URBANA CORPORATION

2007 and 2006 Consolidated Financial Statements

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Contents

PKF Hill
CHARTERED ACCOUNTANTS

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Auditors' Report

To the Shareholders of
Urbana Corporation

We have audited the consolidated statements of net assets and portfolio of marketable securities of **Urbana Corporation** (the "Company") as at December 31, 2007 and December 31, 2006, and the consolidated statements of operations, changes in net assets, unrealized net gains on marketable securities and retained earnings (deficit) and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and December 31, 2006 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

Chartered Accountants, Licensed Public Accountants
February 14, 2008

URBANA CORPORATION
Consolidated Statements of Net Assets as at December 31

		2007		2006
ASSETS				
Cash	$	218,666	$	2,931
Sundry receivables		193,914		20,911
Prepaid expenses		37,280		266,858
Office equipment (note 4)		2,037		2,397
Marketable securities (statement)		291,122,713		31,687,653
Deposit on future investments		1,835,349		-
Resource properties		1		1
	$	293,409,960	$	31,980,751
LIABILITIES				
Accounts payable and accrued liabilities	$	945,054	$	427,356
Loan payable (note 5)		-		1,138,268
Future income taxes (note 10(b))		12,800,000		3,498,000
		13,745,054		5,063,624
Non-controlling interest (note 3)		16,823,628		-
NET ASSETS		262,841,278		26,917,127
SHAREHOLDERS' EQUITY				
Share capital (note 6)		218,135,737		7,998,893
Contributed surplus (note 7)		13,242,479		-
Unrealized gains on investments (statement)		30,045,874		19,083,957
Retained earnings (deficit) (statement)		1,417,188		(165,723)
		262,841,278		26,917,127
Total liabilities and shareholders' equity	$	293,409,960	$	31,980,751
Number of shares outstanding (note 6)		78,061,518		10,000,000
Net asset value per share - basic and fully diluted	$	3.37	$	2.69

See accompanying notes

On behalf of the Board:

Director

Director

URBANA CORPORATION
Consolidated Statements of Operations
Years Ended December 31

	2007	2006
Gains/losses		
Gain on sale of marketable securities	$ 2,343,460	$ 196,932
Investment income		
Dividends	839,266	244,147
Consulting income (note 9)	-	90,000
Interest income	1,195,965	1,997
Seat rental income	638,755	41,971
Loss on foreign exchange	(1,118,562)	-
	1,555,424	378,115
Expenses		
Salaries and benefits	-	70,932
Investment management fees (note 9)	1,899,428	342,298
Foreign withholding taxes	246,833	25,121
Transaction costs (note 3)	1,215,129	-
Administrative (note 9)	366,799	99,571
Audit fees	66,980	37,203
Shareholder reporting costs	36,794	18,861
Legal fees	278,035	261,259
Director fees	18,350	13,450
Independent Review Committee fees	1,021	-
License fees	1,045	21,031
Bank charges and interest (note 9)	75,291	71,593
Insurance	31,456	3,000
Amortization	360	599
Expenses absorbed by Manager (note 9)	(466,782)	-
	3,770,739	964,918
Net income (loss) before non-controlling interest, net unrealized gains on marketable securities and income taxes	128,145	(389,871)
Non-controlling interest portion of losses	1,454,766	-
Net income (loss) before net unrealized gains on marketable securities and income taxes	1,582,911	(389,871)
Unrealized net gain on marketable securities	13,133,398	16,566,747
Net income before income taxes	14,716,309	16,176,876
Provision for income taxes (note 10(a))		
Current	-	36,622
Future	2,078,353	2,458,000
	2,078,353	2,494,622
Total results of operations for the years	$ 12,637,956	$ 13,682,254
Basic and fully diluted earnings per share	0.30	1.47
Weighted average number of shares outstanding	41,882,629	9,333,333

See accompanying notes

URBANA CORPORATION

Consolidated Statements of Changes in Net Assets, Unrealized Net Gains on Marketable Securities and Retained Earnings (Deficit)
Years Ended December 31

	2007	2006
Net assets		
Net assets, beginning of years as previously stated	$ 26,917,127	$ 11,334,873
Restatement on change in accounting policy (note 1)	(93,128)	-
Net assets, beginning of years as restated	26,823,999	11,334,873
Operating activities		
Total results of operations for the years	12,637,956	13,682,254
Capital transactions		
Issuance of shares (net of expenses) (note 6)	208,917,771	1,900,000
Exercise of warrants	1,219,073	-
Issuance of warrants - contributed surplus	13,242,479	-
Total capital transactions	223,379,323	1,900,000
Net assets, end of years	$ 262,841,278	$ 26,917,127
Unrealized net gains on marketable securities		
Unrealized net gains on marketable securities, beginning of years as previously stated	$ 19,083,957	$ 5,011,832
Restatement on change in accounting policy (note 1)	(93,128)	-
Unrealized net gains on marketable securities, beginning of years as restated	18,990,829	5,011,832
Change during the years	13,133,398	16,566,747
Provision for income taxes	(2,078,353)	(2,494,622)
Unrealized net gains on marketable securities, end of years	$ 30,045,874	$ 19,083,957
Retained earnings (deficit)		
Retained earnings (deficit), beginning of years	$ (165,723)	$ 224,148
Net gain (loss) before unrealized net gains on investments and income taxes	1,582,911	(389,871)
Retained earnings (deficit), end of years	$ 1,417,188	$ (165,723)

See accompanying notes

URBANA CORPORATION
Consolidated Statements of Cash Flows
Years Ended December 31

	2007	2006
Operating activities		
Total results of operations for the years	$ 12,637,956	$ 13,682,254
Add (deduct) items not involving cash		
Amortization	360	599
Gain on sale of marketable securities	(2,343,460)	(196,932)
Unrealized gain - marketable securities (net of change in accounting policy (note 1))	(13,244,929)	(16,566,747)
Future income taxes	2,078,353	2,458,000
	(871,720)	(622,826)
Net change in non-cash working capital items		
Sundry receivables	(173,003)	(16,121)
Prepaid expenses	229,578	(266,858)
Accounts payable and accrued liabilities	517,698	377,655
	574,273	94,676
Cash flows from operating activities	(297,447)	(528,150)
Financing activities		
Repayment of loan payable	(1,138,268)	-
Issuance of loan payable	-	20,000
Issuance of shares (net of expenses)	114,021,784	1,900,000
Exercise of warrants	1,219,073	-
Issuance of share warrants - contributed surplus	13,492,347	-
Cash flows from financing activities	127,594,936	1,920,000
Investing activities		
Purchases of marketable securities - net of non-controlling interests	(129,656,692)	(2,180,306)
Proceeds on sale of marketable securities	4,410,287	720,000
Deposits on future investments	(1,835,349)	-
Cash flows from investing activities	(127,081,754)	(1,460,306)
Net change in cash during the years	215,735	(68,456)
Cash, beginning of years	2,931	71,387
Cash, end of years	$ 218,666	$ 2,931

Supplemental cash flow information - non-cash transactions		
Class A shares issued for NYSE Euronext shares and T-Bills	$ 101,888,169	$ -
Future tax obligation purchased with the NYSE Euronext shares accounted for as a reduction in share capital	(10,142,050)	-
Exercise of warrants to share capital	249,868	-
Future tax impact of share issuance costs	2,900,000	-

See accompanying notes

URBANA CORPORATION
Consolidated Statements of Portfolio of Marketable Securities
Years Ended December 31, 2007 and December 31, 2006

Number	Description	2007 Cost	2007 Market Value
	Resource properties		
72	Resource claims - Urban Township	$ 1,094,038	$ 1
	Privately owned entities		
23	American Stock Exchange (seats)	$ 9,018,718	$ 7,979,965
8	Kansas City Board of Trade (seats)	4,614,609	5,749,540
31	Minneapolis Grain Exchange (seats)	7,462,819	8,758,136
18	Chicago Board Options Exchange (seats)	46,640,786	55,767,958
308,888	Bombay Stock Exchange (shares held by CIHI)	43,507,793	40,380,310
950	Philadelphia Stock Exchange (shares)	1,264,362	1,200,712
		112,509,087	119,836,621
	Publicly traded securities		
49,440	Caldwell Growth Opportunities Trust (units)	602,669	1,166,778
200,000	Montreal Exchange Inc.	6,188,820	7,794,000
1,498,703	NYSE Euronext (note 12)	105,645,352	126,309,217
150,000	TSX Group Inc.	6,504,982	7,920,000
300,000	Bolsa De Mercadorias & Futuros BM&F S.A.	3,385,413	4,121,618
24,683	Bermuda Stock Exchange	533,099	503,223
4,000	Deutsche Boerse AG	454,586	783,440
132,000	London Stock Exchange Group	4,301,431	5,120,069
200	Osaka Securities Exchange Co. Ltd.	1,261,887	925,083
275,000	Bovespa Holding SA	3,436,547	5,089,435
56,000	Johannesburg Stock Exchange Ltd.	487,160	709,632
80,000	Hong Kong Exchange & Clearing Ltd.	1,026,297	2,238,047
112,000	Singapore Exchange Ltd.	511,929	1,029,960
		134,340,172	163,710,502
	Fixed income		
	Cda T Bill 24 Jan 2008	7,575,590	7,575,590
		$ 254,424,849	$ 291,122,713

See accompanying notes

URBANA CORPORATION
Consolidated Statements of Portfolio of Marketable Securities (continued)
Years Ended December 31, 2007 and December 31, 2006

Number	Description	2006 Cost	2006 Market Value
	Resource properties		
72	Resource claims - Urban Township	$ 1,094,038	$ 1
	Privately owned entity		
1	Chicago Board Options Exchange (seat)	$ 1,465,230	$ 2,039,275
	Publicly traded securities		
49,440	Caldwell Growth Opportunities Trust (units)	602,669	1,070,603
254,097	NYSE Group Inc. (now NYSE Euronext)	5,751,720	28,313,335
4,000	Montreal Exchange Inc.	264,440	264,440
		6,618,829	29,648,378
		$ 8,084,059	$ 31,687,653

See accompanying notes

1. Change in Accounting Policy

On April 1, 2005, The Canadian Institute of Chartered Accountants, which establishes Canadian Generally Accepted Accounting Principles ("GAAP") for financial reporting purposes, issued Section 3855, "Financial Instruments - Recognition and Measurement", which addresses the classification, recognition and measurement of financial instruments. This section, which came into effect on October 1, 2006, was initially applicable to the Company's year ending December 31, 2007.

Section 3855 requires that the fair value of financial instruments which are traded in active markets be determined by using the closing bid price for the securities ("GAAP NAV") instead of the closing traded price ("Transactional NAV") that was used before Section 3855 was adopted. In 2007, this change will impact the reported value of the Company's marketable securities as reported in the consolidated financial statements.

The Canadian Securities Administrators ("CSA") has granted interim relief to investment funds from complying with Section 3855's requirement for calculating the investment funds' net asset values for purposes other than financial statements. The relief currently expires on September 30, 2008. In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculation based on the Transactional NAV and the GAAP NAV is required to be disclosed in the financial statements (note 11).

Section 3855's requirements are applied retroactively but without restatement of prior periods. The adjustment of financial assets is calculated as an adjustment to the balance of net assets at the start of the fiscal year. Accordingly, the opening balance of the marketable securities was reduced by $111,531 from $31,687,653 to $31,576,122. The opening balance of the future income tax liability was reduced by $18,403 from $3,498,000 to $3,479,597. The overall impact on net assets was a reduction of $93,128 from $26,917,127 to $26,823,999.

Section 3855 also requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities, be charged to net income. Prior to 2007, the practice was to add these expenses to the cost of securities purchased or to deduct from the proceeds of sale. There are no tax implications and no impact on the net asset value of the Company under either of these methods.

2. Summary of Significant Accounting Policies

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

<u>Use of estimates</u>

The preparation of financial statements in conformity with 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.

<u>Basis of consolidation</u>

These consolidated financial statements include the accounts of the Company and its 59.24% owned subsidiary, Caldwell India Holdings Inc. (note 3). All inter-company balances have been eliminated.

<u>Foreign exchange</u>

The monetary assets and liabilities of the Company's integrated foreign subsidiary are translated into Canadian dollars at exchange rates in effect at the consolidated balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average exchange rates for the year. Foreign exchange gains and losses are included in the statement of operations for the year.

2. Summary of Significant Accounting Policies - continued

Foreign exchange - continued

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at year-end exchange rates. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions.

Financial instruments

The Company's financial instruments are comprised of cash, sundry receivables, marketable securities and accounts payable and accrued liabilities.

Cash, sundry receivables and accounts payable and accrued liabilities approximate fair value due to their short-term maturities. Marketable securities are classified as held-for-trading financial instruments, and as such, are recorded at fair value. Unrealized gains and losses on these assets are recognized in the statement of operations.

Office equipment

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

Marketable securities

Marketable securities are classified as held for trading. Those that trade in active markets are valued at the respective closing bid prices; otherwise they are recorded at fair value. Fair value is determined using available sources of information and commonly used valuation techniques.

Common shares of NYSE Euronext are valued at market less a discount in respect of shares with sales restrictions (note 12).

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

For privately owned entities with no active market, fair value is established using the cost amount and translating this amount using the year end foreign currency exchange rate. The Company tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the privately owned entities may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the privately owned entities are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

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. Summary of Significant Accounting Policies - continued

Future 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.

Revenue recognition

Investment transactions are recorded on the trade date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Dividend income is recorded on the ex-dividend date. Interest income and securities lending revenue are recognized as earned.

Rental revenue from exchange memberships is recognized over the term of the lease contract, on a straight-line basis.

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 reflects the assumed conversion of all dilutive securities using the "treasury stock" method for purchase warrants and stock options.

Recent changes to accounting standards

The Canadian Institute of Chartered Accountants has recently issued several new accounting standards. Of those issued with an implementation date applicable after 2007, the following could impact the Company.

Section 1535, Capital Disclosures, is effective for fiscal years beginning on or after October 1, 2007. This section describes the required disclosure of the Company's objectives, policies and processes for managing capital, as well as its compliance with any externally imposed capital requirements.

Section 1400, Going Concern is effective for fiscal years beginning on or after January 1, 2008 and requires management to make an assessment of an entity's ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity's ability to continue as a going concern.

Section 3862, Financial Instruments is effective for fiscal years beginning on or after October 1, 2007 and places an increased emphasis on risk disclosures. Entities are required to provide both qualitative and quantitative information about exposures to risks arising from financial instruments, including credit, interest rate, liquidity, currency and other price risks. This section also requires disclosure on the pledging of collateral, details on any defaults in the terms or covenants of loans payable, and methods in determining fair values of financial instruments. This section also requires enhanced disclosures for financial instruments.

The impact of the adoption of these new standards on the consolidated financial statements is not expected to be significant.

3. Acquisition of Caldwell India Holdings Inc.

During 2007, the Company subscribed for 100 common shares, at US$1 per share, for Caldwell India Holdings Inc. ("CIHI"), a newly incorporated corporation. CIHI then issued 4,051,300 investor shares (non-voting) at US$10 per share of which the Company subscribed for 2,400,000, representing 59.24% of the issued share capital of CIHI. The total proceeds for the CIHI shares issued was $44,843,950, of which the Company provided $26,565,556. The remaining $18,278,394 has been accounted for as a non-controlling interest. CIHI, from the proceeds of the share issuance, purchased 308,888 equity shares of the Bombay stock exchange for $43,507,793. Transaction costs of $1,134,552 were expensed and presented in the statement of operations.

Non-controlling interest consists of the following:

Non-controlling interest - share capital	$ 18,278,394
Non-controlling interest - share of losses	(1,454,766)
	$ 16,823,628

4. Office Equipment

Office equipment consists of the following:

	2007		
	Cost	Accumulated Amortization	Net
Office equipment	$ 22,130	20,093	$ 2,037

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

5. Loan Payable

The loan payable of $Nil (2006 - $1,138,268) from Caldwell Financial Ltd. ("CFL") (note 9) was secured by a promissory note and was to mature on December 31, 2010 with a right to prepayment without penalty. 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). In 2007, CFL did not charge the Company any interest and the Company repaid the loan in full.

6. Share Capital

Share capital consists of the following:

	Number		Amount
Authorized			
Unlimited preferred shares			
Unlimited common shares			
Unlimited Non-Voting, fully participating Class A shares			
Issued - common shares			
Balance, January 1, 2006	9,000,000	$	6,098,893
Private placement (a)	1,000,000		1,900,000
Balance, December 31, 2006 and 2007	10,000,000	$	7,998,893
Issued - Non-Voting Class A shares			
Balance, January 1, 2006 and 2007	-	$	-
January 11 short form prospectus (b)	18,548,100		46,504,724
July 12 short form prospectus (c)	25,385,995		67,517,060
Issuance of shares for NYSE Euronext shares (d)	23,802,337		91,746,119
Exercise of warrants into Class A shares	325,086		1,468,941
Future tax impact of share issuance costs	-		2,900,000
Balance, December 31, 2007	68,061,518	$	210,136,844
Total	78,061,518	$	218,135,737

(a) 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) 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.

Share issuance costs of $340,000 were deducted from the gross share capital proceeds in 2007 in addition to the agent fees of $3,000,013 on the Offering and $449,934 on the Over-Allotment Option. An additional agent fee representing expenses for the agent totalling $63,558 was also deducted from the gross share capital proceeds.

6. Share Capital - continued

Of the $ 53,645,605 total proceeds, $7,140,881 was attributed to the warrants (note 7) and the remaining $46,504,724 was attributed to the Non-Voting Class A shares. The grant date fair value of the warrants were determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	4.05%
Expected volatility	48.85%
Expected weighted average life of the warrants	2 years
Expected dividend yield	0%

(c) On July 12, 2007, the Company completed a short form prospectus offering (the "July Offering") of 24,193,600 units of the Company (the "July Units") at a price of $3.10 per Unit for gross proceeds of $75,000,160. Each July Unit consisted of one Non-Voting Class A share and one-half of one Non-Voting Class A share purchase warrant. Immediately upon the closing of the July Offering, each July 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 July 12, 2009.

In connection with the July Offering, the syndicate of agents for the July Offering (the "July agents") was granted the option to purchase, within 30 days of the completion of the July Offering (the "July Over-Allotment Option"), up to an additional 3,629,040 Non-Voting Class A shares at a price of $3.05 per share and up to an additional 1,814,520 warrants at a price of $0.05 per each half warrant. On August 1, 2007, the July agents exercised a portion of the July Over-Allotment Option and purchased 1,192,395 Non-Voting Class A shares and 596,197 warrants. Gross proceeds from the July Agent's exercise of the July Over-Allotment Option was $3,696,424. The agency fee and other expenses related to the July Over-Allotment Option were $221,785.

The share issuance costs for the July Offering comprised of agent fees of $4,500,010. An additional agent fee representing expenses for the July agent totalling $106,263 was also deducted from the gross share capital proceeds.

Of the $73,868,526 total proceeds, $6,351,466 was attributed to the warrants (note 7) and the remaining $67,517,060 was attributed to the Non-Voting Class A shares. The grant date fair value of the warrants were determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	4.67%
Expected volatility	32.26%
Expected weighted average life of the warrants	2 years
Expected dividend yield	0%

(d) On November 29, 2007, the Company, through a short form prospectus, issued 23,802,337 Non-Voting Class A shares valued at a gross amount of $101,888,169 in consideration for 799,796 unrestricted NYSE Euronext shares valued at $66,215,585 and 444,810 restricted NYSE Euronext shares valued at $33,678,049 and a government treasury bill valued at $1,994,535. The NYSE Euronext shares were acquired by the Company on a tax deferred "rollover" basis. The tax cost of the NYSE Euronext shares to the Company is $61,466,968 lower than the purchased cost to the Company based on the fair market value of the NYSE Euronext shares at the time of the transaction. The Company has assumed a future tax liability of $10,142,050 from the purchase of the NYSE Euronext shares and these have been accounted for as a reduction to share capital. The net proceeds from this issuance of Non-Voting Class A shares is $91,746,119.

Of the 23,802,337 Non-Voting Class A shares issued as part of the above transaction, 7,867,597 of those Class A shares are subject to restrictions that mirror the transfer restrictions on the restricted NYSE Euronext shares which are not transferable or free trading until after March 7, 2009, unless NYSE Euronext removes or abbreviates the transfer restrictions currently applicable.

6. Share Capital - continued

(e) On May 1, 2007, the Directors, Officers and Employees Stock Option Plan was cancelled by a directors resolution. The Company had reserved for issuance 626,667 common shares without any of these options being granted. As at December 31, 2007, there is no stock option plan outstanding.

7. Contributed Surplus

	Amount
Balance, January 1, 2006 and 2007	$ -
January 11 short form prospectus (note 6 (b))	7,140,881
July 12 short form prospectus (note 6 (c))	6,351,466
Warrants exercised	(249,868)
Balance, December 31, 2007	$ 13,242,479

8. Class A Purchase Warrants

A summary of the Company warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, January 1, 2006 and 2007	-	$ -
Issued (notes 6 (b) and 6 (c))	21,967,047	3.75
Exercised	(325,086)	3.75
Outstanding, December 31, 2007	21,641,961	$ 3.75

As at December 31, 2007, the following Class A warrants are outstanding:

	Number of Warrants	Exercise Price	Expiry Date
Class A warrants	8,950,625	$ 3.75	January 11, 2009
Class A warrants	12,691,336	3.75	July 12, 2009
	21,641,961	$ 3.75	

9. 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 2007 and 2006 consulting fees of $Nil and $90,000 were received from CIM.

In 2007 and 2006 investment management fees of $1,899,428 and $342,298 were paid to CIM and CSL. 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 portfolio of marketable securities and .5% of the market value of the fixed income securities in the Company's portfolio of marketable securities. The investment advisory fees are accrued and paid quarterly in arrears. In 2007, CIM, pursuant to its management responsibilities, incurred Urbana related expenditures aggregating to $1,216,804 of which $466,782 related to operating expenses with the remaining $768,022 being for share issuance costs. The 2006 Urbana related expenses incurred by CIM, pursuant to its management agreement with the Company, were considered insignificant.

In 2007 and 2006 premises were rented from CSL and CAM for $Nil and $55,000, and are included in administrative expenses.

Interest paid to CFL in respect of the loan payable (note 5) in 2007 and 2006 amounted to $Nil and $70,212.

Included in accounts payable and accrued liabilities is $769,321 (2006 - $116,414) payable to related parties which are all under common management to the Company.

In 2007 and 2006, marketable securities include units of the Caldwell Growth Opportunities Trust, a fund with common management to the Company.

The purchase of the NYSE Euronext shares described in note 6(d) were from Caldwell New York LP, Caldwell New York LPII and Caldwell New York LP IV. Each of these funds were managed by CIM.

All related party transactions are recorded at their exchange amounts.

10. Income Taxes

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

	2007	2006
Income before income taxes	$ 14,716,309	$ 16,176,876
Expected income taxes rates payable at future rates - 33% (2006 - 33.00%)	$ 4,856,382	$ 5,338,369
Income tax effect of the following:		
Non-taxable portion of realized capital transactions gains	(386,670)	(32,494)
Non-taxable portion of unrealized capital gains	(2,167,011)	(2,733,513)
Decrease in effective income tax rate	-	(36,499)
Non-controlling interest	(240,036)	-
Other	15,688	(41,241)
	$ 2,078,353	$ 2,494,622

10. Income Taxes - continued

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

	2007	2006
Resource deductions available in perpetuity	$ (56,084)	$ (67,264)
Unrealized capital gains on investments	16,000,866	4,043,758
Share issuance costs	(2,900,000)	-
Tax benefit of capital loss carryforwards	-	(189,411)
Tax benefit of non-capital loss carryforwards	(240,772)	(251,239)
Other	(4,010)	(37,844)
Total future income tax liability	$ 12,800,000	$ 3,498,000

(c) Future tax expense consists of the following:

	2007	2006
Increase in future tax liability on balance sheet	$ 9,302,000	$ 2,458,000
Add: future tax benefit of share issuance costs reducing the future tax liability and being allocated to share capital (note 6)	2,900,000	-
Less: future tax cost of the acquisition of NYSE Euronext shares using a tax free rollover (note 6(d))	(10,142,050)	-
Add: future tax restatement (note 1)	18,403	-
Future taxes	$ 2,078,353	$ 2,458,000

11. Reconciliation of Marketable Securities Value

The impact of the adoption of Section 3855 on the net asset value of the Company as at December 31, 2007 is as follows:

Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV per share	GAAP NAV per share
$ 291,458,458	$ (335,745)	$ 291,122,713	$ 3.37	$ 3.37

12. Restrictions on Sale of Marketable Securities

At December 31, 2007, 529,509 NYSE Euronext common shares were not freely tradable and can be sold only through approved secondary offerings, or on the date the restriction is lifted, March 7, 2009.

13. 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 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 2. The majority of the marketable securities are denominated in foreign currencies.

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

14. Comparative Amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2007 consolidated financial statements.

15. Subsequent Event

As at the audit report date, the market value of the marketable securities controlled by the Company decreased from $291,122,713 to approximately $259,000,000 representing a decline in value of approximately $32,000,000. Management expects that this decline in value is temporary.