URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 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 nine months ended September 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 November 1, 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 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 September 30, 2017 and December 31, 2016 is presented in the following table:

	September 30, 2017	**December 31, 2016**
Assets ($)	262,882,960	260,141,738
LESS Liabilities ($)	23,652,061	23,464,936
EQUALS Net Assets ($)	239,230,899	236,676,802
DIVIDED BY Number of Shares Outstanding	50,000,000	52,863,200
EQUALS Net assets per share ($)	4.78	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 third financial quarter of 2017 ("2017 Q3") 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

In the first nine months of 2017, Urbana's net assets per share grew from $4.48 to $4.78 per share, after the payment of a dividend of ten cents ($0.10) per share[1] in January 2017, resulting in a 9.1% total return of net assets per share. During the same period, the S&P/TSX Total Return Composite Index ("S&P/TSX Index") grew by 4.5% and the Dow Jones Industrial Average Index ("DJIA Index") grew by 15.5%. In 2017 Q3, Urbana's net assets per share grew from $4.70 to $4.78, representing a 1.7% total return of net assets per share. During the same period, the S&P/TSX Index grew by 3.7% and the DJIA Index grew by 5.6%.

From October 1, 2002, the date when Caldwell Investment Management Ltd., the investment manager of Urbana, started managing Urbana's investment portfolio, to September 30, 2017, the CAGR of Urbana's net assets per share was 16.0%. During the same period, the CAGR of the S&P/TSX Index was 9.2% and the CAGR of the DJIA Index was 10.2%.[2]

Public equity markets were essentially flat over the third quarter following the early June highs. Towards the end of September and into October they again began a gradual upward trajectory. This was fueled, in part, by the promise of tax reductions in the United States. The big question remains whether such tax reduction measures will be successfully enacted, or whether they will fail like the failed attempts earlier this year to enact U.S. healthcare reform legislation.

Our large U.S. financial industry holdings are premised on the so called "Trump Trade" (the expectation of reduced U.S. regulation and tax reform). To date, these positions have remained successful.

In regard to Canada, the Bank of Canada increased its bank rate twice in 2017. The result was to push the Canadian dollar from $0.7712 U.S. on June 30, 2017 to $0.8179 U.S. on September 6, 2017. This had an impact on Canadian export pricing and Canada's overall competitiveness. In addition to interest rate policy, the Canadian dollar is impacted by two other key factors – one present and one potential. First, energy prices appear to be moving higher – a positive influence on our dollar. This is supplemented by metals pricing as demand increases in the currently synchronized world economic recovery. This is positive. The second factor is the strong

[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.

position regarding the North American Free Trade Agreement recently adopted by the United States. Depending on the outcome of negotiations, this can have a damaging effect on both the Canadian dollar and manufacturing base. The recent aggressive tenor of U.S. trade policy may jeopardize international trade relations.

The increased relative value of the Canadian dollar to the U.S. dollar undercut the value of Urbana's U.S. holdings in 2017 Q3. Toward the quarter end, U.S. share prices improved to overpower this factor.

In our Canadian public investment positions, we reduced some of our minor holdings in Urban Township exploration companies and added back some of our Teck Resources position that had been sold at higher prices. We remain positive on metals as well as Teck Resources' metallurgical coal production.

We also repositioned some Suncor Energy to participate in resurgent energy prices.

Over all, the world's economies are enjoying positive growth. At present, this seems to be overpowering geopolitical concerns in the minds of investors.

Our Canadian private equity positions, Highview Financial Holdings Inc., Radar Capital Fund I Limited Partnership and Real Matters Inc. also increased in value during the quarter.

In November, our Real Matters position will become fully marketable but we have no immediate intention to liquidate this holding. It appears the company is now developing a broader investor base which should translate into higher share prices.

Urbana increased its holdings in the Canadian Securities Exchange in 2017 Q3 and plans to further increase its equity ownership in the future.

Public equity markets continued to improve after the end of the third quarter as did Urbana's net asset per share valuations.

At the end of August, 2017, Urbana sought and received approval for a continuation of our normal course issuer bid ("NCIB") program for another 12 months – refer to "Normal Course Issuer Bid" below. It is not Urbana's intention to be a daily participant in this share buy-back program. Our thought process is to have significant repurchasing power in hand if a large block of shares were to become available.

In 2017 Q3, dividend and interest income were $0.6M and $25,782, respectively (2016 Q3 - $0.6M and $17,534).

Urbana realized a net loss of $0.2M from the sales and dispositions of investments in 2017 Q3 (2016 Q3 loss - $2.6M). The realized capital loss reflects the disposition of the investment in BetaPro S&P 500 VIX.

Urbana recorded $5.5M in unrealized gains in 2017 Q3. Highview Financial Holdings, Cboe Global Markets, Teck Resources, Suncor Resources, Morgan Stanley and Radar Capital Fund I Limited Partnership were Urbana's best performers in 2017 Q3. The unrealized gains recorded on these investments were partially offset by unrealized losses on Caldwell India Holdings, Urbana Mauritius and Deutsche Bank.

During 2017 Q3, Urbana recorded net income before income taxes of $4.4M (2016 Q3 - $11.5M) primarily as a result of $5.5M in unrealized gains on investments. Investment management fees were $1.0M (2016 Q3 - $0.9M), interest expenses were $64,475 (2016 Q3 – $89,594), transaction costs were $20,839 (2016 Q3 - $59,455) and professional fees were $67,071 (2016 Q3 – $0.1M). Investment management fees increased due to higher net assets under management in 2017. Interest expenses declined due to lower average borrowings in 2017. Transaction costs decreased in 2017 as a result of reduced trading activity. Professional fees decreased in 2017 because 2016 Q3 included fees related to advice received in respect of IFRS standards and no such advice was required in 2017. Administrative expenses were relatively unchanged in 2017 Q3 at $0.25M compared to $0.26M in 2016 Q3.

Urbana continued buying back its non-voting Class A shares ("Class A shares") with the purchase and cancellation 91,900 Class A shares in 2017 Q3 at an average price of $3.29 per Class A share. A total of 2,863,200 Class A shares were purchased in the first nine months of 2017 at an average price of $3.15 per Class A share. Since May 2010, Urbana has purchased and cancelled a total of 37,526,320 Class A shares under its NCIB programs. 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 Q3 compared to 2016 Q3 and to the prior three financial years:

	Supplemental Data[1]				
	2017 Q3	**2016 Q3**	**2016**	**2015**	**2014**
Total net assets	$239,230,899	$202,142,026	$236,676,802	$186,043,679	$187,135,092
Shares outstanding	50,000,000	52,967,600	52,863,200	53,388,500	57,548,300
Closing market price (common)	$3.25	$2.27	$2.95	$2.05	$2.09
Closing market price (Class A)	$3.19	$2.22	$2.99	$2.05	$1.97

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

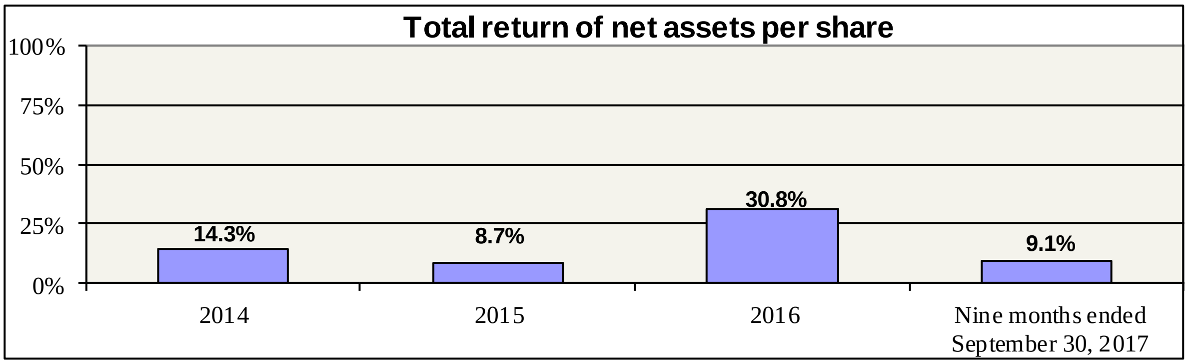
Past Performance

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 a September 30, 2017

The following data is extracted from Urbana's financial statements for the nine-month period ended September 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	14,639,107	5.57%
395,500	Urbana Mauritius Inc. (ii)	7,312,848	7,543,139	2.87%
12,433,263	Canadian Securities Exchange	6,503,496	11,189,937	4.26%
32	Minneapolis Grain Exchange (seats)	7,279,359	6,603,432	2.51%
800,000	Caldwell Financial Ltd.	1,826,650	2,848,000	1.08%
5,000,040	Radar Capital Fund 1 Limited Partnership (iii)	4,358,561	7,750,062	2.95%
300,000	Radar Capital Fund II Series F Limited Partnership	3,000,000	3,000,000	1.14%
3,135,711	Real Matters Inc. (iv)	12,179,624	33,128,084	12.60%
50	Radar Capital Inc.	50	50	0.00%
9,909,025	Highview Financial Holdings Inc.	5,406,753	8,226,611	3.13%
3,000,000	Four Lakes Capital Fund Limited Partnership	3,000,000	3,452,400	1.31%
406,066	Caldwell Growth Opportunities Trust (v)	3,400,000	5,026,489	1.91%
100	Urbana Special Investment Holdings Ltd. (vi)	2,894,499	2,627,768	1.00%
	Public equity investments			
150,000	Cboe Global Markets, Inc. (formerly CBOE Holdings Inc.)	4,959,551	20,191,119	7.68%
135,000	Intercontinental Exchange Group Inc.	5,607,692	11,599,153	4.41%
250,000	Citigroup Inc.	11,699,826	22,743,070	8.65%
900,000	Bank of America Corp.	12,554,710	28,522,324	10.85%
200,000	Suncor Energy	7,303,480	8,746,000	3.33%
350,000	Barrick Gold Corp.	6,174,997	7,030,578	2.67%
400,000	Teck Resources Ltd. Class B	4,552,271	10,508,000	4.00%
480,000	Morgan Stanley	13,312,369	28,917,029	11.00%
600,000	Deutsche Bank AG	12,275,552	12,966,739	4.93%

400,000	Beaufield Resources Inc.	76,298	70,000	0.03%
387,000	Metanor Resources Inc.	320,773	297,990	0.11%
123,300	Osisko Mining Inc.	599,274	541,287	0.21%
15,000	CCL Industries Inc. Class B	999,750	905,700	0.34%
245,000	Hudbay Minerals Inc.	2,474,500	2,266,250	0.86%
	Private debt investments			
500,000	NinePoint Financial Group Inc. (vii)	500,000	500,000	0.19%
500,000	NinePoint Financial Group Inc. (viii)	500,000	500,000	0.19%
1,300,000	Radar Capital Inc.(ix)	1,300,000	132,934	0.05%
	Cash	364,791	364,791	0.14%
		159,238,878	262,838,043	100.00%

(i) Urbana owns 64.57% of the outstanding investor shares of Caldwell India Holdings Inc. ("CIHI"), which holds 1,173,319 equity shares of the Bombay Stock Exchange. Urbana also owns 100 voting ordinary shares of CIHI representing 100% of the voting ordinary shares. The fair value of these voting ordinary shares is nominal.
(ii) Urbana Mauritius Inc., a wholly-owned subsidiary of Urbana, holds 395,500 equity shares of the Bombay Stock Exchange.
(iii) Radar Capital Fund 1 Limited Partnership (Radar I) owns 30% of the common shares of Highview Financial Holdings Inc.
(iv) Shares consolidated on a 1 for 2 basis from 6,271,422 to 3,135,711 immediately before initial public offering in May 2017.
(v) Caldwell Growth Opportunities Trust owns 30% of the outstanding investor shares of CIHI and 8% of the outstanding units of Radar I.
(vi) Urbana Special Investment Holdings Ltd., a wholly-owned subsidiary of Urbana, holds 51.44262 equity shares of OneChicago LLC.
(vii) Unsecured promissory note maturing on August 1, 2023 with interest at 12% per annum payable quarterly. NinePoint Financial Group Inc. was formerly known as 2568004 Ontario Inc.
(viii) Unsecured promissory note maturing on August 1, 2023 with interest compounding annually at 12% per annum payable on the maturity date. NinePoint Financial Group Inc. was formerly known as 2568004 Ontario Inc.
(ix) 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 $396,055 (2016 - $464,129) have been recorded as a loss in computing “Net realized gain on sale and disposal of investments” in the Q3 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 September 30, 2017, the outstanding balance of the loan was $10.3M. The minimum and maximum amounts borrowed during 2017 Q3 were $Nil and $10.3M 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 “2016 NCIB”), representing 10% of the public float, pursuant to TSX rules.

Purchases under the 2016 NCIB were permitted starting on August 31, 2016 and terminated on August 30, 2017. The Class A shares purchased under the 2016 NCIB were cancelled. Urbana purchased in total 2,967,600 Class A shares pursuant to the 2016 NCIB at an average purchase price of $3.12 per share.

On August 28, 2017 the TSX accepted a new notice of intention to conduct a normal course issuer bid from Urbana to purchase up to 3,965,762 of its own Class A shares (the "2017 NCIB"), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2017 NCIB were permitted starting on August 31, 2017, and will terminate on the earlier of August 30, 2018, 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 September 30, 2017, Urbana had not purchased any Class A shares pursuant to the 2017 NCIB.

Acquisitions and Dispositions of Portfolio Investments

From January 1, 2017 to September 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	100,000	1,276,893
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.	100,000	2,410,578
Highview Financial Holdings Inc. - shares	10,040,067	5,481,448
Highview Investments Limited Partnership	2,406,753	2,406,753
NinePoint Financial Group Inc.[2]	1,000,000	1,000,000
Canadian Securities Exchange	748,860	673,974
Suncor Energy	100,000	3,896,240
CCL Industries Inc.	15,000	999,750
Hudbay Minerals Inc.	245,000	2,474,500

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	100,000	1,276,893	550,254
Osisko Mining Inc.	492,400	2,393,209	2,454,116
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
Highview Investments Limited Partnership	5,406,753	5,406,753	5,406,753
Beaufield Resources Inc.	1,198,500	228,610	248,822
Metanor Resources Inc.	38,000	31,497	30,626

[1] Cost base does not include transaction costs and proceeds are net of transaction costs.
[2] Formerly known as 2568004 Ontario Inc.

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 $300,000 and $600,000 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 Q3 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 November 1, 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 September 30, 2017, Urbana owned 5,000,040 units of Radar Capital Fund I Limited Partnership ("Radar I") and 300,000 units of Radar Capital Fund II Series F Limited Partnership, both of which are managed by RCI**.**

As at September 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.

As at September 30, 2017, Urbana owned 9,909,025 common shares of Highview Financial Holdings Inc. ("HFHI"). Radar I owned 5,945,415 common shares of HFHI as at September 30, 2017.

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 nine-month periods ended September 30, 2017 and September 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 nine-month period ended September 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 September 30, 2017, there were no fees payable to related parties, other than a management fee of $1.0M payable to CIM (2016 Q3 - $0.9M).

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 nine-month period ended September 30, 2017, CIM earned $3.1M of investment management fees from Urbana (2016 – $2.5M). The investment management fees are accrued and paid quarterly in arrears. As at September 30, 2017 there was an investment management fee payable of $1.0M 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:

	3rd Quarter 2017 ($)	2nd Quarter 2017 ($)	1st Quarter 2017 ($)	4th Quarter 2016 ($)
Realized gain (loss)	(199,081)	2,211,234	1,722,787	4,905,156
Change in unrealized gain	5,472,569	623,450	11,718,625	35,829,988
Dividend income	567,262	703,053	510,227	665,481
Interest income	25,782	35,095	24,069	35,411
Total expenses	1,449,915	1,696,799	1,650,692	1,917,374
Net income before income taxes	4,416,617	1,876,033	12,325,016	39,518,662
Net assets per share (beginning of period)	4.70	4.65	4.48	3.82
Net assets per share (end of period)	4.78	4.70	4.65	4.48

	3nd Quarter 2016 ($)	2nd Quarter 2016 ($)	1st Quarter 2016 ($)	4th Quarter 2015 ($)
Realized gain (loss)	(2,615,790)	1,407,292	5,739,608	(3,182,833)
Change in unrealized gain (loss)	14,874,812	19,282,334	(14,324,894)	10,555,542
Dividend income	638,646	570,277	517,415	594,253
Interest income (reversal of interest income)	17,534	17,590	17,671	33,028
Total expenses	1,404,185	1,626,296	1,634,896	1,257,740
Net income (loss) before income taxes	11,511,017	19,651,197	(9,685,096)	6,742,250
Net assets per share (beginning of period)	3.62	3.29	3.48	3.35
Net assets per share (end of period)	3.82	3.62	3.29	3.48

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 61% of its assets, with a fair value of approximately $165M, 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 nine 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 September 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 September 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 July 1, 2017 and ending on September 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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