URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarter ended March 31, 2017

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited condensed interim financial statements of Urbana Corporation ("Urbana" or the "Corporation") and notes thereto for the first quarter of 2017 (the "Q1 Financial Statements") and the audited financial statements of Urbana and notes thereto for the year ended December 31, 2016 (the "Annual Audited Financial Statements"). Consequently, the following discussion and analysis of the financial condition and results of operations should be read in conjunction with the Q1 Financial Statements and the Annual Audited Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts shown in this MD&A, unless otherwise specified, are presented in Canadian dollars. This MD&A is current as of May 4, 2017. The Corporation's Audit Committee reviewed this document, and prior to its release the Corporation's Board of Directors approved it, on the Audit Committee's recommendation.

You can obtain information relating to the Corporation, including the Corporation's annual information form and Annual Audited Financial Statements, at no cost, by calling Urbana collect at (416) 595-9106, by writing to us at: 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9 or by visiting our website at www.urbanacorp.com or the SEDAR website at www.sedar.com.

REPORTING REGIME

In 2005, the Corporation became an investment fund for the purposes of applicable securities laws.

On July 13, 2015, shareholders voted to authorize the Corporation, at 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 would no longer be an investment fund for securities law purposes (the "Reclassification"). As a result of the Reclassification, Urbana is subject to National Instrument 51-102 ("NI 51-102") *Continuous Disclosure Obligations*, instead of National Instrument 81-106 ("NI 81-106") *Investment Fund Continuous Disclosure* to which it was subject prior to the Reclassification. Under NI 51-102, Urbana is required to file annual and interim Management's Discussion and Analysis. For accounting purposes, Urbana continues to be treated as an investment entity under IFRS.

NON-GAAP MEASURES

The Corporation prepares and releases audited annual financial statements and unaudited condensed interim financial statements in accordance with IFRS, but complements IFRS results in this MD&A with "net assets per share", a financial measure which is not recognized under IFRS and that does not have a standard meaning prescribed by IFRS. The three financial measures used to calculate "net assets per share", namely assets, liabilities and number of shares outstanding, are individually recognized under IFRS, but "net assets per share" is not. The calculation of net assets per share as at March 31, 2017 and December 31, 2016 is presented in the following table:

	March 31, 2017	December 31, 2016
Assets ($)	259,741,151	260,141,738
LESS Liabilities ($)	23,779,534	23,464,936
EQUALS Net Assets ($)	235,961,617	236,676,802
DIVIDED BY Number of Shares Outstanding	50,762,800	52,863,200
EQUALS Net assets per share ($)	4.65	4.48

The Corporation provides this non-IFRS measure because it believes this measure can provide information that may assist shareholders to better understand the Corporation's performance and to facilitate a comparison of the results of ongoing operations. No measure that is calculated in accordance with IFRS is directly comparable to or provides investors with this net assets per share information. As a result, no quantitative reconciliation from "net assets per share" to an IFRS measure is provided in this MD&A.

Non-IFRS measures should not be construed as alternatives to net comprehensive income (loss) determined in accordance with IFRS as indicators of the Corporation's performance and readers are cautioned not to view non-IFRS measures as alternatives to financial measures calculated in accordance with IFRS.

BUSINESS STRATEGY AND RISK FACTORS

The long-term strategy of Urbana is to seek and acquire investments for income and capital appreciation through a combination of public and private investments. Urbana has the scope to invest in any sector in any region. There were no material changes to Urbana's investment style during the first financial quarter of 2017 ("2017 Q1") that affected the overall level of risk associated with investment in the Corporation. Some of the risk factors associated with investing in Urbana are described in Urbana's most recent annual information form which is available on the Corporation's website www.urbanacorp.com and on SEDAR www.sedar.com. Risks and uncertainties that may materially affect Urbana's future performance include individual corporate risk, macroeconomic risk, currency risk and product price risk.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

2017 Q1 was positive for Urbana. In that period, Urbana's net assets per share grew from $4.48 to $4.65 per share, after the payment of a dividend of ten cents ($0.10) per share[1] in January 2017, resulting in a 6.15% total return on net assets per share[2] in 2017 Q1. During the same period, the S&P/TSX Total Return Composite Index grew by 2.41% and the Dow Jones Industrial Average Index grew by 5.19%.

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[1] The common shares and the Class A shares participate equally in dividends.

[2] In calculating the total return on net assets per share, each dividend paid is assumed to have been reinvested at the time when the dividend was paid at a price equal to the net assets per share at that time.

The so called “Trump Trade” (the expectation of reduced U.S. regulation and tax reform) continued into the first quarter of 2017. Investor enthusiasm was tempered by the failure to enact U.S. healthcare reform legislation. Generally speaking, continued economic growth around the world allowed equity markets to begin to decouple from the effects of shifting political climates. As interest rates begin to edge up, there could be some challenges for share prices in the public equity markets in the next few quarters. Given some significant stock price improvements over the past several quarters, some degree of caution is warranted.

In the first three months of 2017, we decreased our holdings in some of our core positions to increase cash which could be deployed for investment opportunities. In this regard, we purchased shares of Deutsche Bank which, despite regulatory concerns, appeared significantly undervalued at approximately one third of the valuation of comparable North American-based banks. Further, we purchased positions in a few junior companies such as Osisko Mining Inc., Metanor Resources Inc. and Beaufield Resources Inc. Our small hedging position in the BetaPro S&P 500 VIX was intended to gain from any major market setback. Such a setback did not occur and the position was closed out with a small loss - refer to “Acquisitions and Dispositions of Portfolio Investments” below.

The stand-out in our private equity sector was the initial public offering for the Bombay Stock Exchange (“Bombay”), held through Mauritius-based holding companies Caldwell India Holdings Inc. and Urbana Mauritius Inc. - refer to “Summary of Investment Portfolio” below. The process leading to the Bombay initial public offering was long, challenging and required protracted negotiations with management, regulators and government. Urbana was extremely active in producing this satisfactory outcome. We tendered approximately 27% of our Bombay shares at a gross price of 806 Indian Rupees (“INR”) or $15.63 per share. The remainder of our shares must now be held until February 1, 2018. Urbana currently beneficially holds 1,153,069 shares of Bombay which now trade on the National Stock Exchange in India. Urbana now values its remaining Bombay holdings at the closing market price less a liquidity discount until the lock up period for our Bombay shares expires on February 1, 2018. The Bombay shares were valued at 917 INR or $18.86 per share on March 31, 2017.

Looking at the coming quarter, Urbana’s management anticipates a second liquidity event with Real Matters Inc. which we believe has the potential to be accretive to Urbana’s net assets per share.

It is the intention of management to maintain a high percentage of Urbana’s assets in U.S. securities as we believe President Trump’s intentions toward Canadian trade are not benign. Canada is an easy target for U.S. trade negotiations and such U.S. trade actions could negatively impact the value of the Canadian dollar vs. the U.S. dollar.

In 2017 Q1, dividend and interest income were $0.5M and $24,069 respectively (2016 Q1 - $0.5M and $17,671).

Urbana realized a net gain of $1.7M from the sales and dispositions of investments in Q1 2017 (2016 Q1 - $5.7M). The realized capital gains reflected the disposition of investments in Bank of America ($1.2M), Suncor Energy ($1.1M), Canadian Imperial Bank of Commerce ($1.0M), Teck Resources ($0.6M) and Intercontinental Exchange Group ($0.5M). These gains were offset by a capital loss realized on the partial redemption of equity shares of Caldwell India Holdings Inc. ($2.6M).

The key growth drivers behind $11.7M in unrealized gains in 2017 Q1 were the overall improvements in Urbana's portfolio of private equity investments. Caldwell India Holdings Inc. and Urbana Mauritius Inc. were Urbana's best performers in 2017 Q1 as a result of their holdings of the equity shares of Bombay. The trading price of Bombay equity shares increased significantly when they commenced trading on a stock exchange in February 2017. The Caldwell Growth Opportunities Trust also generated good results. Of the public investments, CBOE Holdings Inc. and Barrick Gold Corp. increased in value. Together these investments added approximately $12.3M in unrealized gains in 2017 Q1 which were partially offset by unrealized losses on other investments.

During 2017 Q1, Urbana recorded net income before income taxes of $12.3M (2016 Q1 - $9.7M loss) as a result of $11.7M in unrealized gains on investments. Investment management fees were $1.0M (2016 Q1 - $0.8M), foreign withholding tax recovery was $51,634 (2016 Q1 - $35,278 expense) and transaction costs were $0.1M (2016 - $0.2M). Investment management fees increased due to higher net assets under management in 2017 and transaction costs decreased in 2017 as a result of reduced trading activity. In 2017 Q1 Urbana recovered excess withholding taxes that had been paid in 2016.

Urbana also continued its buy-back of its non-voting Class A shares ("Class A shares") with the purchase and cancellation of 2,100,400 shares in 2017 Q1 at an average price of $3.07 per Class A share.

Financial Highlights

The following table shows selected key financial information about Urbana and is intended to help you understand Urbana's financial performance in 2017 Q1 and in the prior three financial years:

Supplemental Data[1]				
	2017 Q1	**2016**	**2015**	**2014**
Total net assets	$235,961,617	$236,676,802	$186,043,679	$187,135,092
Shares outstanding	50,762,800	52,863,200	53,388,500	57,548,300
Closing market price (common)	$3.15	$2.95	$2.05	$2.09
Closing market price (Class A)	$3.11	$2.99	$2.05	$1.97

(1) This information is provided as at the end of the stated financial period.

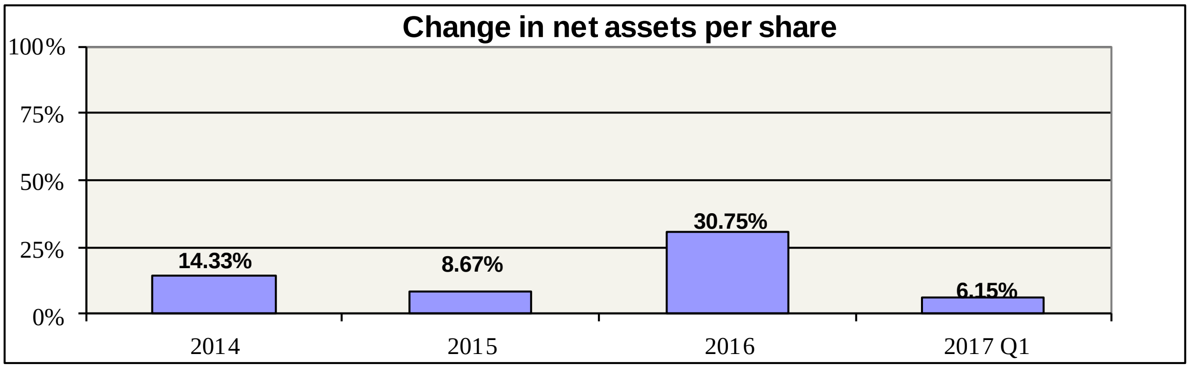
Past Performance

The performance information presented in this section shows how Urbana has performed in the past and does not necessarily indicate how it will perform in the future.

Year-by-Year Performance

The following bar chart shows the net asset performance of Urbana's common shares for the financial periods indicated. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period based on the net assets per share of Urbana.

Urbana's Class A shares, which have the same rights as the common shares upon liquidation, are treated as if they are common shares for the purposes of the net assets calculation.



Summary of Investment Portfolio as at March 31, 2017

The following data is extracted from Urbana's financial statements for the three month period ended March 31, 2017:

No. of Securities	Description	Cost ($)	Fair Value ($)	% of Portfolio Fair Value
	Private equity investments			
757,569	Caldwell India Holdings Inc.(i)	16,501,204	14,723,567	5.67%
395,500	Urbana Mauritius Inc. (ii)	7,312,848	7,964,624	3.07%
11,684,403	Canadian Securities Exchange (formerly CNSX)	5,829,521	10,515,963	4.05%
32	Minneapolis Grain Exchange (seats)	7,279,359	7,255,056	2.79%
800,000	Caldwell Financial Ltd.	1,826,650	2,648,000	1.02%
5,000,040	Radar Capital Fund 1 Limited Partnership (iii)	4,683,729	7,350,059	2.83%
300,000	Radar Capital Fund II Series F Limited Partnership	3,000,000	3,000,000	1.16%
6,271,422	Real Matters Inc.	12,179,624	32,924,966	12.68%
50	Radar Capital Inc.	50	50	0.00%
3,000,000	Highview Investments Limited Partnership	3,000,000	3,000,000	1.16%
3,000,000	Four Lakes Capital Fund Limited Partnership	3,000,000	3,402,600	1.31%
406,066	Caldwell Growth Opportunities Trust (iv)	3,400,000	5,566,475	2.14%
100	Urbana Special Investment Holdings Ltd. (v)	2,894,499	3,319,889	1.28%
340,884	Highview Financial Holdings Inc.	207,518	194,304	0.07%
24,683	Bermuda Stock Exchange	533,099	69,458	0.03%
	Public equity investments			
150,000	CBOE Holdings Inc.	4,959,550	16,217,851	6.25%
135,000	Intercontinental Exchange Group Inc.	5,607,692	10,779,159	4.15%
250,000	Citigroup Inc.	11,699,826	19,944,736	7.68%
900,000	Bank of America Corp.	12,554,710	28,314,723	10.91%
250,000	Suncor Energy	8,518,101	10,207,500	3.93%
350,000	Barrick Gold Corp.	6,174,997	8,844,961	3.41%
300,000	Teck Resources Ltd. Class B	2,141,693	8,724,000	3.36%
50,000	Canadian Imperial Bank of Commerce	4,516,190	5,733,500	2.21%
480,000	Morgan Stanley	13,312,369	27,424,112	10.56%
600,000	Deutsche Bank AG	12,641,361	13,731,260	5.29%
1,106,500	Beaufield Resources Inc.	186,310	232,365	0.09%
2,000,000	Metanor Resources Inc.	151,909	170,000	0.07%
513,800	Osisko Mining Inc.	2,495,338	2,491,930	0.96%

	Private debt investments			
1,500,000	Highview Financial Holdings Inc.(vi)	1,500,000	1,500,000	0.58%
100,000	Highview Financial Holdings Inc.(vii)	100,000	100,000	0.04%
1,300,000	Radar Capital Inc.(viii)	1,300,000	126,722	0.05%
	Cash	3,158,221	3,158,221	1.22%
	TOTAL	162,666,368	259,636,051	100.00%

(i) Urbana owns 64.57% of the outstanding investor shares of Caldwell India Holdings Inc. ("CIHI"), which holds 1,173,319 equity shares of the Bombay Stock Exchange. Urbana also owns 100 voting ordinary shares of CIHI representing 100% of the voting ordinary shares. The fair value of these voting ordinary shares is nominal.
(ii) Urbana Mauritius Inc., a wholly-owned subsidiary of Urbana, holds 395,500 equity shares of the Bombay Stock Exchange.
(iii) Radar Capital Fund 1 Limited Partnership owns 24% of the debt and equity of Highview Financial Holdings Inc. ("HFHI").
(iv) Caldwell Growth Opportunities Trust owns 30% of the equity shares of CIHI and 8% of the units of Radar Capital Fund 1 Limited Partnership.
(v) Urbana Special Investment Holdings Ltd., a wholly-owned subsidiary of Urbana, holds 51.44262 equity shares of OneChicago LLC.
(vi) Unsecured promissory note repayable on April 22, 2017 with a semi-annual interest payment of 83,853 common shares.
(vii) Unsecured promissory note repayable on April 22, 2017 with a semi-annual interest payment of 12,000 common shares.
(viii) Unsecured promissory note which is non-interest bearing and due on demand.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. In 2017 Q1, mining expenditures of $20,911 (2016 Q1 - $81,049) have been recorded as a loss in computing "Net realized gain on sale and disposal of investments" in the Q1 Financial Statements.

The above summary of the investment portfolio may change due to ongoing portfolio transactions. Weekly and quarterly updates are available at Urbana's website at www.urbanacorp.com.

Demand Loan Facility

On February 19, 2008, Urbana entered into a demand loan facility with a major Canadian chartered bank (the "Bank"). On March 2, 2015 the loan facility agreement was amended to allow Urbana to borrow up to $25M. Interest is charged on the outstanding balance of the loan facility at the Bank's prime rate plus 1.25%, calculated on a daily basis and paid monthly. The loan facility is secured by a general charge on Urbana's assets. Loan proceeds may be used to make additional investments and/or for general corporate purposes. As at March 31, 2017, the outstanding balance of the loan was $8M, representing 3.39% of the net assets of Urbana. The minimum and maximum amounts borrowed during 2017 Q1 were $Nil and $13M respectively. As at the date of this MD&A, the Corporation has complied with all covenants, conditions or other requirements of the outstanding debt.

Normal Course Issuer Bid

On August 29, 2016, the Toronto Stock Exchange (the "TSX") accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 4,244,598 of its own Class A shares (the "NCIB"), representing 10% of the public float, pursuant to TSX rules. Purchases under the NCIB were permitted starting on August 31, 2016, and will terminate on the earlier of August 30, 2017, the date Urbana completes its purchases pursuant to the notice of intention to conduct a normal course issuer bid filed with the TSX or the date of notice by Urbana of termination of the bid. The Class A shares purchased under the NCIB must be cancelled. As at March 31, 2017, Urbana had purchased 2,204,800 Class A shares pursuant to the NCIB at an average purchase price of $3.03 per share.

Acquisitions and Dispositions of Portfolio Investments

From January 1, 2017 to March 31, 2017, Urbana made the following significant acquisitions and dispositions of portfolio investments:

Acquisitions

Investments	No. of Securities	Cost Base ($)[1]
BetaPro S&P 500 VIX	50,000	506,250
Deutsche Bank AG	200,000	3,657,958
Beaufield Resources Inc.	1,106,500	186,310
Metanor Resources Inc.	2,000,000	151,909
Osisko Mining Inc.	513,800	2,495,338

Dispositions

Investments	No. of Securities	Cost Base ($)[1]	Proceeds ($)[1]
Caldwell India Holdings Inc.	835,425	9,098,523	6,492,927
Canadian Imperial Bank of Commerce	50,000	4,516,190	5,511,978
Suncor Energy	125,000	4,259,050	5,368,063
Bank of America	75,000	1,046,225	2,264,128
Industrial Alliance Insurance and Financial Services	28,500	1,586,025	1,521,667
Intercontinental Exchange Group Inc.	15,000	623,077	1,126,725
Teck Resources Ltd.	30,000	214,170	835,552
BetaPro S&P 500 VIX	50,000	506,250	446,606

[1]Cost base does not include transaction costs and proceeds are net of transaction costs.

Mining Claims

Urbana has owned mineral claims in Urban Township, Quebec for a number of years. Management monitors the exploration activity in the area on an ongoing basis and may carry out exploration work on its mineral claims if and when it is deemed suitable. Urbana holds 44 claims in the area totaling 1,154.4 hectares or 2,852.7 acres. Geophysical work has been completed on previously unexplored portions of our claim group. Urbana is in the process of drilling several identified geological anomalies. Cold weather is critical for drilling on the southern portion of our claim group as the ground must be frozen to support the drills. This year's winter program is expected to cost between $0.3M and $0.6M depending upon results.

Urbana has incurred mining expenditures totaling $0.7M, of which $20,911 has been recorded as a loss in computing "Net realized gain on sale and disposal of investments" in the Q1 Financial Statements, in accordance with IFRS 6. Management has elected to expense exploration and evaluation costs related to the mineral claims as the property holds no known proven reserves or resources. Although the property has several interesting gold occurrences, there has been no ore body tonnage proven up as yet. The property is therefore still highly speculative. If ore body type tonnage is proven up in the future, and the determination has been made to move into the development phase, then future expenditures on development will be capitalized and tested for impairment. The amount of money laid out on exploration has not been material for Urbana and is expected to continue to be immaterial for the near-term.

Dividend Policy and Dividend Declared

Currently the Corporation has a dividend policy that it intends to pay a cash dividend of five cents ($0.05) per share to the shareholders as soon as practical after the end of each year. The amount of the dividend to be paid is determined each year by the Board, taking into consideration all factors that the Board deems relevant, including the performance of the Corporation's investments, the economic and market conditions, and the financial situation of the Corporation.

On January 4, 2017, Urbana's board of directors declared a regular cash dividend of five cents ($0.05) per share, plus a special cash dividend of five cents ($0.05) per share, for a total of ten cents ($0.10) per share, on the issued and outstanding common and Class A shares of Urbana, payable on January 31, 2017 to the shareholders of record at the close of business on January 17, 2017. Pursuant to subsection 89(14) of the *Income Tax Act* of Canada (ITA) each dividend paid by Urbana qualifies as and is designated an eligible dividend for Canadian income tax purposes, as defined in subsection 89(1) of the ITA.

Outstanding Share Data

As at May 4, 2017, the Corporation has 10,000,000 common shares and 40,426,600 Class A shares outstanding.

RELATED PARTY TRANSACTIONS

Caldwell Financial Ltd., a company under common management with Urbana, is the parent company of Caldwell Investment Management Ltd. ("CIM"), the investment manager of Urbana. Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana – refer to "Management Fees" below.

Urbana has a 50% ownership interest in Radar Capital Inc. ("RCI"), a private capital company. As at March 31, 2017, Urbana owned 5,000,040 units of Radar Capital Fund I Limited Partnership and 300,000 units of Radar Capital Fund II Series F Limited Partnership, both of which are managed by RCI.

As at March 31, 2017, Urbana owned 406,066 units of Caldwell Growth Opportunities Trust, which is a private equity pool managed by CIM – refer to "Summary of Investment Portfolio" above.

Caldwell Securities Ltd., a sister company of CIM and a registered broker and investment dealer, handles Urbana's portfolio transactions. The total amount of commission fees paid to Caldwell Securities Ltd. by Urbana in 2017 Q1, 2016 Q1 and during the years ended December 31, 2016, December 31, 2015 and December 31, 2014 were $0.1M, $0.2M, $0.5M, $0.5M and $0.1M respectively.

In 2017 Q1, Urbana paid Caldwell Securities Ltd. $30,000 per month (plus applicable sales taxes) for administrative services, including investor relations services, office and conference room access for Urbana's directors and officers, and accounting services including the services of an individual to perform the function of Urbana's chief financial officer.
As at March 31, 2017, there were no fees payable to related parties, other than a management fee of $1.0M payable to CIM (2016 Q1 - $0.8M).

MANAGEMENT FEES

Investment management fees are charged for portfolio management services in accordance with a fund management and portfolio management agreement effective as of August 1, 2011 between Urbana and CIM. Pursuant to such agreement, CIM is entitled to an investment management fee equal to 1.5% per annum of the market value of Urbana's investment portfolio. In 2017 Q1, CIM earned $1.0M of investment management fees from Urbana (2016 Q1 - $0.8M). The investment management fees are accrued daily and paid quarterly in arrears. As at March 31, 2017 there was an investment management fee of $1.0M payable to CIM.

SUMMARY OF QUARTERLY RESULTS

The table below shows the key operating results of the Corporation for the seven completed quarters since the Corporation's Reclassification.

	1st Quarter 2017 ($)	4th Quarter 2016 ($)	3nd Quarter 2016 ($)
Realized gain (loss)	1,722,787	4,905,156	(2,615,790)
Change in unrealized gain	11,718,625	35,829,988	14,874,812
Dividend income	510,227	665,481	638,646
Interest income	24,069	35,411	17,534
Total expenses	1,650,692	1,917,374	1,404,185
Net income before income taxes	12,325,016	39,518,662	11,511,017
Net assets per share (beginning of period)	4.48	3.82	3.62
Net assets per share (end of period)	4.65	4.48	3.82

	2nd Quarter 2016 ($)	1st Quarter 2016 ($)	4th Quarter 2015 ($)	3rd Quarter 2015 ($)
Realized gain (loss)	1,407,292	5,739,608	(3,182,833)	(4,897,552)
Change in unrealized gain (loss)	19,282,334	(14,324,894)	10,555,542	(471,858)
Dividend income	570,277	517,415	594,253	619,344
Interest income (reversal of interest income)	17,590	17,671	33,028	(15,446)
Total expenses	1,626,296	1,634,896	1,257,740	1,177,240
Net income (loss) before income taxes	19,651,197	(9,685,096)	6,742,250	(5,942,752)
Net assets per share (beginning of period)	3.29	3.48	3.35	3.41
Net assets per share (end of period)	3.62	3.29	3.48	3.35

LIQUIDITY AND CAPITAL RESOURCES

The Corporation has no significant financial or contractual obligations other than a demand loan facility with a major Canadian bank – refer to "Demand Loan Facility" above. The Corporation currently holds approximately 59% of its assets, with a fair value of approximately $156M, in marketable securities. It has the liquidity to readily meet all of its operating expense requirements and its obligations under the loan facility.

In 2017 Q1, the Corporation did not conduct any additional financing activities. As at the date of this MD&A, the Corporation does not have any capital expenditure commitment which the Corporation plans to fund from sources other than the existing loan facility or by liquidating some of its marketable securities.

Currently, holdings of readily marketable securities generate dividend or interest income and can be disposed of with relative ease. Should in future the composition of its portfolio be weighted significantly more toward private investments which do not produce income and cannot be readily sold, the Corporation may need to rely on its loan facility or issue securities to help meet its liquidity needs. There is no immediate need to rely on these liquidity sources.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

CHANGES IN ACCOUNTING POLICIES

In July 2014, the final version of the International Financial Reporting Standard 9 Financial Instruments ("IFRS 9") was issued, which replaces International Accounting Standard 39 – Financial Instrument: Recognition and Measurement. IFRS 9 includes guidance on the classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. Financial asset classification is based on the cash flow characteristics and the business model in which an asset is held. The classification determines how a financial instrument is accounted for and measured. IFRS 9 also introduces an impairment model for financial instruments not measured at fair value through profit or loss that requires recognition of expected losses at initial recognition of a financial instrument and the recognition of full lifetime expected losses if certain criteria are met. A new model for hedge accounting aligns hedge accounting with risk management activities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact the adoption of this standard will have on the financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Corporation's financial statements in accordance with IFRS requires management to make estimates and exercise judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. The following discusses the most significant accounting judgments that Urbana has made in preparing the financial statements:

Fair value measurement of private investments

Urbana holds private investments that are not quoted in active markets and for which there may or may not be recent comparable transactions. In determining the fair value of these investments, Urbana has made significant accounting judgments and estimates. See Notes 1 and 2 of the Q1 Financial Statements for more information on the fair value measurement techniques and types of unobservable inputs employed by the Corporation in its valuation of private investments.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P") AND INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Urbana's management ("Management"), under the supervision of its chief executive officer ("CEO") and chief financial officer ("CFO"), is responsible for establishing and maintaining the Corporation's DC&P and ICFR (as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*).

Consistent with NI 52-109, the Corporation's CEO and CFO have reviewed the design of the Corporation’s DC&P and ICFR and have concluded that as at March 31, 2017 (A) the Corporation’s DC&P provides reasonable assurance that (i) material information relating to the Corporation has been made known to them, particularly during the financial quarter ended March 31, 2017 and (ii) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation has been recorded, processed, summarized and reported within the time periods specified in securities legislation; and (B) the Corporation’s ICFR provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Corporation’s ICFR that occurred during the period beginning January 1, 2017 and ending on March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Corporation’s ICFR.

All control systems contain inherent limitations, no matter how well designed. As a result, Management acknowledges that the Corporation’s ICFR will not prevent or detect all misstatements due to error or fraud. In addition, Management’s evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

FORWARD-LOOKING STATEMENTS

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to possible events, conditions or results of operations of the Corporation, which are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “target”, “intend”, “could”, “might”, “should”, “believe”, and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to: the Corporation’s investment approach, objectives and strategy, including its focus on specific sectors; the structuring of its investments and its plans to manage its investments; the Corporation’s financial performance; and its expectations regarding the performance of certain sectors.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in forward-looking information contained in this MD&A include, but are not limited to: the nature of the Corporation’s investments; the available opportunities and competition for its investments; the concentration of its investments in certain industries and sectors; the Corporation’s dependence on its management team; risks affecting the Corporation’s investments; global political and economic conditions; investments by the Company in private issuers which have illiquid securities; management of the growth of the Corporation; exchange rate fluctuations; and other risks and factors referenced in this MD&A including under “Business Strategy and Risk Factors”.

Although the Corporation has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. The forward-looking information contained in this MD&A is provided as at the date of this MD&A, based upon the opinions and estimates of management and information available to management as at the date of this MD&A, and the Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

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