URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended June 30, 2016

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed interim unaudited financial statements of Urbana Corporation ("Urbana" or the "Corporation") and notes thereto for the six months ended June 30, 2016 (the "Interim Financial Statements") and the audited financial statements of Urbana and notes thereto for the year ended December 31, 2015 (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 9, 2016. 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.

CHANGE OF 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 now 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 will continue to be treated as an investment entity under IFRS.

Comparative figures for the second quarter of the previous year are not available because the Corporation did not start preparing quarterly financial statements until the third quarter of 2015.

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 over the second financial quarter of 2016 ("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 annual information form dated March 29, 2016.

OVERALL PERFORMANCE AND DISCUSSION OF OPERATIONS

Q2 started with a continuing recovery from the February 11, 2016 lows. Toward the end of Q2, the negative "Brexit" vote surprised most market participants. After the initial sell-off, markets recovered and resumed the upward move toward record levels. This reaction appears to reflect market sentiment that a deal of some sort will be worked out between the European Union and United Kingdom and that benefits might even come from the exit.

In Q2, Urbana's net asset value per share experienced a 10.03% increase. During that period, The Toronto Stock Exchange Index "TMX" was up 4.64% and the Dow Jones Industrial Index "DJI" was up 0.77%.

In the six month period ended June 30, 2016, Urbana's net asset value per share experienced a 5.65% increase. During that period, the TMX was up 8.80% and the DJI was up 4.55%. Unlike the TMX, Urbana does not have heavy weightings in gold and metals.

Overall, Urbana realized approximately $1.48M in public share profits in Q2.

During Q2, Urbana took some profits in its holdings of major Canadian issuers, as well as some U.S. stocks. Specifically, Urbana took partial profits in Teck Corp. and Barrick Gold Corp., and in the Intercontinental Exchange. Typically, management tries to match off profitable trades with losses, in order to mitigate current taxes. In that regard, some of Urbana's AGF Management holdings were sold in Q2. Urbana also replaced some Bank of America stock, which it had sold in Q1.

Looking forward, Urbana is still heavily weighted in the U.S. financial sector. Organizations such as Morgan Stanley, Bank of America and Citicorp are trading at or below their book values. This typically represents an investment opportunity.

Brexit, currency movements, geopolitical issues, and regulatory concerns and penalties have put U.S. financial organizations under great pressure. Our thesis is that, having passed regulatory "stress testing" (Morgan Stanley did not, due to procedural items), these companies are in strong positions to weather even the most challenging of financial markets. They are now all in position to increase dividends and aggressively repurchase their own shares.

Urbana also continued its buy-back of its non-voting Class A shares ("Class A shares") with the purchase and cancellation of 207,400 shares in Q2 of 2016 at an average price of $2.01 per Class A share. Urbana has traditionally bought back the maximum number of shares allowable each year under normal course issuer rules. Looking beyond Q2, it appears that the amount of Class A shares offered for sale has thinned out. This may result in reduced purchases, despite our best efforts. If and when larger blocks of Class A shares become available, it is our intention, under the normal course purchase rules, to acquire them.

Within any given quarter Urbana seeks out opportunistic trades which generally line up with our strategic thinking. These are short-term positions. Urbana has approximately 55% of its investments in U.S. securities and thus benefits from any decline in the Canadian dollar.

Our private investments are proving successful and some are now maturing. We expect that component to add to our overall results in the future. Real Matters has been a standout performer. On April 4, 2016, we announced that we increased our investment in Real Matters by $2.479 million, which represented Urbana's fourth share purchase in Real Matters since December 2013. As of June 30, 2016, Urbana's Real Matters investment was valued at $23.6 million and the cost of Urbana's stake in Real Matters was $10.55 million.

Radar Capital Inc. is continuing to show growth and our holdings in the Radar Capital Partnership also improved by $1.4 million in Q2. Our Highview Financial Group holdings (an outsource Chief Investment Officer entity) continues to attract clients and is proceeding on a comfortable growth trajectory.

The Bombay Stock Exchange ("BSE"), a position we have held for some time, appears to be making some progress toward an initial public offering of BSE shares (an "IPO"). On March 12, 2016, the Securities & Exchange Board of India (the Indian securities market regulator) gave "approval in principle" for the BSE to become a publicly traded company, that is, to do an IPO. This will provide Urbana with market liquidity one year after the IPO. We are encouraged, but years of delay cause us to have some caution as to timing.

Looking forward in 2016 beyond Q2, we expect gradual economic growth and a degree of confidence in both the United States and Canada. We expect our focus to remain in North America, as it is increasingly being seen as a "safe haven", despite current turmoil. The U.S. dollar remains firm as its position relative to other currencies has become enhanced with both the Brexit vote and Chinese economic concerns. A possible U.S. presidential victory for the Republican candidate could introduce uncertainty in world trade.

Our experience in Q2 and in 2015 reinforces our conviction that, in volatile markets, active management can provide better returns than indexed based management styles. Urbana's management team combines private equity investment with an actively managed portfolio of publicly traded securities, wherein one sector's performance can augment the other's over varying time frames and market cycles. Urbana's investment performance over the years validates this thesis and operating style.

In Q2, Urbana's net assets per share increased by 10.03% from $3.29 to $3.62 per share.

In the six month period ended June 30, 2016, dividend income and interest income were $1,087,692 and $35,261 respectively, and Urbana realized a net gain of $7,146,900 from the sales and dispositions of investments.

In the six month period ended June 30, 2016, Urbana recorded a gain before income taxes of $9,937,905, investment management fees were $1,606,631, foreign withholding tax was $67,109, and transaction costs were $360,231.

Financial Highlights

The following tables show selected key financial information about Urbana and are intended to help you understand Urbana's financial performance in the six months ended June 30, 2016 and for the prior three financial years:

Urbana's Net Assets per Share(1&2)				
	Six months ended June 30, 2016	**2015**	**2014**	**2013**
Net assets, beginning of period	$3.48	$3.25	$2.89	$1.86
Realized gain (loss) for the period	$0.13	$0.17	$0.15	$(0.35)
Unrealized gain (loss) for the period	$0.09	$0.06	$0.29	$1.26
Dividend and interest income for the period	$0.02	$0.07	$0.04	$0.05
Total expenses for the period (3)	$0.06	$(0.11)	$(0.13)	$(0.07)
Distributions	Nil	$(0.05)	$(0.05)	Nil
Increase in contributed surplus from NCIB purchases	$0.007	$0.06	$0.05	$0.22
Net assets, end of period(4)	$3.62	$3.48	$3.25	$2.89

(1) This information is derived from Urbana's audited annual financial statements and 2016 Q1 and Q2 Financial Statements. The accounting principles applicable to 2014 and subsequent years were IFRS and to all years prior to 2014 were Canadian GAAP, with the exception that the 2013 financial statements were re-stated in accordance with IFRS requirements.

(2) Net assets are based on the actual number of shares outstanding at the relevant time. The other items in this table are based on the weighted average number of shares outstanding over the financial year.

(3) Total expenses include an obligation to pay future taxes. When future tax obligations are negative (i.e. there is a tax credit), total expenses are not reduced by the amount of tax credit.

(4) Each number in this row reflects more adjustments than shown in the column above such number.

Ratios and Supplemental Data				
	Q2 2016	**2015**	**2014**	**2013**
Total net asset value (000's)(1)	$191,731	$186,044	$187,135	$174,854
Shares outstanding(1)	53,000,000	53,388,500	57,548,300	60,525,200
Closing market price (common)	$2.20	$2.05	$2.09	$1.85
Closing market price (Class A)	$2.14	$2.05	$1.97	$1.88

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

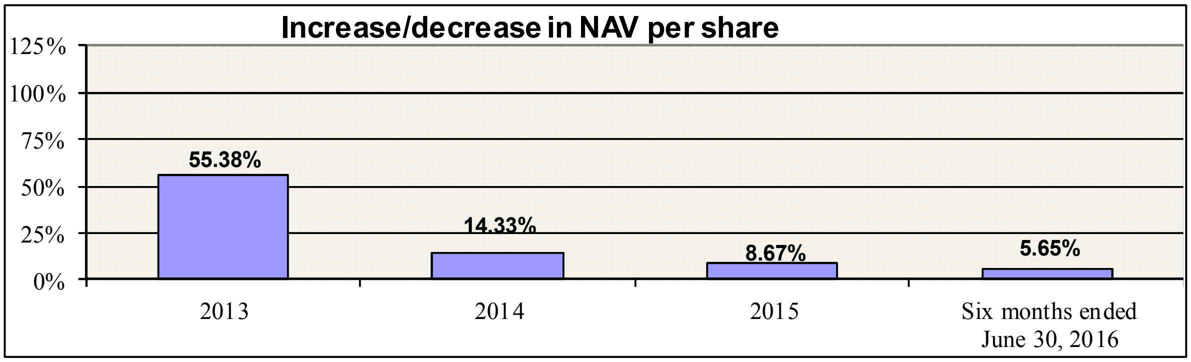
Past Performance

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 value 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 asset value (NAV) per share of Urbana.

Urbana's Class A shares were first issued on January 11, 2007. The 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 NAV calculation.



Summary of Investment Portfolio
As at June 30, 2016

The following data is extracted from Urbana's financial statements for the six month period ended June 30, 2016:

Number of shares, units or seats	Description	Cost ($)	Fair value ($)	% of Portfolio Fair Value	% of Total Net Assets
Privately owned entities					
2,350,563	Caldwell India Holdings Inc. (i)	25,599,727	14,787,002	7.35%	7.71%
791,000	Urbana Mauritius Inc. (ii)	7,313,848	5,376,737	2.67%	2.80%
11,684,403	CNSX Markets Inc. common stock	5,829,521	10,515,963	5.23%	5.48%
32	Minneapolis Grain Exchange (seats)	7,279,359	6,399,994	3.18%	3.34%
169,341	Budapest Stock Exchange (shares)	4,761,242	2,748,639	1.37%	1.43%
759,000	Caldwell Financial Ltd.	1,707,750	2,292,180	1.14%	1.20%
5,000,040	Radar Capital Fund 1 Limited Partnership	5,000,044	6,950,056	3.45%	3.62%
5,899,911	Real Matters Inc.	10,554,644	23,599,644	11.73%	12.31%
50	Radar Capital Inc.	50	50	0.00%	0.00%
3,000,000	Highview Investments Limited Partnership	3,000,000	3,000,000	1.49%	1.56%
3,000,000	Four Lakes Capital Fund Limited Partnership	3,000,000	3,113,400	1.55%	1.62%
406,066	Caldwell Growth Opportunities Trust	3,400,000	4,429,084	2.20%	2.31%
100	Urbana Special Investment Holdings Ltd. (iii)	2,894,499	3,287,004	1.63%	1.71%
260,982	Highview Financial Holdings Inc.	158,838	148,760	0.07%	0.08%
Publicly traded securities					
150,000	CBOE Holdings Inc.	4,959,550	12,977,909	6.45%	6.77%
30,000	Intercontinental Exchange Group Inc.	6,230,769	9,972,458	4.96%	5.20%
200,000	Citigroup Inc.	8,713,248	11,010,379	5.47%	5.74%
1,000,000	Bank of America Corp.	13,949,647	17,233,749	8.56%	8.99%
200,000	AGF Management Ltd.	2,550,160	1,000,000	0.50%	0.52%
400,000	Suncor Energy	13,628,961	14,336,000	7.12%	7.48%
400,000	Barrick Gold Corp.	7,049,824	11,040,835	5.49%	5.76%
500,000	Teck Resources Ltd. Class B	3,569,489	8,505,000	4.23%	4.44%
100,000	Canadian Imperial Bank of Commerce	9,032,380	9,704,000	4.82%	5.06%
50,000	Royal Bank of Canada	3,464,646	3,817,000	1.90%	1.99%
400,000	Morgan Stanley	10,005,463	13,496,090	6.71%	7.04%

Number of shares, units or seats	Description	Cost ($)	Fair value ($)	% of Portfolio Fair Value	% of Total Net Assets
	Other				
1,000,000	Highview Financial Holdings Inc. (iv)	1,000,000	1,000,000	0.50%	0.52%
1,000,000	Radar Capital Inc. (v)	1,000,000	96,881	0.15%	0.15%
	Cash and Cash Equivalents	222,411	222,411	0.11%	0.12%
	Total	166,176,070	201,256,336	100.00%	104.97%

(i)Urbana owns 58.54% of the outstanding shares of Caldwell India Holdings Inc., which holds 4,015,544 equity shares of the Bombay Stock Exchange. Urbana also owns 100 voting ordinary shares of CIHI representing 100% of the ordinary shares. The fair value of these ordinary shares is nominal.
(ii)Urbana Mauritius Inc., which is a wholly-owned subsidiary of Urbana, holds 791,000 equity shares of the Bombay Stock Exchange.
(iii)Urbana Special Investment Holdings Ltd. which is a wholly-owned subsidiary of Urbana, holds 51 shares of OneChicago, LLC.
(iv)Urbana holds an unsecured promissory note repayable on October 22, 2016 with a semi-annual interest payment of 55,902 Class D common shares.
(v)Urbana holds an unsecured promissory note which is non-interest bearing and due on demand.

In addition to the investments listed above, Urbana holds 24,683 common shares of Bermuda Stock Exchange which have been written off and 44 mining claims in Urbana township, Quebec. Mining expenditures of $265,470 have been recorded as a loss in realized gain on sale and disposal of investments.

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 $25,000,000. Interest is charged on the outstanding balance of the loan facility at the Bank's prime rate plus 1.25% (prior to March 2, 2015, the Bank's prime rate plus 1.75%), calculated on a daily basis and paid monthly. The loan facility is secured by a general charge on Urbana's assets. Proceeds from the loan may be used for purchasing additional investments and/or for general corporate purposes. As at June 30, 2016, the outstanding balance of the loan was $4,700,000, representing 2.45% of the net assets of Urbana. The minimum and maximum amount borrowed during Q2 was $Nil and $15,400,000 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 27, 2015, the Toronto Stock Exchange (the "TSX") accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 4,411,688 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, 2015, and will terminate on the earlier of August 30, 2016, the date Urbana completes its purchases pursuant to the notice of intention to make a normal course issuer bid filed with the TSX or the date of notice by Urbana of termination of the bid. The shares purchased under the NCIB must be cancelled. As at June 30, 2016, Urbana has purchased 1,300,000 Class A shares pursuant to the NCIB. These shares were purchased on the open market at an average purchase price of $1.98 per share.

Acquisitions and Dispositions of Portfolio Investments

From January 1, 2016 to June 30, 2016, Urbana made the following significant acquisitions and dispositions of portfolio investments:

Acquisitions

Investments	Quantity (units/shares)	Cost ($)
Suncor Energy	300,000	9,562,643
Bank of America	350,000	6,202,164
Canadian Imperial Bank of Commerce	60,000	5,244,063
Hydro One	156,000	3,689,400
Royal Bank of Canada	50,000	3,464,646
Four Lakes Capital Fund Limited Partnership	3,000,000	3,000,000
Real Matters Inc.	619,911	2,479,644
Teck Resources Ltd. Class B	250,000	1,640,330
Morgan Stanley	50,000	1,598,508
Osisko Gold Royalties Ltd.	32,000	452,800
Horizons Betapro NYMEX Crude Oil	100,000	303,600
Radar Capital	300,000	300,000

Dispositions

Investments	Quantity (units/shares)	Cost Base[1] ($)	Proceeds[1] ($)
Barrick Gold	300,000	5,248,962	6,152,873
Bank of America	300,000	3,641,945	6,051,578
Teck Resources Ltd. Class B	500,000	3,551,660	5,497,443
Suncor Energy	150,000	5,275,630	5,045,664
Hydro One	156,000	3,689,400	3,703,371
CBOE Holdings	40,000	1,322,547	3,558,426
Intercontinental Exchange Group Inc.	10,000	2,076,923	3,457,587
Citigroup	50,000	2,178,312	2,706,028
AGF Management	400,000	5,100,319	1,941,612
Morgan Stanley	50,000	1,200,994	1,707,422
Intercontinental Exchange Group Inc.	5,000	1,038,461	1,646,690
BCE Inc.	20,000	1,142,000	1,099,439
Canadian Imperial Bank of Commerce	10,000	947,079	888,038
Osisko Gold Royalties Ltd.	32,000	452,800	478,135
Horizons Betapro	100,000	303,600	366,011

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

Mining Claims

Urbana has owned resource properties 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 resource properties if and when it is deemed suitable. In November 2014, Urbana entered into a joint exploration agreement with Beaufield Resources Inc. ("Beaufield"), a company that owns neighbouring properties, to explore the Urbana Township region. Beaufield has led this exploration program. On June 6, 2016, Urbana issued a press release to announce the results from its winter drilling program. Currently, geophysical work is being completed in preparation for the upcoming winter drilling program.

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 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 financial situation of the Corporation.

On January 18, 2016, Urbana's board of directors declared a cash dividend of five cents ($0.05) per share on the issued and outstanding common and Class A shares of Urbana, payable on February 12, 2016, to the Shareholders of record at the close of business on January 28, 2016. 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 9, 2016, the Corporation has 10,000,000 common shares and 43,000,000 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, 2016, Urbana owned 5,000,040 units of Radar Capital Fund I Limited Partnership which is managed by RCI. As at June 30, 2016, Urbana owned 406,066 units of Caldwell Growth Opportunities Trust, which is a private equity pool managed by CIM. Refer to "Summary of Portfolio Investments" 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 period ended June 30, 2016 and during the years ended December 31, 2015, December 31, 2014, December 31, 2013 and December 31, 2012 were $360,231, $522,140, $142,570, $674,282 and $279,879 respectively.

In the six month period ended June 30, 2016, Urbana paid Caldwell Securities Ltd. $30,000 per month (plus applicable sales taxes) for investor relations services, office and conference room access for Urbana 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, 2016, there were no fees payable to related parties, other than a management fee payable of $838,542 to CIM.

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, 2016, CIM earned $1,606,631 of investment management fees from Urbana. The investment management fees are accrued and paid quarterly in arrears. As at June 30, 2016 there was an investment management fee payable of $838,542 to CIM.

Summary of Quarterly Results

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

	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	(393,192)
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	1,255,906
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 currently holds approximately 56% of its assets in marketable securities. It does not anticipate any issues with liquidity.

The Corporation has had a demand loan facility with a major Canadian bank since 2008 (see under the heading of "Demand Loan Facility" above). In Q2, 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 on funding from sources other than the existing loan facility.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Changes in Accounting Policies

In July 2014, the final version of IFRS 9 Financial Instruments ("IFRS 9") was issued, which replaces IAS 39 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.

In December 2014, a disclosure initiative was issued, which amends IAS 1 Presentation of Financial Statements. The amendments are designed to encourage entities to use professional judgment to determine what information to disclose in the financial statements and accompanying notes by clarifying the guidance on materiality, presentation, and note structure. These amendments are effective for annual periods beginning on or after January 1, 2016.

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

Urbana's management ("Management"), under the supervision of its CEO and 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, 2016 (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, 2016 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 International Financial Reporting Standards.

There have been no changes in the Corporation's ICFR that occurred during the period beginning April 1, 2016 and ending on June 30, 2016 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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