to 30% annual returns depending upon the length of time that the investment is held). Prospective portfolio companies will be mature businesses that are supported by underlying tangible assets and cash flows.

**Fund Management:**

As part of its fund management activities, the Company intends to manage and/or sponsor private equity funds for institutional and high net worth investors. The Company also intends to manage and/or sponsor structured products, which may be offered in conjunction with Sentry Select, designed to provide investors with exposure to investments that are not generally available through traditional public markets. The private equity funds and structured products managed and/or sponsored by the Company will generally follow the same investment strategy and investment process as the Company's direct investing activities.

**Investment Restrictions:**

The net proceeds to be received by the Company from the Offering will not be invested in: (i) technology companies; (ii) companies that are at an early stage of development (other than capital pool companies founded by the Company); (iii) pharmaceutical companies; or (iv) biotechnology companies. In addition, the Company will not engage in short selling, commodities trading, direct foreign exchange trading or derivatives trading. Subject to closing of the Offering, the Company will generally not invest more than 20% of its total assets in any single direct investment. However, the Company may invest more than 20% of its total assets in a direct investment with the unanimous approval of the Company's board of directors. All initial investments made by the Company using the net proceeds from the Offering that exceed the lesser of: (i) \$5,000,000; and (ii) 10% of the Company's total assets must be approved by the board of directors of the Company.

**THE OFFERING**

**Offering:**

A maximum of 166,666,667 (the "**Maximum Offering**") and a minimum of 33,333,334 (the "**Minimum Offering**") common shares of the Company (each, a "Common Share").

**Offering Price:**

\$0.30 per Common Share.

**Over-allotment Option:**

The Company has granted to the Agents an 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. See "Plan of Distribution".

<b>Stock Exchange Listing:</b>	The outstanding Common Shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “BKP”. The Exchange has conditionally approved the listing of the Common Shares distributed under this Prospectus. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange. Completion of the Offering could result in a change in control of the Company, in which case the Company would be required to comply with the requirements of the applicable policies of the Exchange.
<b>Use of Proceeds:</b>	The Company intends to use the net proceeds of the Offering: (i) to fund direct investments; (ii) to establish, invest in and manage private equity funds and structured products; and (iii) for general corporate and working capital purposes. See “Use of Proceeds”.
<b>Investment of Management:</b>	Management of the Company, together with Frank Crothers (who will be appointed a director of the Company on December 1, 2006), intends to purchase, in aggregate, between 10% and 20% of the Common Shares offered pursuant to the Maximum Offering. Depending on the size of the Offering completed, such purchases may result in directors and officers of the Company owning more than 50% of the issued and outstanding Common Shares.
<b>Agents’ Fee:</b>	The Company has agreed to pay the Agents a fee of equal to 6.5% of the aggregate gross proceeds of the Offering.
<b>Servicing Fee:</b>	Sentry Select intends to pay registered dealers a quarterly servicing fee equal to 4/15 <sup>ths</sup> of the management fee paid to it pursuant to the management agreement with the Company. See “Plan of Distribution” and “Management and Administration Agreements”.
<b>Closing:</b>	It is expected that the closing of the Offering will take place on or about November 27, 2006 or such earlier or later date as may be agreed by the Company and the Agents, 2006.
<b>Risk Factors:</b>	<p>Investing in the Common Shares involves a significant degree of risk which potential investors should carefully consider, including the following:</p> <p><b>THIS IS A BLIND POOL OFFERING.</b> Other than as described in the Company’s continuous disclosure documents and this Prospectus, the Company has not entered into any agreements to invest in or acquire businesses or to manage or sponsor private equity funds or structured products.</p> <p>The Company’s investments may require a number of years in order to mature and generate the returns expected by the Company. Investments in private companies are likely to mature and generate returns at different times, which could create an irregular pattern in the Company’s revenues.</p> <p>Although the Company intends to invest in portfolio companies with strong operating management with a successful track record, there can be no assurance that a portfolio company’s management team will be able to operate that company successfully.</p> <p>The Company is a recently-formed corporation and has no prior operating history.</p> <p>There can be no assurance that there will be a sufficient number of suitable investment opportunities available to the Company to invest in, such investments can be made within a reasonable period of time or, that the Company will be able to acquire such opportunities at a reasonable cost or achieve an appropriate rate of return.</p>

Completion of one or more investments may result in a highly concentrated investment by C.A. Bancorp in a particular company, business, industry or sector.

There can be no assurance that the Company will be able to raise the required capital to operate private equity funds or structured products at all or at an acceptable level to permit the Company to execute its investment strategy.

The success of the Company depends in substantial part upon the skill and expertise of its management. The loss of service to the Company of one or more of its executives or of the services provided by Sentry Select to the Company could have a material adverse effect on the Company.

To the extent that any investment is made in an issuer with a leveraged capital structure, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such issuer or its industry.

There can be no assurance that an active trading market in the Common Shares will be sustained.

Due to the nature of the Company's investment strategy and the composition of its investment portfolio, the market price of the Common Shares may be at a discount from the net asset value per share.

Investments in Capital Pool Companies ("CPCs") and small to mid-market private and public companies are subject to many and various risks. The financial condition of the Company will depend, in part, upon the performance of the securities of portfolio companies in which the Company invests.

Investments in CPCs are subject to many and various risks, including that such issuers have not commenced commercial operations and typically have no assets, no history of earnings and will not generate earnings or pay dividends until at least after completion of a qualifying transaction. Even if a proposed qualifying transaction is identified, there can be no assurance the CPC will be able to successfully complete the transaction.

Any decision by the Company not to make follow-on investments in a portfolio company, or the Company's inability to make such investments, may have a substantial negative impact on the portfolio company and the Company's investment therein.

There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company will invest in illiquid securities of public issuers. The types of investments made may require a substantial length of time to liquidate.

The Company expects that a significant number of its investments will be made in the context of co-investments with third-party financial or strategic partners. Such arrangements may restrict the ability of the Company to dispose of its investment for potentially significant periods of time. Such arrangements may also present risks not present with wholly-owned investments.

The Company may make co-investments with an entity that is managed by Sentry Select or one of its affiliates utilizing investment structures in which the Company may represent either the majority or the minority position in such investment. Certain of the officers and directors of the Company are engaged in, and will continue to be engaged in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest.

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term.

An investment in the Company is appropriate only for investors who have the capacity to absorb a partial or total loss of their investment at any time.

If the Maximum Offering is not achieved, the Company may require additional financing in the near term in order to implement its business plan. There are no assurances that additional funding will be available to the Company at all, on acceptable terms or at an acceptable level.

Significant growth in the Company's business, as a result of acquisitions or otherwise, could place a strain on the Company's managerial, operational and financial resources and information systems.

See "Risk Factors".

## GENERAL

Wherever used in this Prospectus, the term “the Company” refers to C.A. Bancorp Inc., including its predecessor entities, except where the context otherwise requires, and references to “C.A. Bancorp” refer to the Company, its predecessor entities and its consolidated subsidiaries. Unless otherwise indicated, all dollar amounts herein are expressed in Canadian dollars.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Macleod Dixon LLP, counsel for the Company, and Torys LLP, counsel for the Agents, the Common Shares, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans provided that the Common Shares are listed on a prescribed stock exchange which includes Tiers 1 and 2 of the Exchange.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated herein by reference that are not historical facts constitute “forward-looking statements”, including but not limited to those statements with respect to the Company’s plans and objectives. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Forward-looking statements involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those projected by such forward-looking statements. Among others, such factors include, that at the date hereof, other than as disclosed in the Company’s continuous disclosure documents and this Prospectus, the Company has not entered into any agreements to invest in or acquire businesses or manage funds; the nature of the Company’s investments; the Company’s dependence on management of portfolio companies; the Company’s limited operating history; the available opportunities and competition for investments; the concentration of the Company’s investments; the Company’s access to capital for fund management; the Company’s dependence on key personnel and Sentry Select Capital Corp.; leverage of the businesses in which the Company invests; the market for the Company’s securities and volatility of trading price; the trading price of Common Shares relative to net asset value; risks affecting the Company’s investments; risks affecting the Company’s investments in capital pool companies; the need for the Company to make follow-on investments in portfolio companies; investments by the Company in private issuers and illiquid securities; joint investments with affiliates of the Company and third parties; conflicts of interest; no guaranteed returns; the potential loss of investment in Common Shares; the Company’s additional financing requirements; the management of the growth of the Company; and other risks detailed from time to time in the Company’s continuous disclosure documents, and those factors discussed under “Risk Factors” in this Prospectus.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those intended, anticipated or estimated. Forward-looking statements contained herein are made as of the date of this Prospectus based on the opinions and estimates of management based on information available to management as of the date hereof, and, except as may be required by applicable securities laws, the Company and the Agents disclaim any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference and form an integral part of this Prospectus:

- (a) the annual information form of the Company for the year ended December 31, 2005, dated September 29, 2006, as revised on October 19, 2006;
- (b) the audited balance sheet of the Company as at December 31, 2005 and the statements of operations and deficit and of cash flows for the period from March 29, 2005 to December 31, 2005 and the auditors' report thereon, together with management's discussion and analysis for the period from March 29, 2005 to December 31, 2005;
- (c) the interim unaudited consolidated balance sheet of the Company as at June 30, 2006 and the statements of operations and deficit and of cash flows for the six months ended June 30, 2006, together with management's discussion and analysis for the six months ended June 30, 2006;
- (d) the audited balance sheet of C.A. Bancorp Ltd. as at December 31, 2005 and the statements of operations and deficit and of cash flows for the year ended December 31, 2005, together with the auditors' report thereon;
- (e) the material change report dated May 29, 2006 in which the Company announced that it had entered into a management agreement and administration agreement with Sentry Select Capital Corp.;
- (f) the material change report dated June 2, 2006 in which the Company announced that it had completed a qualifying transaction (the "Qualifying Transaction") pursuant to policy 2.4 "Capital Pool Companies" of the Exchange Corporate Finance Manual on January 26, 2006;
- (g) the management information circular of the Company dated May 23, 2006 prepared in connection with the Company's annual and special meeting of shareholders held on June 26, 2006; and
- (h) the material change report dated September 15, 2006 in which the Company announced that it had entered into an agreement on September 13, 2006 to purchase common shares of Charter Realty Holdings Ltd. ("Charter") pursuant to a private placement of Charter.

**Any material change reports (excluding confidential material change reports), annual information forms, interim and annual consolidated financial statements (and related management's discussion and analysis), business acquisition reports, information circulars and any other disclosure documents required to be incorporated by reference into a prospectus under National Instrument 44-101 that are filed by the Company with various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of this Offering, shall be deemed to be incorporated by reference in this Prospectus.**

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.**

## DESCRIPTION OF THE BUSINESS

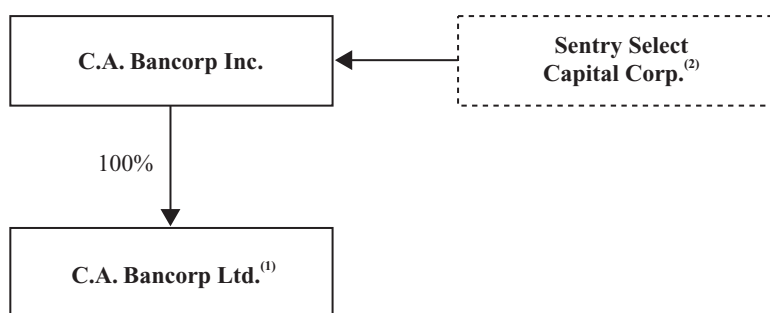
### Name and Incorporation

The Company is a corporation existing under the *Business Corporations Act* (Alberta) (the “ABCA”). On January 17, 2006, the Company changed its name from “Masthead Resources Ltd.” to “C.A. Bancorp Inc.” pursuant to articles of amendment filed under the ABCA. Masthead Resources Ltd. (“Masthead”) was incorporated pursuant to the ABCA on March 29, 2005 as Master Mines and Metals Inc. Masthead filed articles of amendment changing its name to Master West Resources Inc. on April 19, 2005, changing its name to Masthead Resources Ltd. on April 27, 2005 and removing its private company restrictions on June 13, 2005. The Common Shares are listed on the Exchange under the symbol “BKP”.

The head office of the Company is located at The Exchange Tower, 130 King St. W., Suite 2805, Toronto, Ontario M5X 1A4. The registered office of the Company is located at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta T2P 4H2.

### Intercorporate Relationships

The Company has one operating subsidiary, C.A. Bancorp Ltd., incorporated pursuant to the *Business Corporations Act* (Ontario) on October 10, 1997. The following chart illustrates the relationship between the Company, its operating subsidiary and Sentry Select Capital Corp. (“Sentry Select”), together with the percentage of voting securities beneficially owned or over which control or direction is exercised by the Company.



Notes:

- (1) C.A. Bancorp Ltd. is registered as a limited market dealer under the *Securities Act* (Ontario).
- (2) Sentry Select Capital Corp., an affiliate of the Company, provides management and administration services to C.A. Bancorp. See “Management and Administration Agreements”.

### General Description of the Business

C.A. Bancorp is a merchant bank established to provide investors with access to a range of private equity and other investment opportunities typically available only to large institutional and high net worth investors. C.A. Bancorp is focused on investments, either directly or through entities managed and/or sponsored by C.A. Bancorp, in public and private companies across a broad range of industries.

John F. Driscoll, the Chief Executive Officer of the Company, formed the Company in 2005. Mark Gardhouse joined C.A. Bancorp as President in January 2006. Mr. Gardhouse was previously Managing Director of Corporate Finance of Roynat Capital Inc. In April 2006, Mark MacDonald joined C.A. Bancorp as Managing Director, Private Investments. Mr. MacDonald was previously Vice-President of Teachers’ Private Capital, the private equity arm of Ontario Teachers’ Pension Plan Board. Messrs. Gardhouse and MacDonald have significant experience investing in private and public companies in Canada and are principally responsible for investing C.A. Bancorp’s funds.

The Company is currently an affiliate of Sentry Select, a portfolio manager and mutual fund dealer engaged in the business of sponsoring and managing investment funds in Canada. As at October 31, 2006, Sentry Select

had approximately \$8.1 billion in gross assets under management. The Company has entered into management and administration agreements with Sentry Select in order to access Sentry Select's investment, advisory and administrative expertise, as well as Sentry Select's strong relationships within the Canadian public capital markets. Pursuant to these agreements, Sentry Select will provide the full-time services of Messrs. Gardhouse and MacDonald and others to provide certain management services to C.A. Bancorp, including searching for, evaluating and screening investment opportunities and conducting due diligence with respect to potential investments. The management agreement between the Company and Sentry Select also provides C.A. Bancorp with access to the expertise and experience of Sentry Select's portfolio managers, portfolio advisers and research analysts. Sentry Select may also develop structured products to be managed by C.A. Bancorp. See "Management and Administration Agreements".

C.A. Bancorp's business model is based on two types of revenue generating investment activities:

- (i) direct investing, to generate capital gains realized from the sale of investments and interest payments, management fees, syndication fees and dividends paid by portfolio companies (see "Description of the Business — Direct Investing"); and
- (ii) fund management, to generate management fees and performance bonuses paid by private equity funds and structured products managed and/or sponsored by C.A. Bancorp (see "Description of the Business — Fund Management").

C.A. Bancorp's direct investing activities will be focused on private equity investments in the small to mid-market private and public markets with emphasis on:

- Industrials (manufacturing, distribution and service sectors),
- Real Estate (specialized, industrial, retail, commercial, hospitality, healthcare and retail properties),
- Infrastructure (power generation, transportation and utilities), and
- Financial Services (asset managers and investment counselors).

C.A. Bancorp's management team and affiliated companies have strategic relationships across these industry segments, having successfully completed investments in a variety of these industries. It is expected that C.A. Bancorp's dedicated management team will enable it to acquire, develop and manage a portfolio of diverse investments.

As part of its direct investing activities, C.A. Bancorp may make "private investments in public entities" or "PIPES", and catalyst/activist investments. PIPES typically involve negotiated, illiquid investments in public companies to fund expansions, acquisitions or restructuring events. Catalyst/activist investing involves making a significant minority investment in what is perceived to be an under valued public company, with a view to working with the company's board and management team to effect change and create value.

C.A. Bancorp's investments may be made to finance acquisitions, expansions, restructurings, refinancings, privatizations and management buy-outs. C.A. Bancorp will seek to invest \$500,000 to \$20 million of its own capital in each transaction. Although the Company cannot provide any assurances in respect of future performance, C.A. Bancorp will pursue investments that are expected to offer a minimum return of 1.5 times invested capital, with a typical range of 1.5 to 3.0 times invested capital (representing approximately 15% to 30% annual returns depending upon the length of time that the investment is held). In order to finance its direct investing activities, C.A. Bancorp intends to raise capital as required.

As part of its fund management activities, C.A. Bancorp intends to manage and/or sponsor private equity funds for institutional and high net worth investors. It is anticipated that C.A. Bancorp will make investments through or in conjunction with such funds. C.A. Bancorp may establish investment vehicles to complete specific acquisitions or to carry out a specific mandate to seek out investment opportunities.

C.A. Bancorp also intends to manage and/or sponsor structured products, which may be offered in conjunction with Sentry Select, designed to provide investors with exposure to investments that are not generally available through traditional public markets. In September 2006, C.A. Bancorp's first structured product, Sentry

Select Total Strategy Fund, an investment trust focused on investments in public and private companies, raised \$55 million, up to 25% of which may be invested in private equity investments.

The private equity funds and structured products managed and/or sponsored by C.A. Bancorp will generally follow the same investment strategy and investment process as C.A. Bancorp's direct investing activities.

This combination of direct investing and fund management is designed to leverage: (i) the combined private and public equity investment expertise of C.A. Bancorp and Sentry Select; (ii) deal flow arising from management's extensive experience and business relationships; and (iii) management's experience in structuring and completing investments.

### **Canadian Private Equity Market**

In 2005, total assets under management by Canadian private equity funds, including pension/institutional, private independent, retail, corporate and government funds was estimated at over \$38 billion, up from \$28 billion in 2003. These funds are investing worldwide in direct investments as well as in other funds.

Industry data for 2005 indicates that new funds being established are considerably larger than previous funds, with many new funds targeting to raise between \$300 million and \$800 million (often resulting in such funds targeting investments of between \$30 million and \$80 million). Industry observers expect these trends to continue as larger investment funds (particularly pension funds) target increasingly larger deal sizes. Minimum investment sizes at the upper end of the market can range from \$50 million to \$400 million per transaction, which, with the addition of leverage, can result in company enterprise values ranging from \$200 million to \$1.2 billion. Management of C.A. Bancorp believes that, with the addition of increasing amounts of capital, the upper end of the market has become increasingly competitive with respect to deal flow, which, in turn, may result in lower returns on invested capital.

Management believes that the current focus on larger investment sizes provides opportunities at the smaller end of the private equity market. Providers of capital to the small to mid-market segment of the private equity market are typically independent private firms that rely heavily on their relationships for deal flow, with relatively fewer competitive auction transactions. It is C.A. Bancorp's view that the Canadian private equity market is still relatively underserved with regard to equity investments of up to \$30 million. As a result, C.A. Bancorp believes that transaction pricing is more favourable in this segment, with higher associated potential returns.

Subsets of the private equity market include PIPES and catalyst/activist investments. PIPES investments provide capital to public companies in situations where other sources of capital (such as the public markets or bank financing) cannot be easily accessed due to timing, size or company-specific constraints. Catalyst/activist investing involves making a significant minority investment in what is perceived to be an under-valued public company, with a view to working with the company's board and management team to effect change and create value. It is C.A. Bancorp's view that there are relatively few private equity firms focused on PIPES and catalyst/activist investments in Canada providing the potential for superior returns on these types of investments.

### **Investment Strategy**

C.A. Bancorp intends to pursue a strategy of making private equity investments of between \$500,000 and \$20 million, principally in small and middle-market public and private companies, either directly or through funds managed and/or sponsored by it. Such investments, when combined with non-recourse leverage or capital provided by co-investors, can target companies with enterprise values ranging from \$25 million to \$200 million. These investments will focus on:

- (i) proprietary smaller investments, structured investments in public companies, and investments that exhibit potential for superior returns over a six to 24 month period; and
- (ii) longer term investments that may be utilized as platforms that can be grown through mergers or acquisitions. C.A. Bancorp expects that it would typically manage and hold these types of investments for four to seven years in order to realize maximum value.

Initially, C.A. Bancorp expects to focus on investment opportunities in the industrials, real estate, infrastructure and financial services sectors. C.A. Bancorp believes these sectors represent attractive investment opportunities as: (i) they often enjoy stable growth rates and sustainable cash flows; (ii) consolidation opportunities exist in the small to mid-market sectors of these sectors; and (iii) management of C.A. Bancorp and Sentry Select have experience in investing in these sectors. Within each sector, C.A. Bancorp will generally target investments with tangible asset bases and sustainable cash flows. While these sectors will be its initial focus, C.A. Bancorp may also pursue investments in other sectors on an opportunistic basis.

### *Industrials*

C.A. Bancorp will focus on investments in mature industrial companies with operations in a variety of sectors, including the manufacturing, distribution and service sectors. These investments will typically exhibit stable and growing cash flows and significant tangible assets.

### *Real Estate*

C.A. Bancorp will focus on real estate investments in well-located, long-term leased specialized, industrial, commercial, healthcare, hospitality and retail properties and other related real estate opportunities in select markets. Certain of these activities will be carried on through Charter, a corporation in which the Company currently has a significant interest (see “Description of the Business — Direct Investing”). A key objective is to produce a geographically and sectorally diversified portfolio with stable and growing cash flows. C.A. Bancorp believes that there are a significant number of real estate opportunities available through sale-lease back arrangements that will yield suitable cash flows and returns.

### *Infrastructure*

C.A. Bancorp intends to invest in infrastructure opportunities focusing on power generation, transportation and utilities. It will invest primarily in sectors that exhibit sustainable cash flows in niche markets with significant barriers to entry. C.A. Bancorp intends to invest in infrastructure assets that provide stable rates of return over a long-term investment horizon.

### *Financial Services*

C.A. Bancorp intends to acquire a portfolio of Canadian and international financial services businesses, including asset managers and investment counselors. It is anticipated that these investments will be structured to provide C.A. Bancorp with a majority controlling interest. C.A. Bancorp’s strategy will seek to preserve the entrepreneurial orientation that distinguishes the most successful financial services firms by enhancing equity incentives, promoting operational autonomy and providing the benefits of economies of scale in distribution, operations and technology.

## **Investment Objectives**

C.A. Bancorp will target investment opportunities that exhibit the potential for substantial capital appreciation through improved management, operational performance and enhanced strategic positioning. Although the Company cannot provide any assurances in respect of future performance, C.A. Bancorp will pursue investments that are expected to offer a minimum return of 1.5 times invested capital, with a typical range of 1.5 to 3.0 times invested capital (representing approximately 15% to 30% annual returns depending upon the length of time that the investment is held). PIPE and catalyst/activist investments will likely exhibit returns in the lower end of this range, due to a lower risk and higher liquidity profile relative to traditional private equity opportunities.

Among other strategies, C.A. Bancorp will initially focus on companies that present unique growth opportunities, are under-valued and/or under-performing due to poor management execution or inappropriate capital structure or are undergoing a significant transition, such as change in senior management or succession in ownership. For example, C.A. Bancorp believes that the Canadian income trust market can provide numerous potential investment opportunities through restructurings, refinancings, expansion, acquisition, catalyst and going private transactions (see “Description of the Business — Competitive Advantage”). These strategies will

be followed by C.A. Bancorp in its direct investing activities, as well as, generally, by the private equity funds and structured products managed and/or sponsored by it.

### **Competitive Advantage**

C.A. Bancorp will combine the private equity/merchant banking capabilities of its management with Sentry Select's investment and advisory expertise and strong relationships within the Canadian public capital markets. It is expected that this combination will provide C.A. Bancorp with a unique and differentiated competitive advantage in the Canadian private equity sector, providing proprietary deal flow together with comprehensive knowledge of a wide variety of sectors and a public market perspective on liquidity strategies. C.A. Bancorp will focus on investments in the small to mid-market sectors, which management believes are relatively underserved by the Canadian private equity market.

C.A. Bancorp's senior executive team offers a combination of strategic and investment management experience. Mark Gardhouse (President) and Mark MacDonald (Managing Director, Private Investments) have broad and successful experience sourcing, negotiating and managing private equity investments for major financial institutions. The senior executive team is supported by Paolo De Luca, C.A., CFA (Chief Financial Officer), Kevin Cohen, LL.B., M.B.A. (General Counsel) and Greg Walker (Senior Associate). See "Management of the Company".

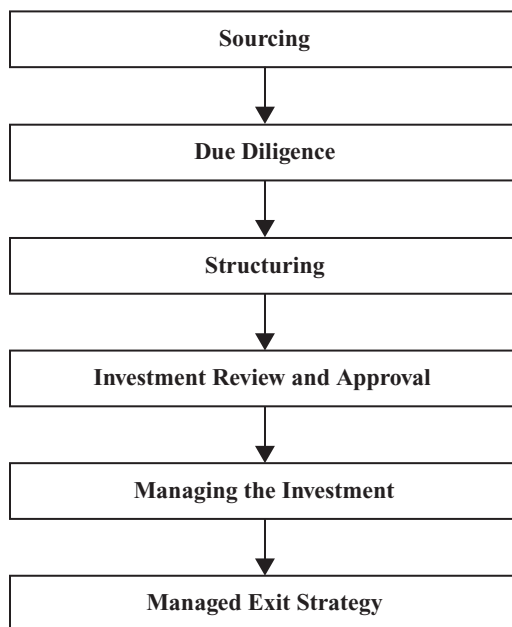
C.A. Bancorp will also be able to draw on the resources of Sentry Select, including its significant expertise and knowledge of the Canadian income trust market. As at October 31, 2006, Sentry Select had approximately \$8.1 billion in gross assets under management, of which approximately \$3.8 billion is invested in income trusts. C.A. Bancorp believes that the Canadian income trust market can provide potential investment opportunities through restructurings, refinancings, expansion, acquisition, catalyst and going private transactions. A number of income trusts, which are either expected to cut or terminate distributions or have already cut or terminated distributions, typically trade at depressed prices, providing attractive investment opportunities. Management believes that the market sometimes under-values these trusts, due to a lack of perspective and knowledge, as well as the abundance of alternative less volatile income trust investments. In a number of cases, C.A. Bancorp believes the operating companies underlying the trusts can be refocused and improved to become more appealing to the financial marketplace. "Broken" income trusts present an opportunity to provide capital and work with either management or an industry partner to improve the business, either continuing as a public company or taking the company private.

C.A. Bancorp will also consult with Sentry Select's investment managers regarding other public and private companies that management believes can increase profits by pursuing operational improvements or acquiring synergistic businesses. However, there is no obligation on Sentry Select to present investment opportunities to C.A. Bancorp.

C.A. Bancorp will compete with various other sources of private equity including institutional investors (banks and pension funds), managed partnerships and high net worth individuals or groups of entrepreneurs. Each of these groups focuses on specific investments or companies that meet its targeted company size, transaction size, industry focus, structure and/or overall risk-return parameters. These groups may compete for the same investments as C.A. Bancorp, may be better capitalized, have more personnel, have a longer operating history and have different return targets than C.A. Bancorp. As a result, C.A. Bancorp may not be able to compete successfully for investments. However, it is C.A. Bancorp's view that the Canadian private equity market is still relatively underserved with regard to small to mid-market investments where it will be focusing. As a result, C.A. Bancorp also believes that transaction pricing is more favourable in this segment, with higher associated potential returns. As well, it is C.A. Bancorp's view that there are also relatively few private equity firms focused on PIPES and catalyst/activist investments in Canada.

## Investment Process

C.A. Bancorp’s investment philosophy is to be an active and constructive partner whose executives will work together with management of portfolio companies to implement strategic, financial and governance initiatives with a view to creating significant value. C.A. Bancorp’s investment process is as follows:



### *Sourcing*

C.A. Bancorp intends to source investments using the extensive network of long-term relationships that have been developed and maintained by its management team. As a result of more than 45 years of combined experience in directly related activities prior to joining C.A. Bancorp, both Mark Gardhouse and Mark MacDonald have extensive networks of professional contacts. As well, they have in-depth knowledge and contacts in a number of industries, having made investments in, and acted as directors of, numerous companies (see “Management of the Company”). In addition, through its affiliation with Sentry Select, C.A. Bancorp has a proprietary source of ongoing analysis of the Canadian public markets. Sentry Select’s portfolio managers will provide C.A. Bancorp with a unique perspective and specialized knowledge in income trust, oil and gas, mining and minerals, and other Canadian public investment opportunities. See “Description of the Business — Competitive Advantage”.

C.A. Bancorp’s management team will focus on the development of proprietary, non-“auction” deal flow, as these types of investments offer a higher probability of closing and potentially higher returns due to typically more favourable pricing of the investment.

C.A. Bancorp’s deal flow will be based on a number of factors, including:

- management’s relationships with participants in the capital and private equity markets, including investment bankers, legal, accounting and other advisors, other private equity funds and banks;
- the reputation of C.A. Bancorp and its management, including a reputation of dealing fairly and professionally with other equity partners and portfolio company management teams and being able to create and manage flexible and timely financing solutions; and
- the knowledge of C.A. Bancorp and its management, including market and/or industry specific knowledge, and a proactive, opportunistic approach to capitalizing on opportunities fostered by that knowledge.

It is expected that these attributes will generate proprietary deal flow and a preferred status when more than one financing source is being considered by a prospective portfolio company.

### *Due Diligence*

Management of C.A. Bancorp has broad experience in evaluating investment opportunities. In connection with any potential investment, C.A. Bancorp will complete a comprehensive due diligence review, including an in-depth operational review, to identify areas of the business where value can be created, the profit and growth levels of the business and its inherent risks.

Due diligence includes a comprehensive evaluation of the industry, market, competition, business strategy, sales and marketing plans, products, customers and management of the prospective portfolio company, a detailed financial review and analysis of any pending environmental, litigation, tax or labour issues. This will include site visits and customer contact to assess each potential investment opportunity. Where it is appropriate, C.A. Bancorp will engage other professional groups, such as chartered accounting firms and operational consulting companies with particular expertise, for assistance and advice in its review of a particular prospective portfolio company, which may include independent evaluation of technology, financial statements, management and the industry.

### *Structuring*

Management will seek to add value through appropriate structuring of investments. Investments will be structured to minimize risk and maximize returns, and may include any one, or a combination, of debt with warrants, convertible debt, preferred shares and common shares.

Management believes that alignment of interests is a key factor in a successful investment and, as a result, the management team of each portfolio company will typically have a meaningful personal investment in, as well as performance-based participation in the success of, the portfolio company.

In certain private equity investments, C.A. Bancorp will employ leverage to enhance its investment returns, which leverage will be non-recourse to C.A. Bancorp and, if applicable, its managed fund. For these types of investments, equity will typically represent 30% to 40% of the total capitalization required to finance an acquisition, with the balance of the purchase price provided through third party debt, with recourse limited to the assets of the portfolio company.

C.A. Bancorp will seek to exercise significant influence in portfolio companies that will generally involve acquiring controlling or joint-controlling interests. In the case of non-controlling interests, it is intended that investments will be accompanied by appropriate controls, minority shareholder protections and board representation. C.A. Bancorp's senior management has extensive experience on both public and private boards. See "Management of the Company". Shareholder and debt agreements will be negotiated with terms and conditions that will provide C.A. Bancorp with the ability to influence change should that be required. Management has experience structuring such agreements in minority, partner and control positions, having or gaining control over a range of material items such as strategy, budget and major cash outflows and inflows, and significant business decisions.

### *Investment Review and Approval*

C.A. Bancorp has established detailed investment criteria to facilitate the evaluation of each investment opportunity. The following is a representative breakdown of what C.A. Bancorp would review when evaluating a potential portfolio company:

- management team,
- industry dynamics and structure,
- company characteristics and feature/organization,
- product,
- board of directors,

- structure of investment,
- financial performance, and
- evaluating exit criteria and opportunities for the investment.

Upon completion of due diligence, C.A. Bancorp will typically prepare an investment memorandum detailing the portfolio company's operations, prospects, valuation, proposed investment structure and defined exit strategy for final review by the senior management of C.A. Bancorp prior to finalizing an investment.

The net proceeds to be received by the Company from the Offering will not be invested in: (i) technology companies; (ii) companies that are at an early stage of development (other than capital pool companies founded by the Company); (iii) pharmaceutical companies; or (iv) biotechnology companies. In addition, the Company will not engage in short selling, commodities trading, direct foreign exchange trading or derivatives trading.

All initial investments made by the Company using the net proceeds from the Offering that exceed the lesser: of (i) \$5,000,000; and (ii) 10% of the Company's total assets must be approved by the board of directors of the Company.

### *Managing the Investments*

C.A. Bancorp intends to be an active investor that will work with management teams to improve both the financial results and the strategic positioning of its portfolio companies. C.A. Bancorp will focus on aligning management's interests with its own by encouraging senior managers of its portfolio companies to become significant, long-term owners of their businesses. In conjunction with management and other stakeholders, C.A. Bancorp will seek to proactively identify and develop initiatives for change, including:

- implementing strategic initiatives that will materially enhance revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) growth rates,
- recruiting new talent to augment management teams,
- improving governance by building an effective board of directors,
- refinancing/restructuring the balance sheet,
- implementing an effective process for capital allocation, and
- providing advice on strategic positioning to enhance overall value.

Following the investment, C.A. Bancorp's representatives will typically become members of the board of directors of the portfolio company and will maintain regular contact with its management.

C.A. Bancorp intends to create value by providing the capital and management expertise necessary to assist small public or private companies to grow in order to take advantage of greater investor appeal, higher valuations and enhanced attractiveness to strategic buyers and investors. C.A. Bancorp intends to work strategically with the management of portfolio companies to quickly improve the fundamentals of the business and prepare such companies for a strategic sale or business combination, refinancing or public offering, as may be appropriate in the particular circumstances.

### *Managed Exit Strategy*

The management of C.A. Bancorp will carefully consider the holding time horizon and possible exit scenarios for each portfolio company investment. Exit mechanisms will include the sale to strategic buyers or financial investors, open market sales, normal course retirement of securities, refinancing and public offerings. C.A. Bancorp will utilize its extensive business contacts to maximize the exit value of its investments, including Canadian and international merger and acquisitions specialists and investment bankers.

### **Direct Investing**

It is anticipated that C.A. Bancorp will focus on investments of between \$500,000 to \$20 million, in public and private opportunities, which, with the use of non-recourse leverage or capital provided by co-investors, can

result in investments in portfolio companies with enterprise values ranging from \$25 million to \$200 million. It is anticipated that prospective portfolio companies will be mature businesses that are supported by underlying tangible assets and cash flows. These opportunities will be sourced from both private and public markets. Transaction types include open market purchases and private placements of securities of public issuers (PIPES), management buyouts, equity investments in private issuers, going private transactions and restructurings. C.A. Bancorp intends to invest in subordinated debentures, convertible debentures, preferred shares, common shares or similar equity-like instruments of prospective portfolio companies. It is expected that C.A. Bancorp will generate revenues through capital gains realized from the sale of its interest in such investments and through interest payments, management fees, syndication fees and dividend payments paid by portfolio companies.

In certain instances, direct investments made by C.A. Bancorp will have greater appeal to strategic buyers or other investors. Such investments may be sold or partially divested over a period of six to 24 months. In other instances, portfolio companies may be utilized as platforms for sector consolidation and may be grown through mergers or acquisitions. C.A. Bancorp expects that it would typically manage and hold these types of investments for four to seven years in order to realize maximum value.

Subject to closing of the Offering, the Company will generally not invest more than 20% of its total assets in any single direct investment. However, the Company may invest more than 20% of its total assets in a direct investment with the unanimous approval of the Company's board of directors.

C.A. Bancorp may also make investments in Exchange listed Capital Pool Companies ("CPCs"). C.A. Bancorp believes that CPCs offer alternative platforms to finance certain investments such as real estate and infrastructure that require significant equity funding and which may not be attractive to larger traditional private equity funds. By investing in a CPC at the founder level, C.A. Bancorp will have the opportunity to generate capital gains on its investment. It is intended that after a CPC acquires its initial assets or business, C.A. Bancorp will enter into a management agreement with the CPC to provide management and administrative services. C.A. Bancorp may also enter into fixed term management contracts to provide strategic and management services to CPCs while they are developing and be paid a management fee based on a predetermined formula commensurate with the size of the CPC.

The first CPC transaction was completed by the Company on September 14, 2006, when it acquired 2,500,000 common shares of Charter, representing approximately 42% of Charter's issued and outstanding common shares. Charter has been established as a real estate investment vehicle that will focus on strategic acquisition, ownership and management of well-located, long-term leased industrial, commercial and retail properties throughout Canada. It is intended that C.A. Bancorp will enter into a management agreement with Charter upon completion of Charter's qualifying transaction pursuant to which, among other things, real estate opportunities identified by C.A. Bancorp that are within Charter's investment mandate will be first offered to Charter. It is C.A. Bancorp's current intention to maintain a 20% equity interest in Charter.

Universal Infrastructure Corp. ("Universal") has been established by C.A. Bancorp as an investment vehicle to focus on investments in infrastructure businesses, including power generation, transportation systems, railroad and shipping assets and various communication, toll road and utility based companies. On September 27, 2006, Universal filed a preliminary prospectus in the provinces of Alberta, British Columbia, Ontario and Saskatchewan to raise additional proceeds of \$300,000 with which to identify and evaluate assets or businesses for acquisition, with a view to completing a qualifying transaction. C.A. Bancorp owns 950,000 common shares of Universal, representing approximately 47.5% of the currently issued and outstanding common shares prior to giving effect to the prospectus offering. If the offering is fully subscribed, C.A. Bancorp shareholdings will represent approximately 27.1% of the outstanding common shares. It is anticipated that C.A. Bancorp will enter into a management agreement with Universal upon completion of its qualifying transaction pursuant to which, among other things, certain investment opportunities identified by C.A. Bancorp that are within Universal's investment mandate will first be offered to Universal.

Global Alternative Investments Inc. ("Global") has been established by C.A. Bancorp as an investment vehicle to raise equity capital outside of North America to make alternative investments in various offshore asset classes. On September 27, 2006, Global filed a preliminary prospectus in the provinces of Alberta, British Columbia, Ontario and Saskatchewan to raise proceeds of \$300,000 with which to identify and evaluate assets or businesses for acquisition, with a view to completing a qualifying transaction. C.A. Bancorp owns

950,000 common shares of Global, representing approximately 47.5% of the currently issued and outstanding common shares prior to giving effect to the prospectus offering. If the offering is fully subscribed, C.A. Bancorp shareholdings will represent approximately 27.1% of the outstanding common shares. It is anticipated that C.A. Bancorp will enter into a management agreement with Global upon completion of its qualifying transaction pursuant to which, among other things, certain investment opportunities identified by C.A. Bancorp that are within Global's investment mandate will first be offered to Global.

## **Fund Management**

C.A. Bancorp believes that raising and managing funds (public or institutional) is an integral component of its business model. C.A. Bancorp plans to offer a variety of private equity investment funds and structured products to retail, institutional and high net worth investors, effectively leveraging its management's expertise. In these activities, C.A. Bancorp will utilize both the distribution channels and investment advisory expertise of Sentry Select where appropriate.

C.A. Bancorp's sponsored private equity funds will focus on institutional and high net worth investors. It is anticipated that C.A. Bancorp will be required to dedicate personnel to oversee these funds and make a meaningful financial commitment (between 2% and 4% of capital raised) to each fund that it establishes. Through its direct investment in its sponsored funds, C.A. Bancorp will participate in their performance. Through its management of such funds, C.A. Bancorp will earn recurring operating income from fund management fees, and will have the potential to earn performance fees.

C.A. Bancorp or a wholly-owned subsidiary will be the general partner of each private equity fund that it establishes. It is anticipated that the typical fee structure will provide that the general partner will be paid a 2% annual management fee on committed capital and will be entitled to a 20% participation in the realized investment return (i.e. the carried interest), subject to realized returns exceeding a negotiated portfolio hurdle return, typically in the range of 6% to 8% compounded annually.

C.A. Bancorp may sponsor funds with specific mandates to invest in sectors in which C.A. Bancorp has a specific expertise. Where necessary, C.A. Bancorp will acquire the requisite asset specific expertise to allow it to effectively manage funds with specified mandates. Areas of focus for those funds may include infrastructure related investments, including power generation, transportation and utilities.

C.A. Bancorp also plans to manage and/or sponsor structured products, which may be offered in conjunction with Sentry Select, designed to provide investors with exposure to investments that are not generally available from traditional public markets. The first structured product sponsored by C.A. Bancorp is Sentry Select Total Strategy Fund, which raised gross proceeds of \$55 million in September 2006.

## **USE OF PROCEEDS**

The estimated net proceeds to be received by the Company will be \$46,040,000.19 if the Maximum Offering is completed and \$8,640,000.09 if the Minimum Offering is completed (in each case determined after deducting the Agents' Fee and estimated expenses of the Offering but without giving effect to the exercise of the Over-Allotment Option). The Company intends to use the net proceeds of the Offering: (i) to fund direct investments; (ii) to establish, invest in and manage private equity funds and structured products; and (iii) for general corporate and working capital purposes.

The allocation of the net proceeds will depend on, among other things, investment opportunities available to the Company and the Company's success in establishing private equity funds and structured products.

Pending the investment of the net proceeds from the Offering, such proceeds will be invested in money market instruments, banker's acceptances, government guaranteed obligations and/or interest-bearing deposits with Canadian banks or trust companies.

## MANAGEMENT AND DIRECTORS

### **John F. Driscoll, Chief Executive Officer and Director**

John F. Driscoll is the Chief Executive Officer of the Company. In 1988, Mr. Driscoll founded Petrofund Energy Trust and was its Chairman from 1988 until it was sold in June 2006 for \$2.99 billion to Penn West Energy Trust to create the largest conventional oil and gas trust in North America with an enterprise value of more than \$11 billion. Mr. Driscoll is the founding President, Chairman and Chief Executive Officer of Sentry Select Capital Corp. and also founded and has been Chairman of NCE Resources Group since 1984 and is the Chairman of Inter Pipeline Fund and Strategic Energy Fund since October 2002 and May 2002, respectively. Mr. Driscoll has been the Chairman of Endeve Energy Inc., a junior oil and gas exploration and production company, since its founding in 2002. Mr. Driscoll has been President of J.F. Driscoll Investment Corp. since 1981, a company specializing in investment management and related advisory and consulting services. Mr. Driscoll received his Bachelor of Science degree from the Boston College Business School and attended the New York Institute of Finance for advanced business studies. He has more than 35 years of diversified business experience. Mr. Driscoll is a member of the CFA Institute and also attained the professional manager designation with the Canadian Institute of Management. He has founded numerous public partnerships as well as public and private energy and investment companies. Mr. Driscoll is Vice-Chair of the Royal Ontario Museum Foundation Board of Directors.

### **Mark Gardhouse, President and Director**

Mark Gardhouse is the President of the Company. Mr. Gardhouse has over 22 years experience as a merchant banker both at financial institutions and as a principal. From 1998 to 2005, Mr. Gardhouse was Managing Director of Corporate Finance of Roynat Capital Inc.'s mid-market internal equity buyout group. In this position, he headed a team of professionals located in Toronto, Calgary and Montreal to lead majority investments and acquisitions in the Canadian mid-market sector. In a number of investments, the group led or partnered with other private equity groups to purchase companies, including Liberty Brand Products Inc., AG Growth Inc. and MTB Industries Inc. Mr. Gardhouse has experience in various industries including distribution, auto parts manufacturing, heavy industrial products and food manufacturing and wholesaling. Prior to his tenure at Roynat Capital Inc., Mr. Gardhouse negotiated and structured financial investments and acquisitions for different firms and banks, including Canadian chartered banks, Lincoln Capital Corp. and First Chicago Inc. He received his Bachelor of Arts (Honours) degree in Economics from the University of Toronto and his Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario in 1983.

### **J. Mark MacDonald, Managing Director, Private Investments**

J. Mark MacDonald is the Managing Director, Private Investments of the Company. Mr. MacDonald has over 25 years experience in the financial services industry, with broad experience in private equity investment management. Prior to joining Sentry Select, Mr. MacDonald was Vice President, Teachers' Private Capital, the private equity arm of Ontario Teachers' Pension Plan Board, co-managing its private equity and mezzanine portfolio during the 10 year period that it grew from \$677 million to over \$4.3 billion. Mr. MacDonald joined Ontario Teachers' Pension Plan Board in 1995 and was responsible for starting up and managing Teachers' Private Capital mezzanine program and he co-managed several successful private to public investments and mezzanine investments involving companies such as Sun Media Corporation, Osprey Media Group Inc., AT&T Canada Inc. and Shoppers Drug Mart Corp. Prior to joining Ontario Teachers' Pension Plan Board, Mr. MacDonald held senior investment management and advisory positions, focused on investment management, corporate development, restructuring and lending, and project finance, with organizations such as Citibank Canada, Morgan Financial Corporation and a Canadian chartered bank. Mr. MacDonald has extensive board of directors' experience on both private and public boards in Canada and the United States, having served on the boards of Trimac Corporation, AT&T Canada Inc., Osprey Media Group Inc. and Sun Media Corporation, amongst others. He received a Bachelor of Arts degree (Honours) in Economics from Queen's University in 1979 and a Master of Business Administration degree from the Schulich School of Business at York University in 1982. Mr. MacDonald is also a graduate of the ICD Corporate Governance College, Directors Education Program and holds the ICD.D professional designation.

### **Paolo De Luca, Chief Financial Officer**

Paolo De Luca joined the Company as its Chief Financial Officer in the summer of 2006. Prior to joining Sentry Select, Mr. De Luca was a Senior Manager at a Canadian chartered bank. He worked in a risk management capacity, focusing on derivatives, structured products and other trading business lines within the securities division. Prior to that, Mr. De Luca was a Senior Manager at the public accounting firm of Ernst & Young LLP. He specialized in accounting for complex transactions, derivatives, securitizations and long-term investments including private equity transactions. Mr. De Luca began his career at Arthur Andersen LLP before moving to Deloitte & Touche LLP, where he was engaged in various assurance and business advisory capacities, serving primarily financial institutions including large Canadian, United States and international banks and investment dealers. Mr. De Luca earned a Bachelor of Business Administration degree from the Schulich School of Business at York University. In addition, he holds a Chartered Accountant designation and is a CFA Charterholder. Mr. De Luca is a member of the Institute of Chartered Accountants of Ontario as well as the CFA Institute.

### **Kevin Cohen, General Counsel and Corporate Secretary**

Kevin Cohen is General Counsel and Corporate Secretary of the Company. Prior to joining Sentry Select in February 2006, Mr. Cohen practised corporate and securities law with Torys LLP from 2004 to 2006. From 2002 to 2004, Mr. Cohen attended the Richard Ivey School of Business at the University of Western Ontario, graduating in 2004 with a Master of Business Administration degree. From 1994 to 2002, Mr. Cohen practised law in Vancouver after obtaining his Bachelor of Laws degree in 1994 from the University of British Columbia.

### **Philip Johnson, Director**

Philip Johnson has been President of Pinnacle Reefs Ltd., a private consulting company that provides management consulting and financial services largely to emerging and senior oil and gas companies, since 1988. From 1972 to 1988, Mr. Johnson held various coordination and management capacities at Imperial Oil Limited, including Vice-President of the Commercial Department. Mr. Johnson's responsibilities included wholesale petroleum product sales, acquisition of crude oil for refineries, scheduling of refineries, product pipeline operations and the lubricants business. During his tenure he was seconded to Exxon Mobil Corporation as Coordinator of World Petroleum Product Sales and then Coordinator of World Downstream Strategic Planning. Mr. Johnson serves as a director of European Goldfields Limited and CAPVEST Income Corp., as well as several private corporations. Mr. Johnson is Vice-Chairman of the North South Institute, an institute that develops policy on international economic development and conflict resolution. Mr. Johnson has been a member of the CJCF Charitable Fund, a fund that provides seed capital to charitable ventures, since 1973 and served as its Chairman for five years. Mr. Johnson received a Master of Arts (International Relations) degree in 1970 from the Patterson School of International Affairs at Carleton University where Lester B. Pearson was his thesis advisor.

### **Frank Potter, Director**

Frank Potter is Chairman of Emerging Markets Advisors Inc. in Toronto since 1995. He has an extensive background in international banking and is a former Executive Director of The World Bank. More recently he was senior advisor at the Department of Finance in Ottawa. He sits on a number of boards, both corporate and not-for-profit, including Sentry Select Capital Corp., Canadian Tire Corporation Limited, Penn West Energy Trust and the Ontario Financing Authority.

### **Richard J. Zarzeczny, Director**

Richard J. Zarzeczny is principal and founder of Canadian Enerdata Limited (established in 1984), an energy and economic consulting firm specializing in oil and gas industry analysis and forecasting. He publishes The Natural Gas Market Report, the leading Canadian newsletter covering natural gas markets, including regular price and market activity surveys. He graduated from Simon Fraser University in 1980 with a Master of Arts Degree in Economics specializing in econometrics and in 1975 received a Master of Arts Degree in Mathematics from the University of Regina.

Frank Crothers, who is independent of management and Sentry Select, has been appointed to the board of directors of the Company effective December 1, 2006. As Mr. Crothers will join the board of directors of the Company after the date of this Prospectus, purchasers of Common Shares under the Offering will not have a direct statutory right of action against Mr. Crothers for a misrepresentation in this Prospectus.

### CONSOLIDATED CAPITALIZATION

Since December 31, 2005 and to the date of this Prospectus, the Company has issued an aggregate of 7,916,285 common shares in connection with the Company's completion of its Qualifying Transaction and 754,595 common shares upon exercise of previously issued stock options and share purchase warrants. There have been no other material changes in the Company's share or loan capital, on a consolidated basis, since December 31, 2005. The following table sets forth the consolidated capitalization of the Company as at the dates indicated, before and after completion of the Offering. This table should be read in conjunction with the consolidated financial statements of the Company (including the notes thereto) incorporated by reference into this Prospectus.

	<u>Outstanding as of December 31, 2005</u>	<u>Outstanding as of June 30, 2006 before giving effect to the Offering</u>	<u>Outstanding as of June 30, 2006 after giving effect to the Minimum Offering<sup>(1)(2)</sup></u>	<u>Outstanding as of June 30, 2006 after giving effect to the Maximum Offering<sup>(1)(2)</sup></u>
Shareholders				
equity				
common shares . . . . .	\$ 1 <sup>(3)</sup> (1 common share)	\$2,851,497 (11,416,285 common shares)	\$11,491,497	\$48,891,497
preferred shares	—	—	—	—
warrants . . . . .	—	\$ 274,695 (7,916,285 warrants)	\$ 136,798 <sup>(4)</sup> (3,941,906 warrants)	\$ 136,798 <sup>(4)</sup> (3,941,906 warrants)
(authorized) . . . . .	(unlimited number of common shares and preferred shares)			
Contributed	—	\$ 35,927	\$ 173,824	\$ 173,824
surplus . . . . .				
Deficit . . . . .	\$(89,085)	\$ (840,501)	\$ (840,501)	\$ (840,501)
Total capitalization	\$(89,085)	\$2,321,618	\$10,961,618	\$48,361,618

Notes:

- (1) After deducting the Agents' Fee of \$650,000 in the case of the Minimum Offering and \$3,250,000 in the case of the Maximum Offering and the expenses of the Offering, which are estimated at \$710,000.
- (2) Subsequent to June 30, 2006 and prior to the date of this Prospectus, the Company issued an aggregate of 774,595 Common Shares upon exercise of stock options and share purchase warrants for aggregate proceeds of \$266,588.
- (3) Represents the outstanding common shares of C.A. Bancorp Ltd., the Company's subsidiary. For accounting purposes, C.A. Bancorp Ltd. was deemed to be the acquirer as part of the Qualifying Transaction. As of December 31, 2005, the Company had 3,500,000 common shares outstanding.
- (4) After the cancellation of 3,974,379 common share purchase warrants. The beneficial holders of these warrants, John F. Driscoll and his family, and the Company have agreed that (i) these warrants will not be exercised prior to the closing of the Offering, and (ii) upon, and subject to, completion of the Offering such warrants will be cancelled. Such cancellation will result in the reclassification of \$137,897 (the carrying value of the cancelled warrants) from warrants to contributed surplus.

## DESCRIPTION OF OFFERED SECURITIES

The Offering consists of a maximum of 166,666,667 and a minimum of 33,333,334 Common Shares (assuming no exercise of the Over-allotment Option). The holders of Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held (except at meetings of a class of shares other than the Common Shares). The holders of the Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company on the Common Shares as a class, subject to the prior satisfaction of all preferential rights to dividends attaching to all shares of other classes of the Company ranking in priority to the Common Shares in respect of dividends. In the event of any liquidation, dissolution or winding-up of the Company, and subject to the prior satisfaction of all preferential rights, the holders of Common Shares are entitled to share ratably in such assets of the Company as are available for distribution.

## MANAGEMENT AND ADMINISTRATION AGREEMENTS

### Management Agreement

The Company entered into an amended and restated management agreement (the "Management Agreement") with Sentry Select on September 25, 2006, effective as of July 1, 2006.

Pursuant to the Management Agreement, Sentry Select has been retained to manage the Company's business, including:

- (a) searching for, identifying, introducing, evaluating and screening investment opportunities;
- (b) conducting due diligence with respect to potential investments;
- (c) structuring, sourcing, negotiating and organizing the financing of investments;
- (d) organizing and co-ordinating the completion of investments, including structuring and negotiating the business terms on which investments are made;
- (e) monitoring investments; and
- (f) negotiating the sale of investments.

These services will be provided by Mark Gardhouse (President), Mark MacDonald (Managing Director, Private Investments), Paolo De Luca (Chief Financial Officer) and Greg Walker (Senior Associate), who are employees of Sentry Select. Pursuant to the Administration Agreement (described below), these individuals will devote all of their time to C.A. Bancorp's business.

Sentry Select will also provide the following services to the Company:

- (a) portfolio trading services, such as investing or reinvesting all, or any part of, its assets which are not being utilized, and which are designated, from time to time, by the President for these purposes; and
- (b) investment analysis and research, the reviews of current economic conditions and of trends and the consideration of long-range investment policy now or hereafter generally available to investment advisory customers of Sentry Select.

In addition, Sentry Select may from time to time identify, develop and, at Sentry Select's sole discretion, present to C.A. Bancorp funds or structured products to be managed by C.A. Bancorp. There is no obligation on the part of C.A. Bancorp to manage and/or sponsor such funds or structured products. In the event C.A. Bancorp agrees to manage and/or sponsor such funds, the terms of such arrangements will be reviewed and approved by the Company's board of directors.

Pursuant to the Management Agreement, Sentry Select will be paid a quarterly fee (the "Management Fee") of  $\frac{1}{4}$  of 1.50% of the consolidated shareholders' equity of the Company, as determined in accordance with Canadian generally accepted accounting principles, calculated quarterly after adjustments for issuances, redemptions and purchases of shares during such quarter and the deemed conversion of any outstanding convertible debentures. In addition to the Management Fee, Sentry Select will be entitled to be paid an annual performance bonus (the "Performance Bonus") equal to 20% of the amount by which the consolidated net

income of the Company before income taxes, the Management Fees and the Performance Bonus exceeds an 8% per annum return earned on the consolidated shareholders' equity of the Company calculated in respect of each calendar year, determined in a similar manner as described above. In addition, the Performance Bonus shall be calculated in respect of the period commencing on the date of commencement of each five-year term of the Management Agreement and ending on December 31st of each year during such term and, in the event that the aggregate Performance Bonuses paid to Sentry Select during such period exceeds the Performance Bonus calculated for such period, Sentry Select will repay to the Company the amount of such excess. This structure will ensure that the threshold 8% compounded annual return is exceeded during the entire five-year term before Sentry Select is entitled to be paid and retain a Performance Bonus with respect to such term.

The initial term of the Management Agreement commenced on July 1, 2006 and will expire on December 31, 2011. The Management Agreement will renew automatically for successive five-year terms following the initial term, provided that there has been no breach or material default of the terms of the agreement by Sentry Select, subject to termination on any expiry date upon not less than 180 days prior written notice from the Company or Sentry Select to the other. In the event that the Company terminates the Management Agreement, Sentry Select will be entitled to receive from the Company an amount equal to five times 1.5% of the consolidated shareholders' equity of the Company determined in the foregoing manner, calculated as at the close of business on the last business day of the term of the Management Agreement, plus five times the Performance Bonus paid in respect of the calendar year immediately preceding the date of termination of the Management Agreement. The Management Agreement may be terminated by either party upon the occurrence of certain events.

#### **Administration Agreement**

The Company and Sentry Select entered into an amended and restated administration agreement (the "Administration Agreement") on September 25, 2006, effective as of July 1, 2006. The Administration Agreement will terminate automatically upon the termination of the Management Agreement.

Pursuant to the Administration Agreement, C.A. Bancorp pays \$40,000 per month to Sentry Select and Sentry Select provides certain management and administrative services to the Company, including record-keeping, filing of tax returns, investor relations services, advice with respect to the Company's obligations as a reporting issuer (including its continuous disclosure obligations), administrative support with respect to the holding of directors' and shareholders' meetings, office space, equipment and personnel, and all accounting, clerical, secretarial, corporate and administrative services as may be reasonably necessary to perform its obligations under the Administration Agreement. Pursuant to the Administration Agreement, Sentry Select has agreed to provide to the Company the full time services of Messrs. Gardhouse, MacDonald, De Luca and Walker and has agreed not to terminate any of such individuals as employees of Sentry Select without the prior approval of the independent directors of the Company. In the event that Sentry Select determines that it is necessary or desirable to hire any additional employees to provide full time management or administrative services to the Company, Sentry Select may elect, subject to the approval of the independent directors of C.A. Bancorp, to require the Company to reimburse it for all or part of such employees' respective salaries. In the event that such approval is not given with respect to any prospective employee, Sentry Select may elect not to hire such individual.

The services provided by Sentry Select under the Management Agreement and the Administration Agreement are not exclusive to the Company. Sentry Select may provide similar services to other clients.

#### **CONFLICTS OF INTEREST**

Given the nature of the business of C.A. Bancorp and its relationship with Sentry Select and the other private equity funds and structured products that C.A. Bancorp may manage and/or sponsor in the future, there are a number of conflicts of interest and potential conflicts of interest which may arise, including but not limited to those described below. C.A. Bancorp has established the following policies and procedures in order to minimize and/or deal with such conflicts. A committee of C.A. Bancorp's independent directors will monitor and revise these policies in order to address any future conflicts as they arise.

John F. Driscoll, the Chief Executive Officer and a director of the Company, is the President, Chief Executive Officer and a director of Sentry Select. Sentry Select is a privately held company beneficially owned by John F. Driscoll and his family.

Pursuant to the Management Agreement and the Administration Agreement, Sentry Select will provide management services to the Company, for which it receives management fees and performance bonuses, and administrative and other services to the Company, for which it receives a monthly fee, respectively. In order to avoid conflicts arising as a result of senior management of C.A. Bancorp (other than John F. Driscoll and Kevin Cohen) being employees of Sentry Select, pursuant to the Administration Agreement Sentry Select has agreed that such individuals will devote 100% of their time to the business of C.A. Bancorp and will not be terminated as employees of Sentry Select, without the approval of the independent directors of C.A. Bancorp.

In the event that Sentry Select presents an investment opportunity to C.A. Bancorp in respect of any portfolio company in which any fund managed by Sentry Select holds securities, and management of C.A. Bancorp decides to make an investment in such portfolio company, such investment must be approved by the independent directors of C.A. Bancorp.

In the event that C.A. Bancorp or any funds managed by it invests in any portfolio company in which any fund managed by Sentry Select holds securities, any conflicts arising between Sentry Select and C.A. Bancorp and their respective funds concerning purchases and/or sales of such securities (including purchases of securities by one group from the other) will be dealt with by the independent directors of each of C.A. Bancorp and Sentry Select.

C.A. Bancorp may from time to time establish private equity funds or structured products to which C.A. Bancorp may be required to offer an opportunity to co-invest with C.A. Bancorp in investment opportunities, subject to certain pre-determined limits negotiated with such funds. To the extent that it has such obligations, C.A. Bancorp's ability to directly invest in such opportunities may be reduced. As well, if such funds or structured products co-invest with C.A. Bancorp, they may hold different securities or have different investment horizons than C.A. Bancorp, which may cause conflicts of interest to arise between C.A. Bancorp and such entities. In order to address this conflict, C.A. Bancorp will seek to structure its obligations to other funds and structured products to minimize conflicts between such funds and structured products and C.A. Bancorp and to provide C.A. Bancorp with the opportunity to directly invest a specified minimum amount in any investment opportunity.

For example, Sentry Select Total Strategy Fund has a right of first refusal with respect to any investment sourced by or presented to C.A. Bancorp in which Sentry Select Total Strategy Fund is permitted to invest. Pursuant to an agreement (the "Right of First Refusal Agreement") between C.A. Bancorp and Sentry Select Total Strategy Fund made as of August 24, 2006, C.A. Bancorp agreed that before making any investment of its own funds or other funds that it manages in an investment opportunity, it will present such opportunity to Sentry Select Total Strategy Fund and Sentry Select Total Strategy Fund will have the right to invest up to an amount determined pursuant to a specified formula (which is approximately \$1.3 million). If a proposed investment exceeds such amount, C.A. Bancorp may invest its own funds, choose to offer Sentry Select Total Strategy Fund the opportunity to invest a larger amount, draw from funds it manages and/or obtain funds from other co-investors, including related parties.

C.A. Bancorp, or a wholly-owned subsidiary, will be the general partner of each private equity fund it establishes. In this capacity, C.A. Bancorp: (i) intends to provide a general partner's commitment to each private equity fund that it establishes of between 2% and 4% of the capital raised by such fund; and (ii) will seek to have the right to invest directly (as a co-investor with the private equity fund) an amount of not less than 5% (and not more than a percentage to be agreed upon with the limited partners of each fund) in each investment made by such fund. This structure is designed to provide C.A. Bancorp with leverage on investments made by such funds through its exposure as general partner (through its capital investment and management and performance fees) and the potential for direct co-investments with such funds, while aligning its interest with those of investors in such funds. It is anticipated that each private equity fund that C.A. Bancorp may establish in the future will have a specific mandate in order to avoid conflicts between such funds during their respective investment periods. However, the terms of each such fund, including C.A. Bancorp's investment and co-investment rights, will be

negotiated when each fund is formed and C.A. Bancorp may not receive all of these rights and benefits in every case.

As at September 30, 2006, the Company owned common shares of CAPVEST Income Corp. (“CAPVEST”) having a market value of \$60,000, debentures of CAPVEST valued at \$200,000, and units of Strategic Energy Fund (“Strategic”) having a market value of \$235,600. Sentry Select provides investment management services to both CAPVEST and Strategic and receives fees in respect of such services. Subject to closing of the Offering, the Company will not make any further investments in funds managed by Sentry Select.

Currently, C.A. Bancorp and DCT Investment Corp. (a company controlled by John F. Driscoll) own 41.7% and 22.9%, respectively, of Charter, which is a CPC founded by John F. Driscoll and in which C.A. Bancorp has invested, and 47.5% and 47.5%, respectively, of each of Universal and Global.

## **RISK FACTORS**

Investors should consider carefully the following risks and other information included and incorporated by reference in this Prospectus and the Company’s historical consolidated financial statements and related notes. The operations of the Company are speculative due to the high-risk nature of the merchant banking business. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company’s operations. If any of the following risks actually occur, the Company’s business, financial condition and operating results could be materially adversely affected. As a result, the trading price of the Common Shares could decline and investors could lose part or all of their investment. The Common Shares are considered speculative due to the nature of the Company’s business and the present stage of its development. A prospective investor should carefully consider the risk factors set out below.

### ***Blind Pool***

**THIS IS A BLIND POOL OFFERING.** Other than as described in the Company’s continuous disclosure documents and this Prospectus, the Company has not entered into any agreements to invest in or acquire businesses or to manage or sponsor private equity funds or structured products. In addition, except as disclosed herein, the Company has not established any private equity funds or structured products and there can be no assurance that it will do so, or do so successfully. The ability of the Company to execute its business plan as described in the Company’s continuous disclosure documents and this Prospectus will depend, in part, on the Company’s ability to obtain funding in the future.

### ***Nature of Investments***

The Company’s business is to make investments predominantly in a basket of established businesses exhibiting stable growth rates, sustainable cash flows and tangible asset bases. These investments may require a number of years in order to mature and generate the returns expected by the Company. A significant portion of the Company’s investment portfolio will be comprised of investments in private companies. These investments are likely to mature and generate returns at different times, which could create an irregular pattern in the Company’s revenues. In addition, losses on unsuccessful private company investments are often realized before gains on successful private company investments are realized. An investment in the Common Shares is appropriate only for investors who are prepared to hold their investment in the Company for a long period of time.

The Company’s investment portfolio may consist, in part, of investments in under-managed entities, and in securities of distressed companies. Such investments involve substantial risk. The level of analytical sophistication necessary for successful investment in distressed or under-managed entities is particularly high. Operational, capital structure and management issues may be complex and difficult to successfully resolve. In addition, such investments may require active monitoring and direct management of the under-managed portfolio company. Although the Company may make an investment with the expectation that there will be a liquidity event, such as an initial public offering, there can be no assurance that such an event will occur within the expected timeframe or at all.

### ***Dependence on Management of Portfolio Companies***

In certain circumstances, the Company may make equity investments in issuers where the Company does not participate in the management or otherwise directly control the business or affairs of such issuers. The Company will typically seek to have board of director's representation and will monitor the performance of each investment and maintain an ongoing dialogue with each portfolio company's management team; however, the management of the portfolio company will be primarily responsible for the day-to-day operations. Although the Company intends to invest in portfolio companies with strong operating management with a successful track record, there can be no assurance that a portfolio company's management team will be able to operate that company successfully. The departure of a member of the management of a portfolio company may, in certain circumstances, have a material adverse effect on the value of the Company's investment in such portfolio company.

### ***Limited Operating History***

The Company is a recently-formed corporation and has no prior operating history upon which an investor can base its prediction of future success or failure. The Company has limited cash resources (\$415,461 as at September 30, 2006) and has not made any investments other than as described in the Company's continuous disclosure documents and this Prospectus.

### ***Available Opportunities and Competition for Investments***

The success of the Company's operations will depend on: (i) the ability to raise funds; (ii) the availability of appropriate investment opportunities; and (iii) the ability of the Company to identify, select, acquire, grow and exit those investments. The Company can expect to encounter competition from other entities having investment objectives similar to those of the Company, including private equity funds, institutional investors and strategic investors. These groups may compete for the same investments as the Company, may be better capitalized, have more personnel, have a longer operating history and have different return targets than the Company. As a result, the Company may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit the Company's ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to the Company to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that the Company will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identification of attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that the Company is unable to find and make a sufficient number of investments.

### ***Concentration of Investments***

There are no restrictions on the proportion of the Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. The Company may participate in a limited number of investments and, as a consequence, the Company's financial results may be substantially adversely affected by the unfavourable performance of a single investment. Completion of one or more investments may result in a highly concentrated investment by C.A. Bancorp in a particular company, business, industry or sector.

### ***Access to Capital for Fund Management***

The managing and/or sponsoring of private equity funds and structured products for retail, institutional, and high net worth investors will be an important part of the Company's business model and will affect its ability to generate revenue. There can be no assurance that the Company will be able to raise the required capital to operate such private equity funds or structured products at all or at an acceptable level to permit the Company to execute its investment strategy. In addition, the terms pursuant to which the Company will manage and/or sponsor such funds will be negotiated with the lead investors or underwriters of each such fund. There can be no assurance that the terms relating to such funds will be as described in the Company's continuous disclosure documents and this Prospectus.

### ***Dependence on Key Personnel and Sentry Select Capital Corp.***

The success of the Company depends in substantial part upon the skill and expertise of its management. The loss of service to the Company of one or more of its executives could have a material adverse effect on the Company. The Company will be dependent on Sentry Select for management services under the Management Agreement and administration services under the Administration Agreement. The loss of the services provided by Sentry Select to the Company pursuant to such agreements could have a material adverse effect on the Company. There can be no assurance that such agreements will be renewed at the conclusion of their respective terms. In addition, the employment agreements between each of Mark Gardhouse and Mark MacDonald and Sentry Select contain non-solicitation covenants but do not contain non-competition covenants. There can be no assurance that Messrs. Gardhouse and MacDonald will not compete with the business of the Company in the event of termination of their employment with Sentry Select.

### ***Leverage of the Businesses in which the Company is an Investor***

To the extent that any investment is made in an issuer with a leveraged capital structure, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such issuer or its industry. If the issuer is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the Company's investment in such issuer could be significantly reduced or even eliminated.

### ***Market for Securities and Volatility of Trading Price***

There can be no assurance that an active trading market in the Common Shares will be sustained. The market price for the Common Shares could be subject to wide fluctuations, which could include an adverse affect on the market price of the Common Shares. The stock market has, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

### ***Trading Price of Common Shares Relative to Net Asset Value***

Due to the nature of the Company's investment strategy and the composition of its investment portfolio, the market price of the Common Shares may be at a discount from the net asset value per share. This risk is separate and distinct from the risk that the market price of the Common Shares may decrease.

### ***Risks of Investments***

Investments in equity and debt instruments of small to mid-market private and public companies (including PIPES) are subject to many and various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial condition of customers and suppliers, changes in availability of debt financing, changes in interest rates, changes in exchange rates, changes in tariffs and duties, changes in tax rates, environmental laws and regulations, energy prices, risks due to dependence on cash flow, as well as acts of God, uninsurable losses and other factors which are beyond the control of the Company.

The financial condition of the Company will depend, in part, upon the performance of the securities of portfolio companies in which the Company invests. The value of the portfolio of securities in which the Company may invest will be influenced by factors that are largely not within the Company's control, including the financial performance of portfolio companies, operational risks relating to the specific business activities of portfolio companies, the quality of assets owned by portfolio companies, commodity prices, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation and other financial market conditions.

### ***Risks of Investments in Capital Pool Companies***

Investments in CPCs are subject to many and various risks, including that such issuers have not commenced commercial operations and typically have no assets, no history of earnings and will not generate earnings or pay dividends until at least after completion of a qualifying transaction. Until completion of a qualifying transaction,

a CPC is not permitted to carry on any business other than the identification and evaluation of potential qualifying transactions. A CPC only has limited funds with which to identify and evaluate potential qualifying transactions and there can be no assurance that it will be able to identify a suitable qualifying transaction. Even if a proposed qualifying transaction is identified, there can be no assurance the CPC will be able to successfully complete the transaction. Completion of a qualifying transaction is subject to a number of conditions including acceptance by the Exchange and majority of minority shareholder approval. There can be no assurance that such acceptance or approval will be obtained.

#### ***Need for Follow-on Investments***

From time to time, the Company may be called upon to provide additional funds to portfolio companies in order to fully implement their business strategies. There is no assurance that the Company will make, or will have sufficient funds available to make, follow-on investments. Any decision by the Company not to make follow-on investments, or the Company's inability to make such investments, may have a substantial negative impact on the portfolio company and the Company's investment therein.

#### ***Private Issuers and Illiquid Securities***

Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments.

The value attributed to securities of private issuers will be the cost thereof, subject to adjustment in limited circumstances, and therefore may not reflect the amount for which they can actually be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

The Company will invest in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize its investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

The Company may also make direct investments in publicly traded securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

#### ***Joint Investments with Affiliates of the Company and Third Parties***

The Company expects that a significant number of its investments will be made in the context of co-investments with third-party financial or strategic partners. The Company anticipates that it may acquire interests in certain companies in cooperation with third-party partners or co-investors through jointly owned acquisition vehicles, joint ventures or other structures. In these situations, the ability of the Company to control such equity investments in a manner other than that conferred by negative control rights, including by means of buy/sell rights, will depend upon the nature of the joint arrangements with such partners and the Company's relative ownership stake in the investment. In addition, such arrangements may restrict the ability of the Company to dispose of its investment for potentially significant periods of time. The Company may invest under circumstances where it does not control the investment and where a third party does control the investment.

Such arrangements present risks not present with wholly-owned investments, such as the possibility that a co-investor could become bankrupt, develop business interests or goals that conflict with those of the Company and goals in respect of the investment, or acts in a way that results in the triggering of a buy/sell provision at an inopportune time for the Company.

### ***Conflicts of Interest***

The Company may make co-investments in opportunities with an entity that is managed by Sentry Select or one of its affiliates utilizing investment structures in which the Company may represent either the majority or the minority position in such investment. Such investments may present all or some of the risks described in the preceding paragraph with respect to co-investments with third parties, including but not limited to limitations on the Company's ability to control the investment, ability to dispose of or realize on such investment and the possibility that such entities may have conflicting investment goals with respect to any such co-investment.

Certain of the officers and directors of the Company are engaged in, and will continue to be engaged in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The ABCA provides that in the event that a director has an interest in a contract or agreement, the director shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA and the Company's corporate governance policies and procedures.

### ***No Guaranteed Return***

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. The past performance of investment professionals provides no assurance of future success.

### ***Loss of Investment***

An investment in the Company is appropriate only for investors who have the capacity to absorb a partial or total loss of their investment at any time.

### ***Additional Financing Requirements***

If the Maximum Offering is not achieved, in order to implement its business plan, the Company may require additional financing in the near term. Additionally, the Company anticipates ongoing requirements for funds to support its business development and may seek to obtain additional funds for these purposes through public or private equity or debt financing. There are no assurances that additional funding will be available at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on the Company's operations or ability to incur additional debt.

### ***Management of the Company's Growth***

Significant growth in the Company's business, as a result of acquisitions or otherwise, could place a strain on the Company's managerial, operational and financial resources and information systems. Future operating results will depend on the ability of senior management to manage rapidly changing business conditions, and to implement and improve the Company's technical, administrative and financial controls and reporting systems. No assurance can be given that the Company will succeed in these efforts. The failure to effectively manage and improve these systems could increase the Company's costs, which could have a material adverse effect on the Company.

## PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement dated as of November 17, 2006 among the Company, Sentry Select and the Agents, the Agents have agreed to obtain, on a “best efforts” basis, subscriptions for a maximum of 166,666,667 and a minimum of 33,333,334 Common Shares at a price of \$0.30 per Common Share payable in cash to the Company against issuance and delivery of the Common Shares on November 27, 2006 or on such later date as the Company and the Agents may agree (the “Closing Date”). The Company has also granted to the Agents the Over-allotment Option, exercisable in whole or in part for a period of 30 days following the Closing Date, to purchase up to an additional 25,000,000 Common Shares (assuming the Maximum Offering is completed) issued upon the closing of the Offering at a price of \$0.30 per Common Share. This Prospectus also qualifies the grant of the Over-allotment Option and the distribution of the Common Shares issuable upon exercise of the Over-allotment Option.

Under the Agency Agreement, the Company has agreed to pay to the Agents a fee equal to \$0.0195 per Common Share, to reimburse the Agents for certain expenses relating to this Offering and to indemnify the Agents against certain liabilities, including liabilities under applicable securities legislation, and expenses, or will contribute to payments that the Agents and their directors, officers, employees and agents may be required to make in respect thereof.

The obligations of the Agents under the Agency Agreement are joint and several and may be terminated on the basis of their assessment of the state of financial markets and may also be terminated upon the occurrence of certain stated events. The Offering Price of the Common Shares has been determined by negotiation between the Company and the Agents. The Agents, as agents, conditionally offer the Common Shares on a “best efforts” basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement and subject to the approval of certain legal matters on behalf of the Company by Macleod Dixon LLP and on behalf of the Agents by Torys LLP.

Pursuant to applicable securities legislation, the Agents may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, including: (i) a bid or purchase permitted under the by-laws and rules of the Exchange relating to market stabilization and passive market-making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of such securities. In connection with this Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for Common Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. Certificates in definitive form representing the Common Shares will be available for delivery on the closing of the Offering.

The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, a “U.S. person” (as defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act. The Agents have agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell any of the Common Shares within the United States. The Agency Agreement permits the Agents to offer and sell the Common Shares to institutional accredited investors in the United States in a manner exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Common Shares in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made in accordance with an exemption from registration under the U.S. Securities Act. The Common Shares will be restricted securities within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

Under the Agency Agreement, the Company has agreed that, without the prior written consent of National Bank Financial Inc. and CIBC World Markets Inc., such consent not to be unreasonably withheld or delayed, it shall not, for a period of 180 days after the closing of the Offering, issue or announce the issuance any Common Shares, grant of any options or other right to purchase any Common Shares or issue or approve the issuance of any securities exchangeable or convertible into Common Shares, or announce its intention to do any of the foregoing other than (a) issuances of securities to directors, officers, employees or consultants under existing option or other employee compensation arrangements, including the Company's stock option plan, and Common Shares issuable pursuant to such stock options; or (b) upon the conversion, exchange or exercise of instruments convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares issued prior to the date of this Prospectus.

The officers and directors of the Company have agreed in favour of the Agents that, during the period ending 180 days after the closing of the Offering, they will not offer or sell, agree to offer or sell, or enter into an arrangement to offer or sell any Common Shares or other securities of the Company, or securities convertible into, exchangeable for, or otherwise exercisable to acquire any securities of the Company without having obtained the prior written consent of National Bank Financial Inc. and CIBC World Markets Inc., such consent not to be unreasonably withheld or delayed.

Sentry Select intends to pay registered dealers a quarterly servicing fee equal to 4/15<sup>ths</sup> of the Management Fee paid to it pursuant to the Management Agreement. Such servicing fee will be paid to registered dealers on a pro rata basis based upon the number of Common Shares held by their respective clients at the end of each quarter. Such servicing fee may be terminated by Sentry Select at its election.

Management of the Company, together with Frank Crothers (who will be appointed a director of the Company on December 1, 2006), intends to purchase, in aggregate, between 10% and 20% of the Common Shares offered pursuant to the Maximum Offering. Depending on the size of the Offering completed, such purchases may result in directors and officers of the Company owing more than 50% of the issued and outstanding Common Shares.

The Exchange has conditionally approved the listing of the Common Shares distributed under this Prospectus. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange. Completion of the Offering could result in a change in control of the Company, in which case the Company would be required to comply with the requirements of the applicable policies of the Exchange.

#### **INTEREST OF EXPERTS**

Certain legal matters in connection with this Offering will be passed upon by Macleod Dixon LLP, counsel to the Company, and by Torys LLP, counsel to the Agents. As of the date hereof, the partners and associates of Macleod Dixon LLP, as a group, and the partners and associates of Torys LLP, as a group, each own directly or indirectly, less than 1% of the outstanding Common Shares.

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company, Deloitte & Touche LLP, Chartered Accountants, 181 Bay Street, Suite 1400, Toronto, Ontario M5J 2V1, are independent in accordance with the auditor's rules of professional conduct in a jurisdiction of Canada. The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. through its principal office in Calgary, Alberta at 600, 530 - 8th Avenue S.W., Calgary, Alberta T2P 3S8.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the short form prospectus of the C.A. Bancorp Inc. (the "Company") dated November 17, 2006, qualifying the distribution of common shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the directors of the Company on the balance sheet of the Company as at December 31, 2005 and the statements of operations and deficit and of cash flows for the period from March 29, 2005 to December 31, 2005. Our report is dated February 20, 2006.

We also consent to the incorporation by reference in the above-mentioned prospectus, of our report to the directors of Masthead Resources Ltd. on the balance sheet of Masthead Resources Ltd. as at May 31, 2005 and the statement of operations and retained earnings for the period then ended. Our report is dated June 13, 2005 except for note 3, which is as of August 8, 2005 and note 4 which is as of December 16, 2005.

We also consent to the incorporation by reference in the above-mentioned prospectus, of our report to the unitholders of Sentry Select Focused Wealth Management Fund (the "Fund") on the statement of investment portfolio of the Fund as at December 31, 2004, the statements of net assets as at December 31, 2004 and 2003, the statements of changes in net assets, operations, and net realized gain (loss) on investments (excluding short-term investments) for the years ended December 31, 2004, 2003 and 2002. Our report is dated April 28, 2005, except for note 11 which is as of December 16, 2005.

We also consent to the incorporation by reference in the above-mentioned prospectus, of our report to the shareholder of C.A. Bancorp Ltd. (formerly Capital Access Corporation) on the balance sheets of C.A. Bancorp Ltd. as at December 31, 2004 and 2003 and the statements of operations and deficit and cash flows for the years ended December 31, 2004, 2003 and 2002. Our audit report is dated December 6, 2005.

We also consent to the incorporation by reference in the above-mentioned prospectus, of our report to the shareholder of C.A. Bancorp Ltd. on the balance sheet of C.A. Bancorp Ltd. as at December 31, 2005 and the statements of operations and deficit and of cash flows for the year ended December 31, 2005. Our audit report is dated January 30, 2006.

Toronto, Ontario  
November 17, 2006

(Signed) DELOITTE & TOUCHE LLP  
Chartered Accountants

**CERTIFICATE OF C.A. BANCORP INC. AND PROMOTER**

Dated: November 17, 2006

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut. For the purpose of the Province of Québec, this simplified prospectus, together with the documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) JOHN DRISCOLL  
Chief Executive Officer

(Signed) PAOLO DE LUCA  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) PHILIP JOHNSON  
Director

(Signed) RICHARD J. ZARZECZNY  
Director

PROMOTER

(Signed) JOHN DRISCOLL

**CERTIFICATE OF THE AGENTS**

Dated: November 17, 2006

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Ontario, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut. For the purpose of the Province of Québec, to our knowledge this simplified prospectus, together with the documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

NATIONAL BANK FINANCIAL INC.

CIBC WORLD MARKETS INC.

(Signed) MICHAEL D. SHUH

(Signed) SHANNAN M. LEVERE

TD SECURITIES INC.

(Signed) CAMERON GOODNOUGH

BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

(Signed) DAVID R. THOMAS

(Signed) STEPHEN A. BURLETON

BLACKMONT  
CAPITAL INC.

CANACCORD CAPITAL  
CORPORATION

HSBC SECURITIES  
(CANADA) INC.

RAYMOND  
JAMES LTD.

(Signed) CHARLES PENNOCK

(Signed) BINA PATEL

(Signed) JAY K. LEWIS

(Signed) J. GRAHAM FELL

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