URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six months ended June 30, 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 six months ended June 30, 2017 (the "Interim 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 Interim 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 August 2, 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 the following financial measures which are not recognized under IFRS and which do not have a standard meaning prescribed by IFRS: "net assets per share", "total return of

net assets per share" and "compound annual growth rate ("CAGR") of net assets per share since inception.

Net assets per share

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 June 30, 2017 and December 31, 2016 is presented in the following table:

	June 30, 2017	December 31, 2016
Assets ($)	249,586,057	260,141,738
LESS Liabilities ($)	13,928,800	23,464,936
EQUALS Net Assets ($)	235,657,257	236,676,802
DIVIDED BY Number of Shares Outstanding	50,091,900	52,863,200
EQUALS Net assets per share ($)	4.70	4.48

Total return of net assets per share

The total return of net assets per share over a given period refers to the increase or decrease of Urbana's net assets per share over a specified time period, expressed as a percentage of Urbana's net assets per share at the beginning of the time period**,** assuming that each dividend paid during the period was reinvested at a price equal to the net assets per share at the relevant time.

Compound annual growth rate of net assets per share since inception

Compound annual growth rate ("CAGR") of net assets per share since inception is the compound annual growth rate of Urbana's net assets per share from October 1, 2002, when Caldwell Investment Management Ltd., the investment manager of Urbana, started managing Urbana's investment portfolio, to the end of the period in question.

We calculate CAGR of net assets per share since inception by dividing Urbana's net assets per share at the end of the period in question by its net assets per share at inception (i.e. October 1, 2002), raising the result to the power of the quotient obtained by having one divided by the number of years representing the period length, and subtracting one from the subsequent result.

The Corporation provides the three non-IFRS measures indicated above because it believes each 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. CAGR of net assets per share since inception describes the historical rate at which Urbana's net assets per share would have increased at a steady rate. This single historical rate is only an illustration and does not represent the actual annual growth rate of Urbana's net assets per share in any given year. The growth rate of Urbana's net assets per share in any given year since 2002 may have been higher or lower than the CAGR of net assets per share due to market volatility and other factors.

BUSINESS STRATEGY AND RISK FACTORS

The strategy of Urbana is to seek out, and invest in, private investment opportunities for capital appreciation and to invest in publicly traded securities to provide growth, income and liquidity. Urbana has the scope to invest in any sector in any region. There were no material changes to Urbana's investment style during the second financial quarter of 2017 ("2017 Q2") 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 at www.urbanacorp.com and on SEDAR at 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

The first half of 2017 was positive for Urbana. In that period, Urbana's net assets per share grew from $4.48 to $4.70 per share, after the payment of a dividend of ten cents ($0.10) per share[1] in January 2017, resulting in a 7.3% total return of net assets per share for the first half of 2017. During the same period, the S&P/TSX Total Return Composite Index ("S&P/TSX Index") grew by 0.7% and the Dow Jones Industrial Average Index ("DJIA Index") grew by 9.3%. In 2017 Q2, Urbana's net assets per share grew from $4.65 to $4.70, representing 1.1% total return of net assets per share for the second quarter. During the same period, the S&P/TSX Index declined by 1.6% and the DJIA Index grew by 4.0%. The differential performance between the S&P/TSX Index and the DJIA Index is partly due to a strong move in the U.S. financial and technology sectors.

From October 1, 2002, the date when Caldwell Investment Management Ltd., the investment manager of Urbana, started managing Urbana's investment portfolio, to June 30, 2017, the CAGR of Urbana's net assets per share was 16.2%. During the same period, the CAGR of the S&P/TSX Index was 9.1% and the CAGR of the DJIA Index was 10.0%.[2]

The so called "Trump Trade" (the expectation of reduced U.S. regulation and tax reform) continued through the first quarter of 2017. Investor enthusiasm was tempered in 2017 Q2 by the failure to enact U.S. healthcare reform legislation and the continuing investigations into U.S. election interference reports. Generally speaking, continued economic growth around the world allowed public equity markets to begin to decouple from the effects of shifting political policies in Washington. Interest rate increases are anticipated through the balance of this year in Canada and the U.S. This could present some challenges to both the Canadian and U.S. markets. Given significant price increases in publicly traded stocks over the past several quarters, some degree of caution was warranted so we reduced some of our Canadian equity positions and our borrowings.

[1] The common shares and the Class A shares participate equally in dividends.
[2] The CAGR of the indexes are calculated in the same way as the CAGR of net assets per share since inception.

In the private equity sector, two of our positions successfully completed initial public offerings ("IPOs"). The Bombay Stock Exchange ("Bombay") offering was the culmination of a long and challenging effort by Urbana. We tendered and sold a portion of our Bombay shares into the Bombay IPO in February, 2017. Our remaining Bombay shares are subject to a hold period and will become freely tradeable on February 1, 2018. The IPO of Real Matters Inc. took place in May, 2017. The Real Matters Inc. shares held by us are subject to a hold period and will become freely tradeable on November 7, 2017. Urbana is now valuing its Bombay and Real Matters Inc. holdings at the closing market price less a liquidity discount until the shares become freely tradeable.

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. Urbana remains negatively disposed toward the Canadian dollar, given depressed oil prices, relatively slow world economic conditions and anti-world-trade concerns.

In the second quarter the Canadian dollar has, in fact, strengthened thus muting our performance in 2017 Q2. Toward the end of 2017 Q2, the Bank of Canada's increase in the Canadian bank rate, which was announced on July 12, 2017, helped boost the Canadian dollar. In general, economic numbers on both sides of the border continue to hold in positive territory. It is distinctively possible the U.S. Federal Reserve Board may continue to increase interest rates.

In 2017 Q2, dividend and interest income were \$0.7M and \$35,095 respectively (2016 Q2 - \$0.6M and \$17,590).

Urbana realized a net gain of \$2.2M from the sales and dispositions of investments in 2017 Q2 (2016 Q2 - \$1.4M). The realized capital gains reflect the disposition of investments in Suncor Energy (\$1.1M) and Canadian Imperial Bank of Commerce (\$0.8M). Radar Capital Fund 1 Limited Partnership paid out a distribution of \$0.9M in 2017 Q2 of which \$0.6M was treated as a gain. These gains were partially offset by mining expenditures that were recorded against realized gains.

Urbana recorded \$0.6M in unrealized gains in 2017 Q2. Caldwell India Holdings, CBOE Holdings and Citigroup were Urbana's best performers in 2017 Q2. The unrealized gains recorded on these investments were partially offset by unrealized losses on our resource stocks, namely Barrick Gold, Suncor Energy and Teck Resources.

During 2017 Q2, Urbana recorded net income before income taxes of \$1.9M (2016 Q2 - \$19.7M) primarily as a result of \$2.2M in realized gains on investment dispositions. Investment management fees were \$1.1M (2016 Q2 - \$0.8M), transaction costs were \$50,482 (2016 Q2 - \$0.1M) and professional fees were \$0.2M (2016 Q2 – \$0.3M). Investment management fees increased due to higher net assets under management in 2017. Transaction costs decreased in 2017 as a result of reduced trading activity. Professional fees decreased in 2017 because 2016 Q2 included fees related to advice received in respect of IFRS standards and no such advice was required in 2017.

In 2017 Q2, Urbana continued its winter exploration program on its mineral claims in Urban Township, Quebec, with diamond drilling on previously unexplored zones. Drill results can be found on Urbana's website. As we must cease major ground operations with warming weather we continued with an airborne survey of our claim group. Results are being analyzed and will be compiled in a geological report.

Urbana continued buying-back its non-voting Class A shares ("Class A shares") with the purchase and cancellation of 670,900 Class A shares in 2017 Q2 at an average price of $3.38 per Class A share. A total of 2,771,300 Class A shares were purchased in the first six months of 2017 at an average price of $3.14 per Class A share.

Subsequent to June 30, 2017, Urbana purchased an additional 91,900 Class A shares at $3.29 per Class A share. That brings the total amount bought to date under the existing NCIB (as defined below) to 2,967,600 shares. The total number of Class A shares purchased and cancelled under all NCIB programs (commencing in May 2010) is 37,526,320 Class A shares. The number of Class A shares now outstanding is 40,000,000.

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 Q2 compared to 2016 Q2 and to the prior three financial years:

	Supplemental Data[1]				
	2017 Q2	**2016 Q2**	**2016**	**2015**	**2014**
Total net assets	$235,657,257	$191,730,757	$236,676,802	$186,043,679	$187,135,092
Shares outstanding	50,091,900	53,000,000	52,863,200	53,388,500	57,548,300
Closing market price (common)	$3.55	$2.20	$2.95	$2.05	$2.09
Closing market price (Class A)	$3.39	$2.14	$2.99	$2.05	$1.97

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

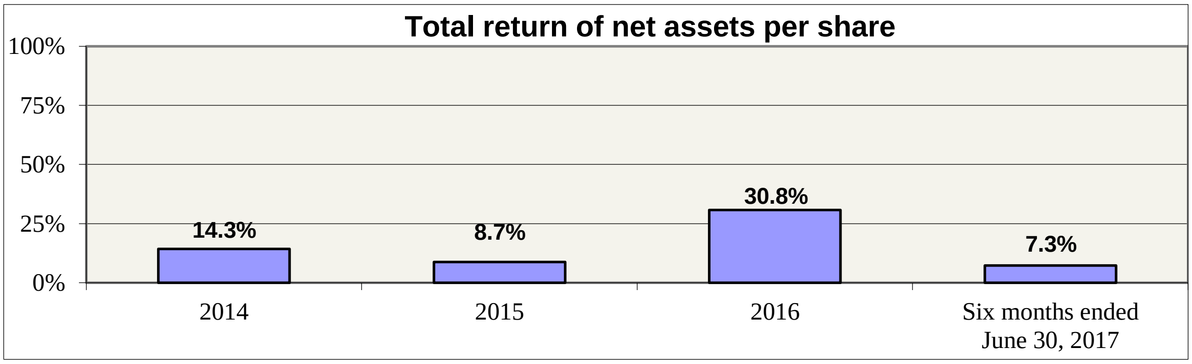
Past Performance

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 assets per share 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 takeover coattail protection and have the same rights as the common shares as to dividends and upon liquidation, are treated as if they are common shares for the purposes of the net assets per share calculation.



Summary of Investment Portfolio as at June 30, 2017

The following data is extracted from Urbana's financial statements for the six-month period ended June 30, 2017:

Number of securities	Description	Cost ($)	Fair value ($)	% of Portfolio Fair Value
	Private equity investments			
757,569	Caldwell India Holdings Inc.(i)	16,501,204	16,522,858	6.62%
395,500	Urbana Mauritius Inc. (ii)	7,312,848	8,618,810	3.45%
11,684,403	Canadian Securities Exchange	5,829,521	10,515,963	4.21%
32	Minneapolis Grain Exchange (seats)	7,279,359	6,898,694	2.76%
800,000	Caldwell Financial Ltd.	1,826,650	2,800,000	1.12%
5,000,040	Radar Capital Fund 1 Limited Partnership (iii)	4,358,561	6,500,052	2.60%
300,000	Radar Capital Fund II Series F Limited Partnership	3,000,000	3,000,000	1.20%
3,135,711	Real Matters Inc. (iv)	12,179,624	32,816,470	13.15%
50	Radar Capital Inc.	50	50	0.00%
5,406,753	Highview Investments Limited Partnership	5,406,753	5,406,753	2.17%
3,000,000	Four Lakes Capital Fund Limited Partnership	3,000,000	3,243,300	1.30%
406,066	Caldwell Growth Opportunities Trust (v)	3,400,000	5,838,621	2.34%
100	Urbana Special Investment Holdings Ltd. (vi)	2,894,499	3,322,093	1.33%
24,683	Bermuda Stock Exchange	533,099	68,920	0.03%
	Public equity investments			
150,000	CBOE Holdings Inc.	4,959,550	17,805,177	7.13%
135,000	Intercontinental Exchange Group Inc.	5,607,692	11,557,391	4.63%
250,000	Citigroup Inc.	11,699,826	21,714,264	8.70%
900,000	Bank of America Corp.	12,554,710	28,355,816	11.36%
100,000	Suncor Energy	3,407,240	3,789,000	1.52%
350,000	Barrick Gold Corp.	6,174,997	7,222,439	2.89%
350,000	Teck Resources Ltd. Class B	3,263,961	7,868,000	3.15%
480,000	Morgan Stanley	13,312,369	27,777,635	11.13%
600,000	Deutsche Bank AG	12,275,551	13,862,324	5.55%
1,598,500	Beaufield Resources Inc.	304,908	343,677	0.14%
425,000	Metanor Resources Inc.	352,270	378,250	0.15%
168,100	Osisko Mining Inc.	817,015	689,210	0.28%

	Private debt investments			
500,000	2568004 Ontario Inc. (vii)	500,000	500,000	0.20%
500,000	2568004 Ontario Inc. (viii)	500,000	500,000	0.20%
1,300,000	Radar Capital Inc.(ix)	1,300,000	230,000	0.09%
	Cash	1,418,144	1,418,144	0.57%
		151,970,401	249,563,911	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 I Limited Partnership owns 24% of the debt and equity of Highview Financial Holdings Inc.
(iv)Shares consolidated on a 1 for 2 basis from 6,271,422 to 3,135,711 immediately preceding initial public offering in May 2017.
(v)Caldwell Growth Opportunities Trust owns 30% of the equity shares of CIHI and 8% of the units of Radar Capital Fund I Limited Partnership.
(vi) Urbana Special Investment Holdings Ltd., a wholly-owned subsidiary of Urbana, holds 51.44262 equity shares of OneChicago LLC.
(vii) Urbana holds an unsecured promissory note maturing on August 1, 2023 with interest at 12% per annum payable quarterly.
(viii) Urbana holds an unsecured promissory note maturing on August 1, 2023 with interest compounding annually at 12% per annum payable on the maturity date.
(ix)Urbana holds an 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. Mining expenditures of $394,767 (2016 - $265,470) have been recorded as a loss in computing “Net realized gain on sale and disposal of investments” in the Q2 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 June 30, 2017, the outstanding balance of the loan was $Nil. The minimum and maximum amounts borrowed during 2017 Q2 were $Nil and $11.4M 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 June 30, 2017, Urbana had purchased 2,875,700 Class A shares pursuant to the NCIB at an average purchase price of $3.11 per share.

Acquisitions and Dispositions of Portfolio Investments

From January 1, 2017 to June 30, 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	3,292,149
Beaufield Resources Inc.	1,598,500	304,908
Metanor Resources Inc.	3,575,000	352,270
Osisko Mining Inc.	615,700	2,992,483
Teck Resources Ltd.	50,000	1,122,268
Highview Financial Holdings Inc. - shares	131,042	74,695
Highview Investments Limited Partnership	2,406,753	2,406,753
2568004 Ontario Inc.	1,000,000	1,000,000

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	100,000	9,032,380	10,783,219
Suncor Energy	275,000	9,369,911	11,596,424
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
Osisko Mining Inc.	447,600	2,175,468	2,235,784
Highview Financial Holdings Inc. – promissory notes	1,600,000	1,600,000	1,600,000
Highview Financial Holdings Inc. – shares	471,926	282,213	306,753

[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 conducted on previously unexplored portions of our claim group. Urbana has completed a winter drill program targeting several identified geological anomalies. This year’s exploration program is expected to cost between $0.3M and $0.6M depending upon results. A follow up geophysical program has recently been completed and management is awaiting its results. A comprehensive report summarizing both the exploration work completed in the recent past and results to date is underway and will assist in determining next steps.

Urbana has incurred mining expenditures totaling $1.05M, of which $0.4M has been recorded as a loss in computing “Net realized gain on sale and disposal of investments” in the Q2 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 August 2, 2017, the Corporation has 10,000,000 common shares and 40,000,000 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 June 30, 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**.**

RCI also manages Highview Investments Limited Partnership ("HILP"). Urbana exchanged the common shares and promissory notes of Highview Financial Holdings Inc. ("HFHI") it held for additional units of HILP during the second quarter of 2017. As at June 30, 2017, Urbana owned 5,406,573 units of HILP. Subsequent to quarter end, Urbana's units of HILP were converted into common shares of HFHI as part of a capital restructuring.

As at June 30, 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 the six-month periods ended June 30, 2017 and June 30, 2016, and during the years ended December 31, 2016, December 31, 2015 and December 31, 2014 were $0.2M, $0.4M, $0.5M, $0.5M and $0.1M respectively.

In the six-month period ended June 30, 2017, 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 June 30, 2017, there were no fees payable to related parties, other than a management fee of $1.1M payable to CIM (2016 Q2 - $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 the six-month period ended June 30, 2017, CIM earned $2.1M of investment management fees from Urbana (2016 – 1.6M). The investment management fees are accrued and paid quarterly in arrears. As at June 30, 2017 there was an investment management fee payable of $1.1M to CIM.

SUMMARY OF QUARTERLY RESULTS

The tables below show the key operating results of the Corporation for each of the eight most recently completed quarters:

	2nd Quarter 2017 ($)	**1st Quarter 2017 ($)**	**4th Quarter 2016 ($)**	**3nd Quarter 2016 ($)**
Realized gain (loss)	2,211,234	1,722,787	4,905,156	(2,615,790)
Change in unrealized gain	623,450	11,718,625	35,829,988	14,874,812
Dividend income	703,053	510,227	665,481	638,646
Interest income	35,095	24,069	35,411	17,534
Total expenses	1,696,799	1,650,692	1,917,374	1,404,185
Net income before income taxes	1,876,033	12,325,016	39,518,662	11,511,017
Net assets per share (beginning of period)	4.65	4.48	3.82	3.62
Net assets per share (end of period)	4.70	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 57% of its assets, with a fair value of approximately $146M, in marketable securities. It has the liquidity to readily meet all of its operating expense requirements and its obligations under the loan facility.

In the first six months of 2017, 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 Interim 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 June 30, 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 June 30, 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 April 1, 2017 and ending on June 30, 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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