Audited Financial Statements of

Urbana Corporation

December 31, 2018 and December 31, 2017

Urbana Corporation

December 31, 2018 and December 31, 2017

Table of contents

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Urbana Corporation

Opinion

We have audited the financial statements of Urbana Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Darroch.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 6, 2019

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Urbana Corporation

Statements of financial position
as at December 31, 2018 and December 31, 2017

(In Canadian dollars)

	December 31, 2018	December 31, 2017
	$	$
Assets		
Cash	**17,164,349**	460,860
Investments, at fair value (Notes 2 and 3)	**199,128,109**	266,297,552
Accounts and other receivables (Note 4)	**109,475**	62,518
	216,401,933	266,820,930
Liabilities		
Loan payable (Note 6)	**-**	500,000
Accounts payable and accrued liabilities (Note 5)	**1,090,068**	1,307,894
Deferred income tax liability (Note 10)	**7,883,000**	13,728,000
	8,973,068	15,535,894
Shareholders' equity		
Share capital (Note 8)	**123,636,334**	123,636,334
Contributed surplus	**66,602,286**	66,602,286
Retained earnings	**17,190,245**	61,046,416
Shareholders' equity representing net assets	**207,428,865**	251,285,036
Total liabilities and shareholders' equity	**216,401,933**	266,820,930
Number of shares outstanding (Note 8)	**50,000,000**	50,000,000

See accompanying notes

Approved by the Board

_______________________________Director

_______________________________Director

Urbana Corporation

Statements of comprehensive income (loss)
for the years ended December 31, 2018 and December 31, 2017

(In Canadian dollars)

	2018	2017
	$	$
Revenue		
Net realized gain on sale and disposal of investments	**17,219,861**	8,112,115
Net change in unrealized gain (loss) on investments	**(58,468,866)**	28,125,845
Dividends	**2,491,079**	2,525,892
Interest revenue	**493,117**	110,586
	(38,264,809)	38,874,438
Expenses		
Investment management fees (Note 9)	**4,073,763**	4,269,204
Interest	**298,400**	325,808
Administrative (Note 9)	**1,199,637**	1,229,563
Transaction costs (Note 9)	**260,056**	254,051
Professional fees	**300,590**	425,224
	6,132,446	6,503,850
Net income (loss) before income taxes	**(44,397,255)**	32,370,588
Foreign withholding tax expense (Note 10)	**303,895**	170,251
Provision for (recovery of) deferred income taxes (Note 10)	**(5,845,000)**	3,394,000
Income tax expense (recovery)	**(5,541,105)**	3,564,251
Total profit (loss) and comprehensive income (loss) for the year	**(38,856,150)**	28,806,337
Basic and diluted earnings (loss) per share	**(0.78)**	0.57
Weighted average number of shares outstanding	**50,000,000**	50,489,846

See accompanying notes

Urbana Corporation

Statements of changes in equity
for the years ended December 31, 2018 and December 31, 2017

(In Canadian dollars)

	Share capital	Contributed surplus	Retained earnings	Total
	$	$	$	$
Balance at January 1, 2017	131,913,662	67,335,274	37,427,866	236,676,802
Total profit and comprehensive income for the year	-	-	28,806,337	28,806,337
Dividends paid	-	-	(5,187,787)	(5,187,787)
Normal course issuer bid repurchases	(8,277,328)	(732,988)	-	(9,010,316)
Balance at December 31, 2017	123,636,334	66,602,286	61,046,416	251,285,036
Balance at January 1, 2018	**123,636,334**	**66,602,286**	**61,046,416**	**251,285,036**
Total loss and comprehensive loss for the year	**-**	**-**	**(38,856,150)**	**(38,856,150)**
Dividends paid	**-**	**-**	**(5,000,021)**	**(5,000,021)**
Normal course issuer bid repurchases	**-**	**-**	**-**	**-**
Balance at December 31, 2018	**123,636,334**	**66,602,286**	**17,190,245**	**207,428,865**

See accompanying notes

Urbana Corporation

Statements of cash flows
for the years ended December 31, 2018 and December 31, 2017

(In Canadian dollars)

	2018	2017
	$	$
Operating activities		
Total profit (loss) and comprehensive income (loss) for the year	**(38,856,150)**	28,806,337
Items not affecting cash		
Net realized gain on sale and disposal of investments	**(17,314,575)**	(8,508,170)
Net change in unrealized (gain) loss on investments	**58,468,866**	(28,125,845)
Provision for (recovery of) deferred income taxes	**(5,845,000)**	3,394,000
Purchases of investments	**(56,210,487)**	(34,420,707)
Proceeds on sale of investments	**82,225,639**	64,368,999
	22,468,293	25,514,614
Net change in non-cash working capital items		
Accounts and other receivables	**(46,957)**	80,692
Accounts payable and accrued liabilities	**(217,826)**	(23,042)
	(264,783)	57,650
Cash provided by operating activities	**22,203,510**	25,572,264
Financing activities		
Issuance of loan payable	**32,400,000**	36,100,000
Repayment of loan payable	**(32,900,000)**	(47,400,000)
Dividends paid	**(5,000,021)**	(5,187,787)
Normal course issuer bid repurchases	**-**	(9,010,316)
Cash used in financing activities	**(5,500,021)**	(25,498,103)
Net change in cash during the year	**16,703,489**	74,161
Cash, beginning of year	**460,860**	386,699
Cash, end of year	**17,164,349**	460,860
Supplemental disclosure		
Interest paid	**298,400**	325,808

See accompanying notes

Urbana Corporation

Schedule of investment portfolio
as at December 31, 2018
(In Canadian dollars)

Number of securities	Description	Cost	Fair value
	Private equity investments	$	$
13,260,878	CNSX Markets Inc. (Note 9)	7,248,349	26,521,756
32	Minneapolis Grain Exchange (seats)	7,279,359	9,178,176
800,000	Caldwell Financial Ltd. (Note 9)	1,826,650	2,376,000
2,350,000	Radar Capital Inc. Class A Common (i) (Note 9)	50	50
15,410,081	Radar Capital Inc. Class B Common (i) (Note 9)	11,557,561	11,557,561
15,410,081	Radar Capital Inc. Preferred (i) (Note 9)	3,852,520	3,852,520
3,000,000	Evolve Funds Group Inc. Class A Preferred	3,000,000	3,000,000
9,909,025	Highview Financial Holdings Inc. (Note 9)	5,406,753	8,620,852
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	3,009,907
406,066	Caldwell Growth Opportunities Trust (ii) (Note 9)	3,400,000	3,475,316
		48,571,240	71,592,138
	Public equity investments		
757,569	Caldwell India Holdings Inc. (iii)	16,501,204	10,095,345
395,500	Urbana Mauritius Inc. (iv)	7,312,848	5,288,302
115,000	Cboe Global Markets, Inc.	3,802,322	15,365,864
125,000	Intercontinental Exchange Group Inc.	5,192,307	12,860,714
160,000	Citigroup Inc.	7,487,889	11,376,568
450,000	Bank of America Corp.	6,277,355	15,143,990
200,000	Suncor Energy	7,896,764	7,626,000
400,000	Teck Resources Ltd. Class B	4,552,271	11,756,000
275,000	Morgan Stanley	7,626,878	14,892,342
3,135,711	Real Matters Inc.	12,179,624	10,347,846
500,000	Detour Gold Corp.	5,610,299	5,765,000
50,000	Canadian Imperial Bank of Commerce	5,602,898	5,084,000
100,000	Inter Pipeline Ltd.	2,178,408	1,934,000
		92,221,067	127,535,971
		140,792,307	199,128,109

(i) Radar Capital Inc. ("RCI") owns 28.1% of the common shares of Highview Financial Holdings Inc.

(ii) Urbana owns 49.7% of Caldwell Growth Opportunities Trust, which owns 30.15% of the investor shares of Caldwell India Holdings Inc. ("CIHI") and 5.50% of the Class B common shares of RCI.

(iii) Urbana owns 64.57% of the investor shares of CIHI, which holds 1,173,319 equity shares of the Bombay Stock Exchange (the "BSE"). These shares became freely tradeable on February 1, 2018. 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.

(iv) Urbana Mauritius Inc., a wholly-owned subsidiary of Urbana, holds 395,500 equity shares of the BSE. These shares became freely tradeable on February 1, 2018.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. Mining expenditures of $94,714 (2017 - $396,055) have been recorded as a loss in computing net realized gain on sale and disposal of investments.

Urbana Corporation ("Urbana" or the "Company") is an investment company that is not considered an investment fund for securities law purposes but is treated as an investment entity for accounting purposes.

The Company's common shares ("Common Shares") and non-voting class A shares ("Class A Shares") are listed for trading on the Toronto Stock Exchange ("TSX") and the Canadian Securities Exchange ("CSE"). Its registered head office is Box 47, 150 King Street West, Suite 1702, Toronto, Ontario, M5H 1J9.

The business objectives and strategies of Urbana are 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.

1. Summary of significant accounting policies

Basis of presentation

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

The Company qualifies as an investment entity under IFRS 10 *"Consolidated Financial Statements"*.

Statement of compliance

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Judgments and estimates

The preparation of financial statements in conformity with IFRS 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 period. Actual results could differ from those estimates. Significant judgments and estimates included in the financial statements relate to the valuation of level 3 investments and realization of the deferred income tax liability.

Classification and measurement of investments

In classifying and measuring financial instruments held by the Company, Urbana is required to make significant judgments about the Company's business model for managing its financial instruments, and whether or not the business of the Company is to manage the financial assets with the objective of realizing cash flows through the sale of the assets for the purpose of classifying certain financial instruments at fair value through profit or loss ("FVTPL").

Valuation of investments

Investments are measured at fair value in accordance with IFRS 13 "*Fair Value Measurement"*. Publicly traded securities are valued at the close price on the recognized stock exchange on which the securities are listed or principally traded, provided the close price is within the bid-ask spread.

The Minneapolis Grain Exchange is valued based on the current price of a seat, as quoted by the exchange.

1. Summary of significant accounting policies (continued)

Judgments and estimates (continued)

Valuation of investments (continued)

Securities which are listed on a stock exchange or traded over-the-counter and which are subject to a hold period or other trading restrictions are valued as described above, with an appropriate discount as determined by management.

Investments for which reliable quotations are not readily available, or for which there is no closing bid price, including securities of private issuers, are valued at fair value using management's best estimates. A number of valuation methodologies are considered in arriving at fair value, including comparable company transactions, earnings multiples, the price of a recent investment, net assets, discounted cash flows, industry valuation benchmarks and available market prices. During the initial period after an investment has been made, cost translated using the period end foreign currency exchange rate may represent the most reasonable estimate of fair value. Unrealized gains and losses on investments are recognized in the Statements of Comprehensive Income (Loss).

The Company takes its own credit risk and the risk of its counterparties into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Management has reviewed its policies concerning valuation of assets and liabilities and believes that the fair values ascribed to the financial assets and financial liabilities in the Company's financial statements incorporate appropriate levels of credit risk.

There are inherent uncertainties in the process of valuing investments for which there are no published markets. Management uses various valuation techniques with unobservable market inputs in its determination of fair value of private investments, those most significant of which are disclosed in Note 2. Management exercises judgment in the determination of certain assumptions about market conditions existing at the date of the financial statements in the application of the chosen valuation techniques. As such, the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

Refer to Note 2 for the classification of the fair value measurements.

Mining Claims

In accordance with IFRS 6 "*Exploration for and Evaluation of Mineral Resources*", Urbana has elected to expense exploration and evaluation costs given that its mineral claims hold no known proven reserves or resources.

Segmented information

The Company is organized as one main operating segment, namely the management of the Company's investments, in order to achieve the Company's investment objectives.

Functional and presentation currency

The Company considers its functional and presentation currency to be the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Canadian dollars.

Foreign currency translation

The monetary assets and liabilities of the Company are translated into Canadian dollars, the Company's functional currency, at exchange rates in effect at the date of the statement of financial position. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Foreign exchange gains and losses are included in the Statements of

1. Summary of significant accounting policies (continued)

Comprehensive Income (Loss). 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, investments, accounts and other receivables, loan payable, and accounts payable and accrued liabilities. The Company recognizes financial instruments at fair value upon initial recognition. The Company measures the expected credit loss ("ECL") allowance on accounts and other receivables at an amount equal to the 12 month expected credit losses. Given the short-term nature of accounts and other receivables and the high credit quality, the Company has determined that the ECL allowance is not material.

Investments have been classified at FVTPL with gains and losses recorded in net income. Cash, accounts and other receivables are measured at amortized cost. Loan payable and accounts payable and accrued liabilities are measured at amortized cost. The carrying values approximate their fair values due to their short-term maturities.

Transaction costs

Transaction costs are expensed as incurred and are included in "Transaction costs" in the Statements of Comprehensive Income (Loss). Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Deferred income taxes

The Company accounts for income taxes using the liability method, whereby deferred 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 period is the tax payable for the period and any change during the period in the deferred tax assets and liabilities. A valuation allowance is provided to the extent that it is not probable that deferred tax assets will be realized.

Investment transactions and income recognition

Investment transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

Realized gains and losses from investment transactions and unrealized net gain or loss on foreign exchange and investments are calculated on an average cost basis.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the total profit (loss) 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 (loss) per share reflects the assumed conversion of all dilutive securities using the "treasury stock" method for purchase warrants and stock options.

1. Summary of significant accounting policies (continued)

Interests in Other Entities

The table below presents the unconsolidated subsidiaries of the Company as at December 31, 2018 and December 31, 2017:

Subsidiary's Name	Place of Business	% of Equity Interest held by Urbana	% of Voting Rights held by Urbana
Caldwell India Holdings Inc. – owns Bombay Stock Exchange shares	Mauritius	64.57%	100%
Urbana Mauritius Inc. – owns Bombay Stock Exchange shares	Mauritius	100%	100%
Urbana Special Investment Holdings Ltd. (1)	Toronto	100%	100%

(1) Urbana Special Investment Holdings Ltd., a wholly-owned subsidiary of Urbana, holds 51.44262 equity shares of OneChicago LLC. OneChicago LLC was written-off as at December 31, 2018.

2. Fair value measurement

Fair value measurements of the investments are classified based on a three-level hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The following is a summary of the Company's investments categorized in the fair value hierarchy as at December 31, 2018:

				December 31, 2018
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Public equity investments	**112,152,324**	**15,383,647**	**-**	**127,535,971**
Private equity investments	**-**	**9,178,176**	**62,413,962**	**71,592,138**
	112,152,324	**24,561,823**	**62,413,962**	**199,128,109**

2. Fair value measurement (continued)

Level 2 and 3 valuation methods – December 31, 2018

Description	Fair value[1]	Primary Valuation technique used	Significant unobservable inputs	Input/Range[2]
	$			
Public equity investments				
Caldwell India Holdings Inc. – owns Bombay Stock Exchange shares	**10,095,345**	Market transaction	Recent transaction price	N/A
Urbana Mauritius Inc. – owns Bombay Stock Exchange shares	**5,288,302**	Market transaction	Recent transaction price	N/A
Private equity investments				
Caldwell Financial Ltd.	**2,376,000**	Prescribed formula in shareholder's agreement	1 x net fees plus net assets	N/A
Minneapolis Grain Exchange (seats)	**9,178,176**	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	**26,521,756**	Market transaction	Recent transaction price	N/A
Caldwell Growth Opportunities Trust	**3,475,316**	Net asset value per unit	Net asset value per unit	N/A
Highview Financial Holdings Inc.	**8,620,852**	EV as a % of AUM[3]	EV as a % of AUM	1.0%-4.0%
Four Lakes Capital Fund Limited Partnership	**3,009,907**	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Inc. Class A	**50**	N/A	N/A	N/A
Radar Capital Inc. Class B	**11,557,561**	Market transaction	Recent transaction price	N/A
Radar Capital Inc. Preferred	**3,852,520**	Market transaction	Recent transaction price	N/A
Evolve Funds Group Inc. Class A	**3,000,000**	Market transaction	Recent transaction price	N/A
Ending balance	**86,975,785**			

[1]*See Note 1 – Valuation of investments*

[2]*Where it is not applicable, an input or range has not been provided*

[3]*Enterprise value of assets under management*

2. Fair value measurement (continued)

The following is a summary of the Company's investments categorized in the fair value hierarchy as at December 31, 2017:

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Public equity investments	188,803,020	-	-	188,803,020
Private equity investments	-	29,311,269	47,120,263	76,431,532
Private debt investments	-	-	1,063,000	1,063,000
	188,803,020	29,311,269	48,183,263	266,297,552

Level 2 and 3 valuation methods – December 31, 2017

Description	Fair value[1]	Primary Valuation technique used	Significant unobservable inputs	Input/Range[2]
	$			
Private equity investments				
Caldwell India Holdings Inc. – owns Bombay Stock Exchange shares	14,140,174	Market transaction	Discount for lack of marketability	1.0% discount
Urbana Mauritius Inc. – owns Bombay Stock Exchange shares	7,338,973	Market transaction	Discount for lack of marketability	1.0% discount
HIVE Blockchain Technologies Ltd.	1,016,074	Market transaction	Discount for lack of marketability	1.3% discount
Urbana Special Investment Holdings Ltd.	1,403,321	Average P/E multiple	Average P/E multiple	LTM P/E: 8.6-115.9[3] NTM P/E: 8.5-34.0[4]
Caldwell Financial Ltd.	2,728,000	Prescribed formula in shareholder's agreement	1 x net fees plus net assets	N/A
Minneapolis Grain Exchange (seats)	6,816,048	Market transaction	Recent transaction price	N/A
CNSX Markets Inc.	11,934,790	Market transaction	Recent transaction price	N/A
Caldwell Growth Opportunities Trust	4,913,156	Net asset value per unit	Net asset value per unit	N/A
Highview Financial Holdings Inc.	8,346,966	EV as a % of AUM[5]	EV as a % of AUM	1.0%-4.0%
		EV as a % of AUA[6]	EV as a % of AUA	0.5%

2. Fair value measurement (continued)

Radar Capital Fund 1 Limited Partnership	10,050,080	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Fund II Series F Limited Partnership	3,945,000	Net asset value per unit	Net asset value per unit	N/A
Four Lakes Capital Fund Limited Partnership	3,798,900	Net asset value per unit	Net asset value per unit	N/A
Radar Capital Inc.	50	N/A	N/A	N/A
Private debt investments				
Radar Capital Inc.	63,000	Cash value	N/A	N/A
NinePoint Financial Group Inc.	500,000	Face value	N/A	N/A
NinePoint Financial Group Inc.	500,000	Face value	N/A	N/A
Ending balance	77,494,532			

(1) *See Note 1 – Valuation of investments*

(2) *Where it is not applicable, an input or range has not been provided*

(3) *Last twelve months price/earnings: 30.78x*

(4) *Next twelve months price/earnings: 17.75x*

(5) *Enterprise value of assets under management*

(6) *Enterprise value of assets under administration*

Change in valuation methodology

During 2018, the Company changed the primary valuation technique for Caldwell India Holdings Inc. (“CIHI”) and Urbana Mauritius Inc. (“UMI”) from a methodology based on a recent market transaction, discounted due to a hold period, to a methodology based on a recent market transaction. This change was made since the shares of Bombay Stock Exchange (“BSE”), which are the primary investment of CIHI and UMI, became freely tradeable.

During the second and third quarters of 2018, the Company changed the primary valuation technique for CNSX Markets Inc. (“CNSX) from a methodology based on a recent market transaction to a methodology based on average EV/EBITDA multiples because recent earnings of CNSX, the operator of the CSE, had increased substantially as a result of a significant increase in trading volume on the CSE. However, at the 2018 year end, the Company has based its valuation on a recent market transaction that occurred during the fourth quarter of 2018, which is a better indicator of fair value.

In addition in 2018, the Company changed the primary valuation technique for Highview Financial Holdings Inc. (“HV”) from a methodology based on multiples of both AUM and AUA to a methodology based on multiples of AUM alone. This change was made to better align with HV’s strategic shift to focus on the AUM side of its business.

During 2017, the primary valuation technique for CIHI and UMI was changed from a methodology based on a P/E multiple to a methodology based on a recent market transaction, discounted due to a hold period. This change was made since the shares of BSE commenced trading on a stock exchange.

Also during 2017, the Company changed the primary valuation technique for Urbana Special Investment Holdings Ltd. from a methodology based on a weighted average of discounted cash flows and average P/E multiples to a methodology based only on average P/E multiples. This change was made because management determined that the level of uncertainty associated with discounted cash flows was unacceptable.

2. Fair value measurement (continued)

The shares of Real Matters Inc. commenced trading on a stock exchange in 2017 and as a result, the valuation methodology was changed from a recent market transaction price in an inactive market to a recent market transaction price in an active market during 2017.

During the years ended December 31, 2018 and 2017 the reconciliations of investments measured at fair value using unobservable inputs (Level 3) are presented as follows:

			December 31, 2018
	Private equity investments	**Private debt investments**	**Total**
	$	**$**	**$**
Beginning balance	**47,120,263**	**1,063,000**	**48,183,263**
Change in unrealized gain	**5,136,680**	**1,237,000**	**6,373,680**
Purchases	**20,410,079**	**-**	**20,410,079**
Sales	**(10,253,060)**	**(2,300,000)**	**(12,553,060)**
Ending balance	**62,413,962**	**-**	**62,413,962**

			December 31, 2017
	Private equity investments	Private debt investments	Total
	$	$	$
Beginning balance	93,475,297	1,791,219	95,266,516
Change in unrealized gain (loss)	12,537,709	(128,219)	12,409,490
Purchases	8,981,860	1,000,000	9,981,860
Sales	(14,787,489)	(1,600,000)	(16,387,489)
Transfers out of level 3	(53,087,114)	-	(53,087,114)
Ending balance	47,120,263	1,063,000	48,183,263

Sensitivity analysis to significant changes in unobservable inputs within the Level 2 and 3 hierarchy

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2018 is shown below. A similar analysis in respect of Level 2 and 3 as at December 31, 2017 is shown below:

Level 3 valuation methods – December 31, 2018

Description	**Input**	**Sensitivity used**[(1)]	**Effect on fair value ($)**
Private equity investments	1 x net fees plus net assets	10%	**237,600**
	Recent transaction price	10%	**4,493,184**
	Net asset value per unit	10%	**648,527**
	EV as a % of assets under management	1%	**3,531,039**
Total			**8,910,350**

2. Fair value measurement (continued)

Level 2 and 3 valuation methods - December 31, 2017

Description	Input	Sensitivity used[1]	Effect on fair value ($)
Private equity investments	1 x net fees plus net assets	10%	272,800
	Average P/E multiple	1X	59,600
	Discount for lack of marketability	5%	1,124,761
	Recent transaction price	10%	1,875,084
	Net asset value per unit	10%	2,270,719
	EV as a % of assets under management	1%	3,401,291
	EV as a % of assets under administration	1%	4,085,611
Private debt investments	Cash value	10%	6,300
	Face value	10%	100,000
Total			13,196,166

(1) The sensitivity analysis refers to a percentage or multiple added or deducted from the input and the effect this has on the fair value while all other variables were held constant.

During 2018, there were no transfers into/out of Level 1, Level 2 or Level 3 investments. During 2017, the investments in CIHI, UMI and Real Matters Inc. were transferred out of Level 3 to Level 2 because shares of the BSE, which are the primary investment of CIHI and UMI, and shares of Real Matters Inc. ("RM") commenced trading on a stock exchange. In addition, during 2017 the investment in RM was transferred out of Level 2 to Level 1 because the RM shares became freely tradeable.

3. Financial instruments and risk management

The Company's activities expose it to a variety of financial risks. Management seeks to minimize potential adverse effects of these risks on the Company's performance by employing professional, experienced portfolio advisors, and through daily monitoring of the Company's position and market events.

Credit risk

Credit risk represents the potential loss that the Company would incur if the counterparties failed to perform in accordance with the terms of their obligations to the Company. The Company maintains all of its cash at its custodian or in overnight deposits with a Canadian chartered bank. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. As at December 31, 2018, the Company did not hold any debt instruments (2017 - $1.1 million). The fair value of the debt instruments includes a consideration of the credit worthiness of the debt issuer and the security provided against the outstanding amount. The carrying amount of investments and other assets represent the maximum credit exposure as disclosed in the statements of financial position. The Company measures credit risk and lifetime ECLs related to accounts and other receivables using historical analysis and forward looking information in determining the ECLs.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligation when due. The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

3. Financial instruments and risk management (continued)

Liquidity risk (continued)

	December 31, 2018 financial liabilities due on demand	**< 3 months**	**Total**
	$	**$**	**$**
Loan payable	**-**	**-**	**-**
Accounts payable and accrued liabilities	**-**	**1,090,068**	**1,090,068**
	-	**1,090,068**	**1,090,068**

	December 31, 2017 financial liabilities due on demand	< 3 months	Total
	$	$	$
Loan payable	500,000	-	500,000
Accounts payable and accrued liabilities	-	1,307,894	1,307,894
	500,000	1,307,894	1,807,894

Liquidity risk is managed by investing in assets that are traded in an active market and can be readily sold or by borrowing under its credit facility (Note 6). The Common Shares and Class A Shares cannot be redeemed by shareholders. The Company endeavors to maintain sufficient liquidity to meet its expenses.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Company is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rise. When the value of the Canadian dollar rises, the value of foreign investments fall.

The table below indicates the currencies to which the Company had significant exposure as at December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Currency	**As a % of net assets**	As a % of net assets
	%	%
United States Dollar	**38.07**	54.69
Indian Rupee	**7.42**	8.55
	45.49	63.24

As at December 31, 2018, the Company's net assets would have decreased or increased by approximately $4,717,521 (December 31, 2017 - $7,945,558) in response to a 5% appreciation or depreciation of the Canadian dollar, with all other variables held constant. In practice, the actual results may differ materially.

3. Financial instruments and risk management (continued)

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as promissory notes held. The Company is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is a reduced risk to interest rate changes for cash and cash equivalents due to their short-term nature.

The table below summarizes the Company's exposure to interest rate risks by remaining term to maturity.

	Less than 1 year	1 – 3 years	3 – 5 years	Over 5 years	Total
	$	$	$	$	$
Financial asset – promissory notes					
December 31, 2018	-	-	-	-	-
December 31, 2017	63,000	-	-	1,000,000	1,063,000
Loan payable					
December 31, 2018	-	-	-	-	-
December 31, 2017	500,000	-	-	-	500,000

As at December 31, 2018, had prevailing interest rates increased or decreased by 1%, with all other variables held constant, the net assets would have decreased or increased by approximately $62,507 (2017 - $77,978). In practice, the actual results may differ materially.

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. Any equity and derivative instrument that the Company may hold is susceptible to market price risk arising from uncertainties about future prices of the instruments. Management moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

The most significant exposure for the Company to other price risk arises from its investment in publicly and privately traded securities. As at December 31, 2018, for publicly traded securities, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately $12,753,597 (2017 - $ 18,880,302) or approximately 6.15% (2017 – 7.51%) of total net assets. In practice, the actual results may differ materially. Management is unable to meaningfully quantify any correlation of the price of its privately owned equities to changes in a benchmark index.

Capital management

Management manages the capital of the Company which consists of the net assets, in accordance with the Company's investment objectives. The Company is not subject to any capital requirements imposed by a regulator. The Company must comply with the covenants on the loan payable (Note 6).

4. Accounts and other receivables

Accounts and other receivables consist of the following:

	December 31, 2018	December 31, 2017
	$	$
Dividends	**109,475**	22,038
Interest	**-**	40,480
	109,475	62,518

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2018	December 31, 2017
	$	$
Investment management fees (Note 9)	**910,068**	1,119,796
Professional fees	**141,350**	138,727
Loan interest	**-**	12,338
Administrative fees	**33,650**	33,475
Other	**5,000**	3,558
	1,090,068	1,307,894

6. Loan payable

On February 15, 2008, the Company entered into a demand loan facility with a major Canadian bank (the "Bank"). On March 2, 2015 the loan facility agreement was amended to allow the Company to borrow up to $25,000,000 from the Bank at any given time. 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 the Company's assets. Loan proceeds may be used to make additional investments and/or for general corporate purposes. As at December 31, 2018, the outstanding balance of the loan was $Nil (December 31, 2017 - $500,000) which is the fair value of the loan. During the year ended December 31, 2018, the minimum amount borrowed was $Nil (2017 - $Nil) and the maximum amount borrowed was $16,000,000 (2017 - $14,400,000). As at December 31, 2018 and 2017, the Company has complied with all covenants, conditions or other requirements of the outstanding debt.

7. 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. A report which summarizes both the exploration work and results to date has been completed and will assist in determining next steps. In accordance with IFRS 6 "*Exploration for and Evaluation of Mineral Resources",* Urbana has elected to expense exploration and evaluation costs given that its mineral claims hold no known proven reserves or resources. Urbana has incurred costs totaling $1,146,119 of which $94,714 relates to 2018 (2017 - $396,055). These costs have been expensed as incurred and are recorded as a loss in net realized gain on sale and disposal of investments.

8. Share Capital

As at December 31, 2018 and 2017 share capital consists of the following:

	Year ended December 31, 2018		Year ended December 31, 2017	
	Number	**Amount**	Number	Amount
		$		$
Authorized				
Preferred shares	**Unlimited**	**N/A**	Unlimited	N/A
Common Shares	**Unlimited**	**N/A**	Unlimited	N/A
Class A Shares	**Unlimited**	**N/A**	Unlimited	N/A
Issued - Common Shares				
Balance, beginning of year	**10,000,000**	**7,998,893**	10,000,000	7,998,893
Issued during the year	**-**	**-**	-	-
Balance, end of year	**10,000,000**	**7,998,893**	10,000,000	7,998,893
Issued - Class A Shares				
Balance, beginning of year	**40,000,000**	**115,637,441**	42,863,200	123,914,769
Normal Course Issuer Bid Repurchases	**-**	**-**	(2,863,200)	(8,277,328)
Balance, end of year	**40,000,000**	**115,637,441**	40,000,000	115,637,441
Total	**50,000,000**	**123,636,334**	50,000,000	123,636,334

The Common Shares and Class A Shares have been classified as equity in these financial statements as the holders of these shares have no contractual rights that would require the Company to redeem the shares.

On August 30, 2018, the TSX accepted Urbana's notice of intention to conduct a normal course issuer bid to purchase up to 3,965,572 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 September 4, 2018, and will terminate on the earlier of September 3, 2019, 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. Purchases are to be made on the open market by Urbana through the facilities of the TSX or the CSE in accordance with the rules and policies of the TSX. The price that Urbana may pay for any such shares is to be the market price of such shares on the TSX or the CSE at the time of acquisition. The Class A Shares purchased under the NCIB are to be cancelled. Urbana is not to purchase on any given day, in the aggregate, more than 4,929 Class A Shares, being 25% of the average daily volume for the most recently completed six months prior to the filing of the NCIB with the TSX, which is 19,718 Class A Shares, calculated in accordance with the TSX rules. Notwithstanding this restriction, Urbana may make one purchase of more than 4,929 Class A Shares in any given week in accordance with the TSX's block purchase rules. As at December 31, 2018, Urbana has not purchased any Class A Shares pursuant to the NCIB. Previously, the TSX had accepted Urbana's notices of intention to conduct normal course issuer bids. Details of the previous normal course issuer bid purchases are as follows:

8. Share capital (continued)

Normal Course Issuer Bid Period	Total Number of Class A Shares Purchased during the Period	Average Price per share
August 28, 2008 - August 27, 2009	1,336,582	1.28
August 28, 2009 - August 27, 2010	3,083,920	1.32
August 28, 2010 - August 27, 2011	7,431,300	1.27
August 29, 2011 - August 28, 2012	6,636,033	1.01
August 29, 2012 - August 28, 2013	5,989,067	1.18
August 29, 2013 - August 28, 2014	5,386,000	1.78
August 29, 2014 - August 28, 2015	4,700,000	2.02
August 31, 2015 - August 30, 2016	1,332,400	1.98
August 31, 2016 - August 30, 2017	2,967,600	3.12
August 31, 2017 - August 30, 2018	-	-

9. Related party disclosures

Caldwell Financial Ltd. (“CFL”), a company under common management with Urbana, is the parent company of Caldwell Investment Management Ltd. (“CIM”), the investment manager of Urbana, and Caldwell Securities Ltd. (“CSL”). Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana. As at December 31, 2018 and 2017 Urbana had a 20% ownership interest in CFL.

CSL, a sister company of CIM and a registered broker and investment dealer, handles Urbana’s portfolio transactions. In 2018, the total commission fees paid to CSL by Urbana amounted to $260,056 (2017 - $254,051) which was included in transaction costs. The Ontario Securities Commission has commenced an administrative proceeding alleging that CIM did not fulfil its best execution obligations as an adviser in relation to certain securities trades executed through CSL for some accounts. CIM has engaged in discussions with regulators to resolve this proceeding. The Urbana board is monitoring the progress of this matter.

In 2018 and 2017, Urbana paid CSL $406,800 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 functions of Urbana’s chief financial officer. This expense was included in administrative expenses.

As at December 31, 2018 Urbana owned 50% of the voting class A common shares, 63% of the non-voting class B common shares and 63% of the non-voting preferred shares of Radar Capital Inc. (“RCI”), a private capital company. These holdings resulted from a capital restructuring of RCI in January 2018 when Urbana’s investments in units of Radar Capital Fund 1 Limited Partnership and units of Radar Capital Fund II Series F Limited Partnership, both of which were managed by RCI, and its debt holdings of RCI were converted into preferred shares and class B common shares of RCI. In addition, the common shares of RCI previously held by Urbana were re-designated as class A common shares and split at the ratio of 1 to 47,000.

As at December 31, 2018 Urbana had a 49.7% ownership interest (2017 – 45.9%) in Caldwell Growth Opportunities Trust, which is a private equity pool managed by CIM.

As at December 31, 2018 Urbana owned 49.4% (2017 – 49.3%) of the common shares of CNSX Markets Inc., the operator of the Canadian Securities Exchange.

As at December 31, 2018 Urbana had a 46.9% direct ownership interest (2017 – 50%) in Highview Financial Holdings Inc. (“HFHI”). These holdings resulted from a capital restructuring of HFHI in 2017 when the Company exchanged its common shares and promissory notes of HFHI for additional units of Highview

9. Related party disclosures (continued)

Investments Limited Partnership ("HILP") and subsequently converted all of its units of HILP into common shares of HFHI. As at December 31, 2018, RCI had a 28.1% ownership interest in HFHI.

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 this 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 2018, CIM earned $4,073,763 of investment management fees from Urbana (2017 - $4,269,204). The investment management fees are accrued daily and paid quarterly in arrears. As at December 31, 2018 there was an investment management fee payable included in accounts payable and accrued liabilities of $910,068 to CIM (2017 – $1,119,796).

All related party transactions are recorded at their exchange amounts.

10. Income taxes

The Company's provision for (recovery of) income taxes for the years ended December 31, 2018 and 2017 is summarized as follows:

	2018	2017
	$	$
Net income (loss) before income taxes	**(44,397,255)**	32,370,588
Expected taxes payable (recoverable) at future rates - 26.5%	**(11,765,273)**	8,578,206
Income tax effect of the following:		
Non-taxable portion of realized capital gains	**(2,283,765)**	(1,107,610)
Non-taxable portion of unrealized capital (gains) losses	**7,747,125**	(3,726,674)
Non-taxable dividends	**(179,644)**	(169,792)
Foreign withholding tax expense, net of Canadian tax	**223,363**	125,134
Other	**717,089**	(135,013)
Income tax expense (recovery)	**(5,541,105)**	3,564,251

The income tax expense (recovery) is represented as follows:

Provision for (recovery of) deferred income taxes	**(5,845,000)**	3,394,000
Foreign withholding tax expense	**303,895**	170,251
Income tax expense (recovery)	**(5,541,105)**	3,564,251

The components of the Company's deferred income tax liability are as follows:

	2018	2017
	$	$
Resource deductions available in perpetuity	**(77,260)**	(10,960)
Unrealized capital gains on investments	**8,005,862**	14,872,050
Non-capital loss carryforwards	**(45,488)**	(934,177)
Other	**(14)**	(198,913)
Total deferred income tax liability	**7,883,000**	13,728,000

10. Income taxes (continued)

At December 31, 2018, the Company had non-capital losses of $171,652 (December 31, 2017 - $1,524,878) available for carryforward for tax purposes. The expiry dates of these losses are as follows:

Expiry Date	Amount
	$
December 31, 2032	40,161
December 31, 2037	131,491
	171,652

11. Dividends

On January 31, 2018 the Company paid a regular cash dividend of $0.07 per share, plus a special cash dividend of $0.03 per share, for a total of $0.10 per share on the issued and outstanding Common and Class A Shares as at January 17, 2018 amounting to $5,000,021. On January 31, 2017 the Company paid a regular cash dividend of $0.05 per share, plus a special cash dividend of $0.05 per share, for a total of $0.10 per share on the issued and outstanding Common and Class A Shares as at January 17, 2017 amounting to $5,187,787. Subsequent to year end on January 31, 2019 the Company paid a regular cash dividend of $0.07 per share on the issued and outstanding Common and Class A Shares as at January 17, 2019 amounting to $3,500,015.

12. Adoption of IFRS 9 "Financial Instruments" ("IFRS 9")

The Company's accounting policies for its financial instruments are disclosed in detail in Note 1. The date of initial application of IFRS 9 (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) was January 1, 2018. The application of IFRS 9 has not had a significant impact on the financial position or financial performance of the Company.

IFRS 9 introduced new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the Company's financial statements are described below.

a. Classification and measurement of financial assets and financial liabilities

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Management has reviewed and assessed the Company's existing financial instruments as at January 1, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial instruments regarding their classification and measurement:

- Financial assets that were measured at FVTPL under International Accounting Standard 39 ("IAS 39") *"Financial Instruments: Recognition and Measurement"* continue to be measured at FVTPL under IFRS 9;
- Financial assets classified as loans and receivables under IAS 39 that were measured at amortized cost continue to be measured at amortized cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- Financial liabilities classified as other financial liabilities under IAS 39 that were measured at amortized cost continue to be measured at amortized cost under IFRS 9.

12. *Adoption of IFRS 9 "Financial Instruments" ("IFRS 9") (continued)*

There were no financial assets or financial liabilities which the Company had previously designated as at FVTPL under IAS 39 that were subject to reclassification, or which the Company has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Company has elected to designate as at FVTPL at the date of initial application of IFRS 9.

b. Impairment of financial assets

IFRS 9 also introduces the expected credit loss ("ECL") model for impairment of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income. The ECL impairment model did not have a material impact on the Company's financial assets given that the majority of the Company's financial assets continue to be measured at FVTPL.

c. Hedge accounting

The Company does not apply hedge accounting, therefore, IFRS 9 hedge accounting related changes did not have an impact on the Company's financial statements.

13. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on March 6, 2018.