

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions. The securities offered under this short form prospectus have not, and will not, be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, the securities may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless an exemption from registration is available. See "Plan of Distribution".

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 2810, 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

June 22, 2007



C.A. BANCORP INC.

\$100,000,002

(Maximum Offering)

Up to 30,303,031 Common Shares

C.A. Bancorp Inc. (the "Company") is a publicly traded Canadian merchant bank and asset manager established to provide investors with access to a range of private equity and alternative asset class investment opportunities typically available only to large institutional and high net worth investors, either directly or through funds managed and/or sponsored by it.

The Company is focused on equity investments in small and middle-market public and private companies with emphasis on opportunities in the industrials, real estate, infrastructure and financial services industries. The Company's management team has strategic relationships across these industry segments, having successfully completed investments in many of these industries. The Company will typically target investments associated with acquisitions, expansions, restructurings, refinancings, privatizations and management buy-outs, including undervalued and/or unique growth situations.

In addition, the Company will continue to manage and/or sponsor private equity funds and other alternative asset investment vehicles. It is anticipated that the Company will make investments through or in conjunction with such investment vehicles. The Company may establish investment vehicles to complete specific acquisitions, to carry out a specific mandate, or to seek out investment opportunities. The Company will earn recurring operating income in the form of fund management fees, and will have the potential to earn performance fees.

This short form prospectus (the "Prospectus") qualifies the distribution (the "Offering") of up to 30,303,031 common shares (each a "Common Share") in the capital of the Company at a price of \$3.30 per Common Share (the "Offering Price"), pursuant to an agency agreement (the "Agency Agreement") among the Company, CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc., Raymond James Ltd., Dundee Securities Corporation, Richardson Partners Financial Ltd., Wellington West Capital Inc., Blackmont Capital Inc., Desjardins Securities Inc., GMP Securities L.P., Haywood Securities Inc. and Research Capital Corporation (together, the "Agents"). The head office of the Company is located at The Exchange Tower, 130 King Street West, Suite 2810, 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 Toronto Stock Exchange (the "Exchange") under the symbol "BKP". On June 21, 2007, the last day of trading prior to the date of this Prospectus, the closing price of the Common Shares on the Exchange was \$3.42. 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. In addition, this is a blind pool offering. The net proceeds to be raised hereby have not been allocated by the Company to specific investments and the Company's management has discretion to make investments and to allocate the net proceeds among investment opportunities. See "Risk Factors".

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: \$3.30 per Common Share

	Price to Public	Agents' Fee	Net Proceeds to the Company⁽¹⁾
Per Common Share	\$3.30	\$0.2145	\$3.0855
Total Maximum Offering ⁽²⁾	\$100,000,002	\$6,500,000	\$93,500,002

Notes:

- (1) After deducting the fee payable to the Agents equal to \$0.2145 per Common Share (the "Agents' Fee"), but before deducting expenses of the Offering, estimated to be \$900,000, which will be paid by the Company from the proceeds of the Offering.
- (2) 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 the closing of the Offering, enabling them to purchase up to 15% of the number of Common Shares issued on the date of the closing at the Offering Price. If 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 \$115,000,002, \$7,475,000 and \$107,525,002, 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".

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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 Blake, Cassels & Graydon 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 to cover their over-allotted position. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

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 June 29, 2007 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.

TABLE OF CONTENTS

	<u>Page</u>
GENERAL	4
ELIGIBILITY FOR INVESTMENT	4
CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS	4
DOCUMENTS INCORPORATED BY REFERENCE	5
DESCRIPTION OF THE BUSINESS	5
DIRECTORS, SENIOR OFFICERS AND MANAGEMENT	11
USE OF PROCEEDS	15
CONSOLIDATED CAPITALIZATION	16
DESCRIPTION OF OFFERED SECURITIES	17
RISK FACTORS	17
PLAN OF DISTRIBUTION	17
INTEREST OF EXPERTS	18
AUDITOR, TRANSFER AGENT AND REGISTRAR	18
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	18
AUDITORS' CONSENT	19
CERTIFICATE OF C.A. BANCORP INC. AND PROMOTER	C-1
CERTIFICATE OF THE AGENTS	C-2

GENERAL

Wherever used in this Prospectus, the term “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 other than Charter Real Estate Investment Trust. 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 Blake, Cassels & Graydon 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.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Prospectus and the documents incorporated herein by reference contain “forward-looking statements” relating, but not limited, to the Company’s expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “may” and “will” or similar words suggesting future outcomes, or other expectations, goals, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. The forward-looking statements are not historical facts but reflect the Company’s current expectations regarding future results or events.

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 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. (“**Sentry Select**”); 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; borrowing by the Company to make investments; investments by the Company in private issuers and illiquid securities; joint investments with strategic partners 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 the AIF (as defined below), incorporated by reference herein and which may be accessed at www.sedar.com.

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, or in the case of documents incorporated by reference herein, as of the date of such document and are based on the opinions and estimates of management based on information available to management as of said date, 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) Annual information form (“AIF”) of the Company for the year ended December 31, 2006, dated May 24, 2007.
- (b) Audited consolidated balance sheets of the Company as at December 31, 2006 and 2005, statements of operations and deficit and of cash flows for the year ended December 31, 2006, and the auditors’ report thereon, together with management’s discussion and analysis for the year ended December 31, 2006.
- (c) Interim unaudited consolidated balance sheet of the Company as at March 31, 2007, and the statements of operations and comprehensive income, deficit and of cash flows for the three months ended March 31, 2007, together with management’s discussion and analysis for the three months ended March 31, 2007.
- (d) Management information circular (“MIC”) of the Company dated March 15, 2007, prepared in connection with the Company’s annual and special meeting of shareholders held on April 19, 2007.

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

C.A. Bancorp Inc. is a publicly traded corporation existing under the *Business Corporations Act* (Alberta). C.A. Bancorp is a Canadian merchant bank and asset manager established to provide investors with access to a range of private equity and alternative asset class investment opportunities typically available only to large institutional and high net worth investors, either directly or through funds managed and/or sponsored by it. The Company is focused on equity investments in small and middle-market public and private companies with emphasis on opportunities in the industrials, real estate, infrastructure and financial services industries.

The head office of the Company is located at The Exchange Tower, 130 King St. West, Suite 2810, Toronto, Ontario M5X 1A4. The registered office of the Company is located at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta T2P 4H2.

General

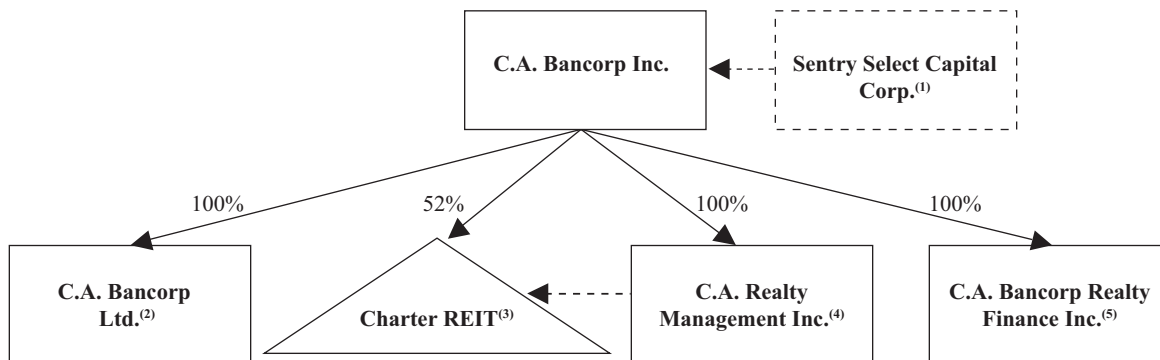
John F. Driscoll formed C.A. Bancorp in 2005, and currently is the Chairman and CEO of the Company. Mr. Driscoll is also the founding President, Chairman and CEO of Sentry Select. Mark Gardhouse joined the Company as President in January 2006. Previously, Mr. Gardhouse was Managing Director of Corporate Finance of Roynat Capital Inc. In April 2006, Mark MacDonald joined the Company 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 as described herein. In May 2007, Michael Lovett joined the Company as Managing Director, Real Estate Capital. Previously, Mr. Lovett was employed by Commercial Mortgage & Capital, a private commercial mortgage company, where he was responsible for originating and placing commercial loans and mortgages. See "Directors, Senior Officers and Management".

Sentry Select provides management and administrative services to the Company. Sentry Select is a portfolio manager and mutual fund dealer engaged in the business of sponsoring and managing investment funds in Canada. As at April 30, 2007, Sentry Select had over \$8 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 supplies the full-time services of Messrs. Gardhouse, MacDonald and Lovett and others to provide certain management services, including searching for, evaluating and screening investment opportunities and conducting due diligence with respect to potential investments. The management agreement also provides the Company with access to the expertise and experience of Sentry Select's portfolio managers, portfolio advisers and research analysts. Sentry Select may also develop structured alternative asset investment vehicles to be managed by C.A. Bancorp.

Inter-Corporate Relationships

The Company has four operating subsidiaries: C.A. Bancorp Ltd., C.A. Realty Management Inc. ("CARM"), C.A. Bancorp Realty Finance Inc. (each of which was incorporated pursuant to the *Business Corporations Act* (Ontario)) and Charter Real Estate Investment Trust ("Charter REIT") (which is a trust formed under the laws of the Province of Ontario). The chart below shows the relationship between the Company, its operating subsidiaries and Sentry Select.



Notes:

- (1) Sentry Select provides management and administrative services to the Company.
- (2) C.A. Bancorp Ltd. is registered as a limited market dealer and an investment counsel and portfolio manager under the *Securities Act* (Ontario).
- (3) Charter REIT is a real estate investment trust, the units of which are listed on the TSX Venture Exchange.
- (4) C.A. Realty Management Inc. provides management and administrative services to Charter REIT. See "Description of the Business — General Description of the Business — Direct Investing".
- (5) C.A. Bancorp Realty Finance Inc. has been formed with the intention that it will provide management and administrative services to funds which will focus on loans and investments in the Canadian real estate sector.

General Description of the Business

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

- 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
- fund management to generate management fees and performance bonuses paid by private equity funds and other alternative asset investment vehicles managed and/or sponsored by C.A. Bancorp.

Direct Investing

C.A. Bancorp's direct investing activities focus on equity investments in the private and public small to middle-markets with emphasis on industrials, real estate, infrastructure and financial services opportunities. C.A. Bancorp's management team has strategic relationships across these industry segments, having successfully completed investments over the course of their careers in a variety of these industries. It is expected that the Company's dedicated management team will enable it to acquire, develop and manage a portfolio of diverse investments.

C.A. Bancorp's direct investing activities will include both shorter term, private equity style investments, shorter term toehold investments in public companies (intended to facilitate a potential private equity transaction or activist/catalyst strategy), as well as longer term "platform" investments that are integral to the Company's long term strategy. 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. The Company expects that it would typically manage and hold these types of investments for four to seven years in order to realize maximum value.

C.A. Bancorp's private equity 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. The Company pursues investments that it believes will generate 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). However, there can be no assurance that such returns will be achieved. In order to finance its direct private equity investing activities, the Company will be required to raise capital from time to time.

Platform investments may include control or minority investments in companies that management believes will provide the Company with both superior returns as well as strategic benefits. These benefits may include access to expertise, access to capital or providing the Company with the ability to leverage its core investment management expertise.

Fund Management

As part of its fund management activities, the Company intends to manage and/or sponsor private equity funds and other alternative asset investment vehicles for institutional, high net worth and retail investors. It is anticipated that C.A. Bancorp will make investments through or in conjunction with such investment vehicles. 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'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 in the form of fund management fees, and will have the potential to earn performance fees.

C.A. Bancorp manages and/or sponsors structured alternative asset investment vehicles, which have been and may in the future 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 alternative

asset investment vehicle sponsored by C.A. Bancorp is Sentry Select Total Strategy Fund (“**Total Strategy Fund**”), a long-short/private equity fund which raised gross proceeds of \$55 million in September 2006. Total Strategy Fund was created to capitalize on the private equity experience and expertise of C.A. Bancorp across various industry sectors, as well as Sentry Select’s public portfolio management expertise. Up to 25% of Total Strategy Fund’s total assets may be invested in private equity investments.

Michael Lovett recently joined the Company as Managing Director, Real Estate Capital and will be responsible for structured alternative asset investment vehicles focused on loans and investments in the Canadian real estate sector.

The alternative asset investment vehicles managed and/or sponsored by C.A. Bancorp will generally follow the same investment strategy and investment process as C.A. Bancorp’s direct private equity 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; (iii) management’s experience in structuring and completing investments, and (iv) management’s experience in identifying and developing other alternative asset investment vehicle opportunities.

For a more detailed description of the Company’s business see “Description of the Business”, in the AIF which is incorporated by reference and can be accessed at www.sedar.com.

General Development of the Business

C.A. Bancorp has been implementing its business plan, by assembling its management, sales and investment team, building its direct investments portfolio and pipeline and developing alternative asset investment vehicles.

Management Team

The Company has assembled a team of qualified personnel consisting of: Paolo De Luca, C.A., C.F.A. (Chief Financial Officer); Kevin Cohen, M.B.A., LL.B. (Vice-President and General Counsel); Jake Trainor, M.B.A., B.Eng. (Vice-President, Corporate Development); Kurt Brands, C.M.A., M.B.A. (Vice-President, Corporate Development); Greg Walker, B.A. Econ. (Manager, Equity Investments); and Ryan Caughey, LL.B. (Corporate Secretary). See “Directors, Senior Officers and Management”. The management team has been drawn from varied backgrounds, including corporate finance, operations, strategic consulting, outsourcing, marketing, legal and accounting, which enhance the Company’s ability to evaluate and manage investments. Management’s broad set of skills as well as their educational backgrounds contribute significant investment, financial, sales, and operational experience to C.A. Bancorp. The Company will also be able to draw on the resources of Sentry Select, including marketing and investment expertise and, specifically, its knowledge of the Canadian income trust market.

Direct Investing

The Company has been actively executing its direct investment strategy since the closing of the Company’s \$38.7 million public offering in December 2006. It has:

- generated exposure to significant proprietary and non-proprietary deal flow pertaining to buy-out and growth situations in both public and private markets;
- reviewed over 79 direct investment opportunities in public and private companies;
- invested in 16 “toehold” investments in public companies which the Company made with the intention of pursuing a specific strategy, such as a going-private transaction that may be initiated by the Company on its own or with a partner;
- pursued its activist/catalyst strategy via investments in a number of Canadian income trusts where management believes a change in the ownership structure, such as a take-over, will occur prior to the implementation of the new proposed taxation changes. To date, a number of the Company’s investments have been the target of merger/acquisition activity, including Custom Direct Income Fund, Norcast

Income Fund and KCP Income Fund. These investments have collectively produced realized absolute returns (not including distributions) of approximately \$396,000 or 22%; and

- evaluated and bid on a number of income trust going-private and leveraged buy-out transactions arising as a consequence of the announcement in October 2006 by the Canadian federal government of its intention to tax income trusts.

One example of the Company's activities in the income trust buy-out area involved Amtelecom Income Fund ("Amtelecom"). During the last six months, the Company accumulated a toehold position of approximately 284,400 units of Amtelecom at an average cost of approximately \$12.08 each, with a view of working with financial partners and management to pursue a going-private transaction. Bell Aliant Regional Communications Income Fund ("Bell Aliant") made an unsolicited offer to Amtelecom's unitholders of \$13.00 per unit on February 28, 2007 and subsequently Bragg Communications Inc. ("Bragg") counter-bid with an offer price of \$14.25 per unit. On April 18, 2007 Bell Aliant announced it would not counter Bragg's offer. The Company sold over half of its position in the market at above Bragg's offer price and tendered the balance of its position to Bragg's takeover bid. The investment produced realized absolute returns (not including distributions) of approximately \$701,258 or 20%.

The Company has also recently become active as a activist/catalyst investor in PRT Forest Regeneration Income Fund ("PRT Fund"), announcing its support of the initiative of PRT Management Inc. ("PMI", the manager and administrator of PRT Fund) to initiate a disciplined and accretive growth strategy to strengthen and diversify PRT Fund's revenue base (the "PRT Strategic Plan"). The Company currently controls over 5% of the outstanding units of PRT Fund. As the current trustees of PRT Fund are not supportive of the PRT Strategic Plan, the Company and certain senior officers and shareholders of PMI, through a jointly formed company, PMI-Bancorp Strategic Partnership Ltd., mailed a dissident information circular dated June 1, 2007 soliciting proxies for the election of a new slate of trustees for PRT Fund at the annual general meeting of PRT Fund to be held on June 26, 2007. The new slate of trustees are supportive of the PRT Strategic Plan. The Company and PMI have entered into a letter of intent for the Company to purchase up to a 50% interest in PMI if the PRT Strategic Plan is adopted by PRT Fund and subject to certain other conditions. It is the intent that the Company will provide PMI with expertise in sourcing, structuring and negotiating potential acquisitions. There can be no assurances that the PMI-Bancorp Strategic Partnership Ltd. will be successful in replacing the current trustees of PRT Fund or, if successful, that the Company will complete its investment in PMI.

In the first quarter of 2007, the Company was invited to participate in a competitive bid situation for the acquisition of a Canadian financial services company. After completing due diligence in conjunction with third party advisors, the Company was selected as one of the last of two bidders. The Company intends to increase its efforts on other possible acquisitions in this sector, as well as other sectors that are of interest.

The foregoing are included as examples of, and are not intended to be representative of, the investments of the Company in private and public entities generally. This is not a forecast or a projection and should not be construed to be an indication of the future performance of the Company.

Private Equity Investments

The Company continues to experience significant small to mid-cap sized private company investment deal flow with many of the opportunities being proprietary, arising out of the relationships of management, Sentry Select and Sentry Select's distribution network. C.A. Bancorp has reviewed 36 investment opportunities and has actively pursued or is pursuing 16 potential acquisitions. While many of the opportunities have not met the Company's investment criteria, management believes that market conditions are such that it expects it will continue to have access to investment opportunities.

Real Estate

The Company began development of its real estate investment platform through its investment in Charter Realty Holdings Ltd. ("Charter"), the predecessor of Charter REIT. The Company's acquisition of 2,500,000 common shares of Charter on September 14, 2006 was its first capital pool company ("CPC") transaction. The Company purchased an additional 9,500,000 common shares of Charter on February 23, 2007, as part of Charter's qualifying transaction. On May 10, 2007, Charter converted into a real estate investment

trust, called Charter REIT, pursuant to which each 10 common shares of Charter were exchanged for 1 unit of Charter REIT. CARM provides management and administrative services to Charter REIT for an annual fee of 0.30% of the adjusted book value of Charter REIT's assets, paid quarterly in arrears, and an acquisition fee equal to 0.50% of the property cost of all real property acquired by Charter REIT during each calendar quarter. Over the past four months Charter REIT has completed two transactions resulting in the acquisition of three Rona stores (closed on February 23, 2007) located in Southwest Ontario and the Mega Centre Cote-Vertu (closed on March 30, 2007) located in St. Laurent, Quebec. On June 21, 2007, the Company purchased an additional 296,000 units of Charter REIT at \$4.05 per unit in connection with a private placement of an aggregate of 741,000 units. The Company currently owns 1,496,000 units of Charter REIT, representing approximately 52% of the issued units. The closing price of these units on the TSX Venture Exchange on June 21, 2007 was \$4.75 each. Based on an average cost of \$2.41 per unit, this represents approximately a \$3.5 million unrealized gain. The Company intends to maintain its investment in Charter REIT and may make follow-on investments in the future.

Capital Pool Companies Investments

C.A. Bancorp has completed investments in two other CPCs: Universal Infrastructure Corp. (“**Universal**”) and Global Alternative Investments Inc. (“**Global**”). The Company 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.

Global has been established by C.A. Bancorp with the intention that it act as an investment vehicle to raise equity capital to make investments in various non-Canadian alternative investments. As at the date hereof, the only business carried on by Global is the identification of a suitable qualifying transaction. It is anticipated that the Company will enter into a management agreement with Global upon completion of its qualifying transaction. The Company owns 95,000 common shares of Global, representing 27.1% of the issued common shares.

Universal has been established by C.A. Bancorp with the intention that it act 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. As at the date hereof, the only business carried on by Universal is the identification of a suitable qualifying transaction. It is anticipated that the Company will enter into a management agreement with Universal upon completion of its qualifying transaction. The Company owns 95,000 common shares of Universal, representing 27.1% of the issued common shares.

Fund Management

The Company is the manager of Total Strategy Fund (TSX: TSF.UN), a long-short/private equity fund which since inception in September 2006, has grown from \$51.3 million to \$57.9 million in net asset value as of June 21, 2007. Total Strategy Fund is designed to profit from both under and overvalued securities, and also offers an opportunity to participate in private equity investments. The Company is generating a gross annual management fee of 1.10% of Total Strategy Fund's net asset value for its services.

In February 2007, C.A. Bancorp commenced marketing its first private equity fund. This fund is being formed to provide institutional and high net-worth investors the opportunity to capitalize on a variety of small to middle-market opportunities in both private and publicly-traded companies. C.A. Bancorp will invest between \$5 and \$10 million as sponsor and a commitment has been approved for investment in the fund by a major Canadian institution. The fund's first closing is expected later in 2007.

C.A. Bancorp continues to explore new fund opportunities (including private equity funds and structured alternative asset investment vehicles) that will generate management fees to C.A. Bancorp. C.A. Bancorp is exploring a number of alternative asset categories, including Canadian real estate, bridge and mezzanine lending, fund of hedge funds and certain types of infrastructure investments. These funds will be formed to provide institutional, high net worth and retail investors with access to alternative asset classes. Through its management of such funds, C.A. Bancorp will earn recurring operating income in the form of fund management fees, and will have the potential to earn performance fees. It is anticipated that C.A. Bancorp will be required to dedicate personnel to oversee its sponsored private equity funds and make a meaningful financial commitment (between 2% and 4% of capital raised) to each private equity fund that it establishes.

DIRECTORS, SENIOR OFFICERS AND MANAGEMENT

Name, Municipality of Residence and Principal Occupation of Directors and Senior Officers

The following are the names and municipalities of residence of the directors and senior officers of the Company, their positions and offices with the Company and their principal occupations during the last five years. Each director will hold office until the next annual meeting of the Company's shareholders or until a successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Company's by-laws.

<u>Name and Municipality of Residence</u>	<u>Position Held</u>	<u>Director/Officer Since</u>	<u>Principal Occupation</u>
Frank J. Crothers Nassau, Bahamas	Director	Director since December 1, 2006	Chairman and Chief Executive Officer of Island Corporate Holdings Limited (a private investment company).
John F. Driscoll Toronto, Ontario	Chief Executive Officer, Director and Chairman	Director and Officer since March 29, 2005	President of J.F. Driscoll Investment Corp. (a private holding company) since 1981; President and Chief Executive Officer and Director, Sentry Select (a fund management company) since 1997 and President and Chief Executive Officer, NCE Resources Group since 1984.
Mark Gardhouse Toronto, Ontario	President and Director	Director and Officer since January 26, 2006	President of the Company since January 26, 2006; Managing Director, Merchant Banking of Sentry Select since July 27, 2006; President of C.A. Bancorp Ltd. since fall 2005; Managing Director, Roynat Capital Inc. (a merchant bank) from 1998 to 2005.
Philip Johnson Toronto, Ontario	Director	Director since August 24, 2006	President of Pinnacle Reefs Ltd. (a management consulting services company for the energy industry) since 1988.
Frank Potter Toronto, Ontario	Director	Director since June 26, 2006	Chairman of Emerging Market Advisors Inc. (a Toronto based consultancy that assists corporations in making and managing direct investments internationally) since 1995.
Richard J. Zarzeczny . . . Stouffville, Ontario	Director	Director since March 29, 2005	President of Canadian Enerdata Limited (a consulting company) since 1984.
J. Mark MacDonald . . . Toronto, Ontario	Managing Director, Private Investments	Officer since August 28, 2006	Managing Director, Private Investments of the Company since August 28, 2006; Managing Director, Private Investments of Sentry Select since July 25, 2006; Vice-President, Teachers' Private Capital, Ontario Teachers' Pension Plan Board from 1995 to 2005.

<u>Name and Municipality of Residence</u>	<u>Position Held</u>	<u>Director/Officer Since</u>	<u>Principal Occupation</u>
Michael Lovett Mississauga, Ontario	Managing Director, Real Estate Capital	Officer since May 16, 2007	Managing Director, Real Estate Capital of the Company since May 16, 2007; President of Commercial Mortgage & Capital (a private commercial mortgage company) from 2005 to 2007; President and founder of Montrose Mortgage Corporation (Toronto) Ltd. (a private commercial mortgage company) from 2001 to 2005.
Paolo De Luca Woodbridge, Ontario	Chief Financial Officer	Officer since August 28, 2006	Chief Financial Officer of the Company since August 28, 2006; Senior Manager, Internal Audit of TD Bank Financial Group from 2005 to 2006; Senior Manager, Ernst & Young LLP from 2003 to 2005; public accountant with Arthur Andersen LLP and Deloitte & Touche LLP from 1996 to 2003.
Kevin Cohen Toronto, Ontario	Vice-President and General Counsel	Officer since April 12, 2006	Vice-President, Operations and General Counsel of Sentry Select since February 2006; Lawyer, Torsys LLP from 2004 to 2006; Lawyer, Macaulay McColl, Barristers & Solicitors from 1998 to 2002.

Biographies of Directors, Senior Officers and Management

John F. Driscoll, Chief Executive Officer, Director and Chairman

John F. Driscoll is the Chief Executive Officer, a Director and the Chairman 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, 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 is the Chairman, Chief Executive Officer and a trustee of Charter REIT. Mr. Driscoll has been the Chairman of Endev 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.

Frank Crothers, Director

Frank Crothers is a corporate executive with extensive business expertise. Over the past 35 years, he has served on many public and private sector boards. Mr. Crothers is Chairman and CEO of Island Corporate Holdings Limited, a private Bahamas-based investment company. He is Vice-Chairman of Abaco Markets

Limited, Indigo Networks Limited (Bahamas) and former Vice-Chairman of Boschendal Wine Estates (South Africa). He is also a Director of Caribbean Utilities Company Ltd., Nuinsco Resources Limited, CIC Energy Corp., BrazMin Corp., Templeton Mutual Funds, and Victory Nickel Ltd. For more than a decade, he was on the board of Harvard University Graduate School of Education and recently served a three-year term as Chairman of CARILEC, the Caribbean Association of Electrical Utilities.

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, CAPVEST Income Corp., Canadian Income Management CIM Limited, Universal Infrastructure Corp. and Global Alternatives Inc. as well as several private corporations. 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.

Mark Gardhouse, President and Director

Mark Gardhouse is the President and a Director 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 middle-market internal equity buy-out 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 middle-market sector. In a number of investments, the group led or partnered with other private equity groups to purchase companies such as 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 a Bachelor of Arts (Honours) degree in Economics from the University of Toronto and a Masters of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario in 1983.

Frank Potter, Director

Frank Potter has been 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, Canadian Tire Corporation Limited and Penn West Energy Trust. Mr. Potter attended the Royal Military College of Science, and is a Fellow of the Institute of Canadian Bankers.

Richard J. Zarzeczny, Director

Richard J. Zarzeczny is President of Canadian Enerdata Limited (established in 1984), an energy and economic consulting firm specializing in oil and natural gas market analysis and forecasting. Mr. Zarzeczny is a trustee of Charter REIT. He is the publisher/editor of the Canadian Gas Price Reporter, the leading Canadian newsletter covering natural gas prices and gas indices. 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.

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 the Company, 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 \$750 million to over \$4.5 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, 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.

Michael Lovett, Managing Director, Real Estate Capital

Michael Lovett joined the Company as Managing Director, Real Estate Capital in May 2007. Mr. Lovett has over 24 years of expertise in the commercial real estate lending industry most recently as the President of Commercial Mortgage & Capital, a private commercial mortgage company controlled by Avison Young Commercial Real Estate Inc., which originated and placed commercial real estate loans and mortgages. He was the President and founder of Montrose Mortgage Corporation (Toronto) Ltd. from 2001 to 2005 where he was responsible for opening the Toronto office and originating and structuring commercial real estate loans. Mr Lovett has been involved in placing loans on all major asset classes, including term loans, construction financing and mezzanine facilities. Mr. Lovett has also held senior real estate related positions in origination, risk assessment and special loans with CIBC Mortgages Inc. (National Sales Manager), National Trust (VP, Risk Management), Citibank (Assistant Vice-President), National Bank (Senior Manager, Corporate Real Estate), and Swiss American Bank of Antigua (General Manager).

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 the Company, Mr. De Luca was a Senior Manager at TD Bank Financial Group. 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, Vice-President and General Counsel

Kevin Cohen is Vice-President and General Counsel of the Company. Mr. Cohen is also Vice-President Operations and General Counsel of Sentry Select and General Counsel of Charter REIT. 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.

Kurt Brands, Vice-President, Corporate Development

Kurt Brands joined the Company as Vice-President, Corporate Development in April 2007. Prior to joining the Company, Mr. Brands was a Senior Consultant at Everest Group, a global outsourcing advisory firm. He was engaged in a variety of client assignments, developing sourcing strategies for non-core business operations and negotiating commercial outsourcing agreements. Prior to that, Mr. Brands worked in finance and corporate development at IBM. Mr. Brands received a Masters of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Commerce degree from Royal Roads University. In addition, he holds a CMA designation and is a member of the Society of Management Accountants of Ontario.

Jake Trainor, Vice-President, Corporate Development

Jake Trainor joined the Company as Vice-President, Corporate Development in April 2007. Prior to joining the Company, Mr. Trainor was Senior Associate at Mercer Management Consulting, a top-tier consulting firm. He has experience gained from client engagements spanning transportation, infrastructure and retail sectors. Most recently, Mr. Trainor was seconded to a leading Middle Eastern airline where he managed their cargo division for 14 months. Mr. Trainor received a Masters of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Electrical Engineering degree from the Royal Military College of Canada. Mr. Trainor's previous experience also includes serving in the Canadian Forces as a Special Operations Pilot.

Greg Walker, Manager, Equity Investments

Greg Walker is the Manager, Equity Investments of the Company. Mr. Walker joined the Company as Senior Associate in January 2006 and was a Research Analyst with Sentry Select from November 2000 to January 2006. He has 13 years of experience in the financial industry. Mr. Walker has held numerous positions in the financial services industry, including sales, marketing and operations roles. He has completed his CFA Level II and is currently working toward obtaining his Chartered Business Valuators designation. In addition, Greg holds a Bachelor of Arts degree in Economics from the University of Western Ontario.

Ryan Caughey, Corporate Secretary

Ryan Caughey is the Corporate Secretary of the Company. Mr. Caughey joined Sentry Select in July 2006 as in-house counsel and was appointed Corporate Secretary of Sentry Select on December 18, 2006. Mr. Caughey is also the Corporate Secretary of Charter REIT. He practised corporate and securities law with Osler, Hoskin & Harcourt LLP from 2003 to 2006. He obtained a Bachelor of Laws degree in 2002 from Queen's University and a Honours Bachelor of Arts degree in 1998 from the University of Western Ontario.

USE OF PROCEEDS

The estimated maximum net proceeds to be received by the Company will be \$92,600,002, 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 to: (i) make controlling or minority investments in both public and private companies that: (a) present unique growth opportunities; (b) management believes are under-valued and/or under-performing due to poor management execution or inappropriate capital structure; or (c) are undergoing a significant transition, such as change in senior management or succession in ownership; and (ii) establish, invest in and manage new private equity funds and alternative asset investment vehicles that will generate management fees for the Company. In addition, a portion of the proceeds may also be used for working capital and general corporate purposes.

Specifically, the net proceeds raised will allow the Company to pursue the following opportunities:

- (a) *Pursue buy-out opportunities:* The Company continues to pursue buy-out opportunities, with partners if required. The proceeds of the Offering will allow the Company to pursue deals of greater size and will broaden the number and type of opportunities which the Company is able to pursue.
- (b) *Make additional controlling or minority investments in both private and public entities of interest:* The Company believes that there is significant additional opportunity in the small to middle-market space where it sees the opportunity for value creation and growth in investment. Additional capital from the Offering will allow the Company to broaden the number of opportunities it pursues in this space.
- (c) *Take a greater number of activist/catalyst driven positions in private and public entities:* The Company has been successful in establishing toeholds in entities which it believes are ripe for changes in ownership structure. The Company will use the proceeds of the Offering to make additional activist/catalyst investments.
- (d) *Continue to seed new alternative asset investment vehicles to be managed by it:* The Company is evaluating opportunities to create a number of new alternative asset investment vehicles. Recently, it commenced marketing its first private equity fund. The Company will use the proceeds of the Offering to create and seed such funds.
- (e) *Pursue investments in Private Investments in Public Entities (“PIPES”):* The Company is pursuing and evaluating a significant number of PIPES that fit its overall investment strategy. The proceeds of the Offering will allow the Company to take advantage of PIPES opportunities.
- (f) *Continue to invest in Charter REIT and new CPCs:* The Company may make follow-on equity investments in Charter REIT, Universal and Global. It may consider the creation of additional CPCs, where management deems such vehicles to be appropriate vehicles for financing an investment strategy.

The allocation of the net proceeds will depend on, among other things, investment opportunities available to C.A. Bancorp and C.A. Bancorp’s success in establishing private equity funds and alternative asset investment vehicles. No assurance is given that all of the foregoing opportunities will be pursued.

The Company does not intend to pursue investments in: (i) early stage technology and research companies; (ii) companies that are at an early stage of development (other than CPCs founded by the Company); (iii) pharmaceutical companies; or (iv) biotechnology companies. In addition, the Company will not engage in commodities trading, direct foreign exchange trading or derivatives trading. The Company will not invest more than 20% of its total assets in any one direct investment without the unanimous approval of the Company’s board of directors. All initial investments made by the Company using the net proceeds of the Offering that exceed the lesser of: (i) \$10,000,000; and (ii) 10% of the Company’s total assets must be approved by the Company’s board of directors.

CONSOLIDATED CAPITALIZATION

On April 30, 2007, the Common Shares were consolidated on a ten (10) to (1) basis (the “**Consolidation**”) such that on such date the number of issued and outstanding Common Shares was reduced from 141,741,703 to approximately 14,174,171. Other than the Consolidation, since December 31, 2006 and to the date of this Prospectus, there have been no material changes in the Company’s share or loan capital. Since December 31, 2006, 38,024 Common Shares have been issued upon the exercise of outstanding options and warrants. Upon completion of the Offering, there will be an aggregate of 44,477,202 Common Shares issued and outstanding.

DESCRIPTION OF OFFERED SECURITIES

The Offering consists of up to 30,303,031 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 pro-rata in such assets of the Company as are available for distribution.

RISK FACTORS

Investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference. In particular, they should give special consideration to the risk factors under the heading "Risk Factors" in the AIF, which is incorporated by reference and can be accessed at www.sedar.com, before deciding to purchase the Common Shares offered hereby.

In addition, an investment in Common Shares is subject to the following risk. The net proceeds to be raised hereby have not been allocated by the Company to specific investments and the Company's management has discretion to make investments and to allocate the net proceeds among investment opportunities (see "Use of Proceeds"). Other than the Company's current investments, sponsorships and management activities, as described in the AIF 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 alternative asset investment vehicles. The Company will be relying on Sentry Select to provide certain management and administrative services (see "Description of the Business — Management and Administrative Agreements" in the AIF).

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement dated as of June 22, 2007 among the Company and the Agents, the Agents have agreed to obtain, on a "best efforts" basis, subscriptions for up to 30,303,031 Common Shares at the Offering Price payable in cash to the Company against issuance and delivery of the Common Shares on June 29, 2007 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 15% of the number of Common Shares issued upon the closing of the Offering at the Offering Price. 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 \$0.2145 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 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 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 Blake, Cassels & Graydon 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 to cover their over-allotted position. 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.

Sentry Select intends to pay registered dealers a quarterly servicing fee equal to 4/15ths of the management fee paid to it pursuant to the amended and restated management agreement between the Company and Sentry Select. 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.

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 on or before August 23, 2007.

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 Blake, Cassels & Graydon 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 Blake, Cassels & Graydon 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 are Deloitte & Touche LLP, Chartered Accountants, 1400 - 181 Bay Street, Toronto, Ontario, M5J 2V1.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada through its principal office in Toronto, Ontario at 9th Floor, 100 University Ave, Toronto Ontario M5J 2Y1.

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 C.A. Bancorp Inc. (the "**Company**"), dated June 22, 2007, 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 shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and of cash flows for the years then ended. Our report is dated March 1, 2007.

Toronto, Ontario
June 22, 2007

DELOITTE & TOUCHE LLP
Chartered Accountants
Licensed Public Accountants

CERTIFICATE OF C.A. BANCORP INC. AND PROMOTER

Dated: June 22, 2007

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 F. DRISCOLL
Chief Executive Officer

(Signed) PAOLO DE LUCA
Chief Financial Officer

On behalf of the Board of Directors

(Signed) FRANK POTTER
Director

(Signed) RICHARD J. ZARZECZNY
Director

PROMOTER

(Signed) JOHN F. DRISCOLL

CERTIFICATE OF THE AGENTS

Dated: June 22, 2007

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.

CIBC WORLD MARKETS INC.

NATIONAL BANK FINANCIAL INC.

RBC DOMINION SECURITIES INC.

(Signed) SHANNAN M. LEVERE

(Signed) MICHAEL D. SHUH

(Signed) EDWARD V. JACKSON

BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

(Signed) DAVID R. THOMAS

(Signed) MARY ROBERTSON

(Signed) CAMERON GOODNOUGH

CANACCORD CAPITAL CORPORATION

HSBC SECURITIES (CANADA) INC.

RAYMOND JAMES LTD.

(Signed) BINA N. PATEL

(Signed) JAY LEWIS

(Signed) J. GRAHAM FELL

DUNDEE SECURITIES CORPORATION

RICHARDSON PARTNERS
FINANCIAL LTD.

WELLINGTON WEST CAPITAL INC.

(Signed) BRETT WHALEN

(Signed) DAVE FINNBOGASON

(Signed) BRENT BOTTOMLEY

BLACKMONT
CAPITAL INC.

DESJARDINS
SECURITIES INC.

GMP SECURITIES L.P.

HAYWOOD
SECURITIES INC.

RESEARCH CAPITAL
CORPORATION

(Signed) CHARLES V.
PENNOCK

(Signed) BETH SHAW

(Signed) NEIL SELFE

(Signed) BLAKE
CORBET

(Signed) DAVID J.
KEATING

| C | A | B A N C O R P