URBANA CORPORATION

2006 and 2005 Financial Statements

PKF Hill

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Contents

PKF Hill
CHARTERED ACCOUNTANTS

PKF Hill LLP
41 Valleybrook Drive, Suite 200
Toronto, Ontario, Canada M3B 2S6

Phone: 416-449-9171
Fax: 416-449-7401
www.pkfhill.com

Auditors' Report

To the Shareholders of
Urbana Corporation

We have audited the statements of net assets and investment portfolio of **Urbana Corporation** (the "Company") as at December 31, 2006 and December 31, 2005, and the statements of operations, changes in net assets, unrealized gains/losses on investments and retained earnings (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and December 31, 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PKF Hill LLP

February 20, 2007

URBANA CORPORATION
Statements of Net Assets as at December 31

	2006	2005
ASSETS		
Marketable securities (note 1)	$ 31,687,653	$ 13,463,668
Resource properties (note 1)	1	1
Cash	2,931	71,387
Sundry receivables	20,911	4,790
Prepaid expenses	266,858	-
Office equipment (note 2)	2,397	2,996
	$ 31,980,751	$ 13,542,842
LIABILITIES		
Loan payable (note 3)	$ 1,138,268	$ 1,118,268
Accounts payable and accrued liabilities	427,356	49,701
Future income taxes (note 6(b))	3,498,000	1,040,000
	5,063,624	2,207,969
NET ASSETS	26,917,127	11,334,873
SHAREHOLDERS' EQUITY		
Share capital (note 4)	7,998,893	6,098,893
Unrealized gains on investments (statement)	19,083,957	5,011,832
Retained earnings (deficit) (statement)	(165,723)	224,148
	26,917,127	11,334,873
Total liabilities and shareholders' equity	$ 31,980,751	$ 13,542,842
Number of common shares outstanding (note 4)	10,000,000	9,000,000
Net asset value per common share - basic and fully diluted	$ 2.69	$ 1.26

See accompanying notes

On behalf of the Board:

Director

Director

URBANA CORPORATION
Statements of Operations
Years Ended December 31

	2006	2005
Gains/losses		
Gain (loss) on sale of marketable securities	$ 196,932	$ (165,516)
Investment income		
Dividends	244,147	575
Consulting and other income (note 5)	91,997	87,540
NYSE seat rental income	41,971	283,774
	378,115	371,889
Expenses		
Investment management and performance fees (note 5)	342,298	6,274
Salaries and benefits	70,932	73,744
Administrative (note 5)	143,553	145,564
Audit fees	37,203	20,000
Legal fees	261,259	100,839
Director fees	13,450	6,000
License fees	21,031	26,867
Bank charges and interest (note 5)	71,593	57,701
Insurance	3,000	-
Amortization	599	682
	964,918	437,671
Net loss before unrealized gains/losses on investments and income taxes	(389,871)	(231,298)
Unrealized gains/losses on investments		
Unrealized gain - marketable securities (note 1)	16,566,747	7,036,158
Write-down of resource properties	-	(1,094,037)
	16,566,747	5,942,121
Net income before income taxes	16,176,876	5,710,823
Provision for income taxes (note 6(a))		
Current	36,622	-
Future	2,458,000	794,000
	2,494,622	794,000
Total results of operations for the years	$ 13,682,254	$ 4,916,823
Basic and fully diluted earnings per share	1.47	0.55
Weighted average number of common shares outstanding	9,333,333	9,000,000

See accompanying notes

URBANA CORPORATION

Statements of Changes in Net Assets, Unrealized Gains/Losses on Investments and Retained Earnings (Deficit)
Years Ended December 31

	2006	2005
Net assets		
Net assets, beginning of years	$ 11,334,873	$ 6,418,050
Operating activities		
Total results of operations for the years	13,682,254	4,916,823
Capital transactions		
Issuance of common shares (net of expenses) (note 4)	1,900,000	-
Total capital transactions	1,900,000	-
Net assets, end of years	$ 26,917,127	$ 11,334,873
Unrealized gains/losses on investments		
Unrealized gains/losses on investments, beginning of years	$ 5,011,832	$ (136,289)
Change during the years	16,566,747	5,942,121
Provision for income taxes	(2,494,622)	(794,000)
Unrealized gains/losses on investments, end of years	$ 19,083,957	$ 5,011,832
Retained earnings (deficit)		
Retained earnings, beginning of years	$ 224,148	$ 455,446
Net loss before unrealized gains on investments and income taxes	(389,871)	(231,298)
Retained earnings (deficit), end of years	$ (165,723)	$ 224,148

See accompanying notes

URBANA CORPORATION
Statements of Cash Flows
Years Ended December 31

	2006	2005
Operating activities		
Total results of operations for the years	$ 13,682,254	$ 4,916,823
Add (deduct) items not involving cash		
Amortization	599	682
Loss (gain) on sale of marketable securities	(196,932)	165,516
Unrealized gain - marketable securities	(16,566,747)	(7,036,158)
Write-down of resource properties	-	1,094,037
Future income taxes	2,458,000	794,000
	(622,826)	(65,100)
Net change in non-cash working capital items		
Sundry receivables	(16,121)	(4,419)
Prepaid expenses	(266,858)	-
Accounts payable and accrued liabilities	377,655	13,534
	94,676	9,115
Cash flows from operating activities	(528,150)	(55,985)
Financing activities		
Issuance of loan payable	20,000	-
Issuance of common shares (net of expenses)	1,900,000	-
Cash flows from financing activities	1,920,000	-
Investing activities		
Purchases of marketable securities	(2,180,306)	(983,834)
Proceeds on sale of marketable securities	720,000	1,013,646
Additions to resource properties	-	(5,281)
Cash flows from investing activities	(1,460,306)	24,531
Net decrease in cash during the years	(68,456)	(31,454)
Cash, beginning of years	71,387	102,841
Cash, end of years	$ 2,931	$ 71,387

See accompanying notes

URBANA CORPORATION
Statements of Investment Portfolio
Years Ended December 31, 2006 and December 31, 2005

Number	Description	2006 Cost	2006 Market Value
	Resource properties		
72	Resource claims - Urban Township	$ 1,094,038	$ 1
	Chicago Board of Exchange Membership ("CBOE")		
1	Seat on the CBOE	$ 1,465,230	$ 2,039,275
	Marketable securities		
49,440	Units in the Caldwell Growth Opportunities Fund	602,669	1,070,603
254,097	Shares in NYSE Group Inc.	5,751,720	28,313,335
4,000	Shares in Montreal Exchange (private company)	264,440	264,440
		6,618,829	29,648,378
		$ 8,084,059	$ 31,687,653

Number	Description	2005 Cost	2005 Market Value
	Resource properties		
72	Resource claims - Urban Township	$ 1,094,038	$ 1
	New York Stock Exchange Memberships ("NYSE")		
3	Seats on the NYSE	$ 5,751,720	$ 12,726,750
	Marketable securities		
62,251	Units in the Caldwell Growth Opportunities Fund	675,790	736,918
		$ 6,427,510	$ 13,463,668

See accompanying notes

1. Summary of Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions which 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 reporting period. Actual results could differ from those estimates.

Revenue recognition

Rental revenue from the NYSE memberships is recognized over the term of the lease contract, on a straight-line basis. Rental revenue discontinued when the memberships were converted to shares of NYSE Group Inc. (below).

Consulting income is recognized when the services are performed. Dividend income is recognized when the dividends are declared and receivable.

Earnings per share

Basic earnings per share is computed by dividing the total results of operations for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares, which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a manner similar to basic earnings per share, except that the weighted average number of shares outstanding is increased to include potential common shares from the assumed exercise of options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants and on the as-if-converted method for convertible securities.

Income taxes

The Company accounts for income taxes using the liability method, whereby future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and measured using substantively enacted income tax rates and laws that are expected to be in effect when the differences are expected to reverse. Income tax expense for the year is the tax payable for the year and any change during the year in the future tax assets and liabilities. A valuation allowance is provided to the extent that it is more likely than not that future tax assets will not be realized.

Marketable securities

Marketable securities are recorded at fair value. Fair values for the units in the Caldwell Growth Opportunities Fund ("Fund") are provided by the investment manager's statement of account. The fair values are established by the Fund by valuing each held security based on closing market quotations, less estimated administration costs.

Common shares of NYSE Group, Inc. are valued at market less a discount in respect of the shares being restricted, a condition that management believes will be lifted by April 30, 2007.

1. Summary of Significant Accounting Policies - continued

Notwithstanding the Company's expectation, at December 31, 2006, these common shares were not freely tradable and can be sold only through approved secondary offerings or on the basis of one third of the total holdings per year commencing March 7, 2007, as follows:

Shares freely tradable - March 7, 2007	84,699
Shares freely tradable - March 7, 2008	84,699
Shares freely tradable - March 7, 2009	84,699
Shares held at December 31, 2006	254,097

Fair value for the one CBOE membership is established by the most recent sale of CBOE memberships preceding the year end and translating this amount using the year end foreign currency exchange rate.

The fair value of the Montreal Exchange approximates cost.

At December 31, 2006, the cost of the marketable securities was $8,084,059 (2005 - $6,427,510) and the market value was $31,687,653 (2005 - $13,463,668).

Prepaid expenses

Prepaid expenses consist primarily of costs related to shares issued in 2007 (note 9). These costs, in addition to the agents' fee, are to be deducted from the short form prospectus share capital proceeds received in 2007.

Office equipment

Office equipment is recorded at cost and amortized at 20% per annum using the declining balance method of accounting.

Resource properties

Resource properties and related expenditures are recorded at cost, net of incidental revenues generated from the particular mineral properties. These net costs are deferred until the mineral properties to which they relate are placed into production, sold or abandoned.

General exploration costs not specifically relating to a mineral property are expensed as incurred.

As per Accounting Guideline 11 in the Canadian Institute of Chartered Accountant Handbook, when there has been a delay in development activity that extends beyond three years, there is a presumption that a write-down of capitalization costs is necessary. In 2005, management determined that due to the lack of recent development activity for the resource properties, the capitalized costs of the resource properties would be written down to a nominal value.

2. Office Equipment

Office equipment consists of the following:

	2006		
	Cost	Accumulated Amortization	Net
Office equipment	$ 22,130	19,733	$ 2,397

	2005		
	Cost	Accumulated Amortization	Net
Office equipment	$ 22,130	19,134	$ 2,996

3. Loan Payable

The loan payable of $1,138,268 (2005 - $1,118,268) from Caldwell Financial Ltd. ("CFL") (note 5) is secured by a promissory note and matures on December 31, 2010 with a right to prepayment without penalty. For fiscal 2005, CFL charged the Company interest at a mutually agreed rate not exceeding prime. In fiscal 2006, CFL charged the Company interest at prime plus 1% for funds borrowed on the Company's behalf ($1,050,000 at year end) and interest at 3% on the remainder ($88,268 at year end).

4. Share Capital

Share capital consists of the following:

	2006		2005	
	Number	Amount	Number	Amount
Authorized				
Unlimited preferred shares				
Unlimited common shares				
Unlimited Non-Voting Class A shares				
Issued - common shares				
Balance, beginning of years	9,000,000	$ 6,098,893	9,000,000	$ 6,098,893
Private placement (a)	1,000,000	1,900,000	-	-
Balance, end of years	10,000,000	$ 7,998,893	9,000,000	$ 6,098,893

(a) On August 31, 2006, the Company issued 1,000,000 common shares, at $2 per share as a private placement for total cash proceeds of $2,000,000 less share issuance costs of $100,000.

(b) The Directors, Officers and Employees Stock Option Plan ("Plan") reserves 626,667 common shares that may be issued out of treasury to cover the Plan. To December 31, 2006, no such options have been granted. The Plan restricts the exercise of options in any one year to 10% of the issued and outstanding shares. There is a further restriction in that only 5% may be exercised in any one year by any one person. The price must not be less than the market price on the trading day next preceding the issue date of the options. The options are not assignable and must be exercised within ten years of their issue.

5. Related Party Transactions

CFL is a significant shareholder of the Company and under common management. Caldwell Asset Management Inc. (“CAM”), Caldwell Investment Management Ltd. (“CIM”) and Caldwell Securities Ltd. (“CSL”) are subsidiaries of CFL.

In 2006 and 2005 consulting fees of $90,000 and $87,500 were received from CIM.

In 2006 and 2005 investment management and performance fees of $342,298 and $6,274 were paid to CAM and CIM. The Investment Management (“IM”) agreement was amended on May 1, 2006. The Investment Manager (CIM) is entitled to an investment advisory fee equal to 1.5% per annum of the market value of the equity securities in the Company’s investment portfolio and .5% of the market value of the fixed income securities in the Company’s investment portfolio. The investment advisory fees are accrued and paid quarterly in arrears.

In 2006 and 2005 premises were rented from CSL and CAM for $55,000 and $96,300, and are included in administrative expenses.

Interest paid to CFL in respect of the loan payable (note 3) in 2006 and 2005 amounted to $70,212 and $56,576.

Included in accounts payable and accrued liabilities is $116,414 (2005 - $26,000) payable to related parties which are all under common management to the Company.

In 2006 and 2005, marketable securities were held with the Caldwell Opportunities Growth Fund, a fund with common management to the Company.

All related party transactions are recorded at their exchange amounts.

6. Income Taxes

(a) The Company’s provision for income taxes is summarized as follows:

	2006	2005
Income before income taxes	$ 16,176,876	$ 5,710,823
Expected income taxes rates payable - 33.00% (2005 - 34.12%)	$ 5,338,369	$ 1,948,533
Income tax effect of the following:		
Non-taxable portion of realized capital transactions	(32,494)	28,237
Non-taxable portion of unrealized capital gains	(2,733,513)	(1,200,369)
Decrease in effective income tax rate	(36,499)	-
Financing costs deductible for tax at 20% per year	(29,040)	-
Foreign tax credits on dividend income	(12,085)	-
Other	(116)	17,599
	$ 2,494,622	$ 794,000

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6. Income Taxes - continued

(b) The components of the Company's future income tax liability are as follows:

	2006	2005
Tax cost of office equipment over its net book value	$ (1,222)	$ (1,059)
Resource deductions available in perpetuity	(67,264)	(68,866)
Unrealized capital gains on investments	4,043,758	1,356,646
Tax benefit of capital loss carryforwards	(189,411)	(212,638)
Withholding tax paid on US dividends received	(36,622)	-
Tax benefit of non-capital loss carryforwards	(251,239)	(34,083)
Total future income tax liability	$ 3,498,000	$ 1,040,000

7. Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The risks associated with the estimate of the restricted period for the NYSE Group, Inc. shares (note 1) is mitigated by the discount applied and the Company's business strategy of holding these shares for the long-term.

The carrying value of cash, sundry receivables, prepaid expenses and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The carrying value of marketable securities approximate their estimated fair value in accordance with the valuation policies described in note 1. The NYSE Group, Inc. shares and CBOE membership are denominated in US dollars.

The fair value of the loan payable is not determinable due to the non-arm's length nature of the transaction.

8. Comparative Amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2006 financial statements.

9. Subsequent Events

On January 11, 2007, the Company completed a short form prospectus offering (the "Offering") of 16,129,100 units of the Company (the "Units") at a price of $3.10 per Unit for gross proceeds of $50,000,210. Each Unit consisted of one Non-Voting Class A share ("Non-Voting Class A shares") and one-half of one Non-Voting Class A share purchase warrant. Immediately upon the closing of the offering, each Unit separated into one Non-Voting Class A share and one-half of one warrant. Each full warrant entitles the holder to purchase one Non-Voting Class A share at a price of $3.75 on or before January 11, 2009.

In connection with the Offering, the syndicate of agents for the Offering (the "agents") was granted the option to purchase, within 30 days of the completion of the Offering (the "Over-Allotment Option"), up to an additional 2,419,000 Non-Voting Class A shares at a price of $3.05 per share and up to an additional 1,209,500 warrants at a price of $0.05 per each half warrant. On January 29, 2007, the agents exercised the Over-Allotment Option in full for the gross proceeds of $7,498,900 to the Company.

The share issuance costs to be deducted from the gross share capital proceeds in 2007 are expected to approximate $340,000 (approximately $240,000 incurred at year end) in addition to the agent fees of $3,000,013 on the Offering and $449,934 on the Over-Allotment Option.

In January 2007 the Company entered into agreements to purchase a seat on the Chicago Board Option Exchange ("CBOE"), a seat on the Kansas City Board of Trade ("KCBOT") subject to the KCBOT board approval, and two board lots of shares (formerly seats) of the Philadelphia Stock Exchange ("PSE"). The Company also purchased one seat on the American Stock Exchange ("AMEX") and shares of the London Stock Exchange ("LSE"), Singapore Exchange Ltd. ("SGX), the Hong Kong Exchange & Cleaning Ltd. ("HKEX") and the stock exchange of South Africa ("JSE"). The foregoing represents combined expenditures and commitments of approximately $8,700,000.

In February 2007 the Company agreed to purchase an additional seat on the CBOE for $1,875,000 and one seat on the Minneapolis Grain Exchange ("MGEX") for approximately $103,900 subject to the MGEX board approval. The MGEX is the principal market for hard red spring wheat. The Company also purchased 200 shares of the Osaka Stock Exchange Co. Ltd. ("OSEC") for approximately $1,269,000.

The CBOE, KCBOT, PSE, AMEX and the MGEX are private entities and the LSE, SGX, HKEX, JSE and OSEC are publicly traded entities.