

URBANA CORPORATION
150 King St. W., Suite 1702,
Toronto, Ontario, Canada M5H 1J9
Telephone (416) 595-9106 Fax (416) 862-2498

June 1, 2015

To the Shareholders of Urbana Corporation:

You are invited to attend the special meeting of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) and non-voting class A shares (“**Non-Voting Class A Shares**”) and collectively with the Common Shares, the “**Shares**”) of Urbana Corporation (the “**Corporation**”) to be held at St. Andrew’s Club and Conference Centre, 150 King Street West, 27th Floor, Toronto, Ontario M5H 1J9 on July 13, 2015 at 11:00 a.m. Toronto time.

The special meeting is being convened for the purpose of considering an ordinary resolution (the “**Reclassification Resolution**”) of Shareholders authorizing the Corporation, in the sole discretion of its board of directors, from time to time, to seek to exercise control over issuers in which it invests, such that the Corporation will no longer be an investment fund for securities law purposes (the “**Proposed Reclassification**”).

For further information regarding the foregoing, see the attached Notice of Special Meeting of Shareholders.

Reason for Proposed Reclassification

On September 22, 2014, the Canadian Securities Administrators (“**CSA**”) adopted certain regulatory changes that impact issuers such as the Corporation which are classified as investment funds pursuant to Canadian securities laws. Effective on or about March 21, 2016, the CSA changes would, among other things, preclude the Corporation from (a) owning securities which represent more than 10% of the outstanding equity securities of an issuer or more than 10% of the votes attaching to the outstanding voting securities of an issuer, (b) purchasing a security for the purpose of exercising control over the issuer of the security, (c) purchasing or holding the securities of an investment fund except an investment fund that is governed by National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”), or (d) purchasing real property (the “**2016 CSA Amendments**”).

The board of directors of the Corporation (the “**Board**”) believes that the Corporation’s continued strong performance depends on the Corporation’s ability to pursue, where appropriate, investment objectives and strategies broader than those envisaged by the 2016 CSA Amendments. Unless the Reclassification Resolution is passed, the 2016 CSA Amendments would restrict the Corporation’s ability to pursue such investment strategies, which would, in the opinion of the Board, be disruptive to important aspects of the Corporation’s long-standing investment programme.

After considering the possible impacts of the 2016 CSA Amendments, the Board has unanimously determined it is in the best interests of the Corporation to proceed with the Proposed Reclassification.

The principal benefit of the Proposed Reclassification and subsequent shift to reporting as a non-investment fund reporting issuer is that it would afford the Corporation the ability to invest with greater flexibility

The Proposed Reclassification is an important change for the Corporation. Please take the time to vote your proxy or voting instruction form. To support the Proposed Reclassification, you should submit the enclosed voting instruction form or proxy prior to 11:00 a.m., Toronto time, on July 10, 2015 (or 48 hours prior to the special meeting if it is postponed or adjourned) voting in favour of the Reclassification Resolution. You should also contact your broker or other intermediary through which your shares of the Corporation are held as they may have earlier deadlines.

The accompanying Notice of Special Meeting to Shareholders and Management Information Circular provide a detailed description of the Proposed Reclassification. Please give this material careful consideration.

The Corporation appreciates your participation in the approval process. You will understand that the explanation of the various initiatives has resulted in a good deal of disclosure. For your benefit, we have included a Frequently Asked Questions section to highlight some of the key elements of the Proposed Reclassification, but please note that these are qualified entirely by the more detailed information appearing in the Information Circular.

THE INDEPENDENT DIRECTORS OF THE CORPORATION HAVE UNANIMOUSLY APPROVED THE PROPOSED RECLASSIFICATION AND UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE RECLASSIFICATION RESOLUTION AT THE SPECIAL MEETING FOR THE REASONS SET FORTH IN THE MANAGEMENT INFORMATION CIRCULAR.

If you have any questions regarding the enclosed material, please feel free to contact the Corporation at investorrelations@urbanacorp.com or through the Corporation's website at www.urbanacorp.com.

DATED at Toronto, Ontario as of June 1, 2015.



Thomas S. Caldwell
Director, President & Chief Executive Officer