URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended June 30, 2019

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 six months ended June 30, 2019 (the "Interim Financial Statements") and the audited financial statements of Urbana and notes thereto for the year ended December 31, 2018 (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, both of which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts shown in this MD&A, unless otherwise specified, are presented in Canadian dollars. This MD&A is current as of August 7, 2019. 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

Urbana is subject to National Instrument 51-102 ("NI 51-102") *Continuous Disclosure Obligations* and is required to file annual and interim Management's Discussion and Analysis. For accounting purposes, Urbana is 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 June 30, 2019 and December 31, 2018 is presented in the following table:

	June 30, 2019	December 31, 2018
Assets ($)	237,887,694	216,401,933
LESS Liabilities ($)	12,183,832	8,973,068
EQUALS Net Assets ($)	225,703,862	207,428,865
DIVIDED BY Number of Shares Outstanding	50,000,000	50,000,000
EQUALS Net assets per share ($)	4.51	4.15

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 OBJECTIVES AND STRATEGIES, AND RISK FACTORS

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. Urbana has the scope to invest in any sector in any region. There were no material changes to Urbana's investment style during the second financial quarter of 2019 ("2019

Q2") that affected the overall level of risk associated with investment in the Corporation. Some of the risk factors associated with investing in Urbana are described in Urbana's 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

The overall economic and market background for the second quarter of 2019 was generally positive with low inflation, low unemployment, low interest rates and reasonable corporate earnings growth. President Trump has continued to provide an element of volatility to financial markets in the wake of his continuing crisis creation, the "appearance of so-called solutions" and rotating threats against trading partners and allies.

This is the current reality but markets are adjusting to the resulting media events.

Both the second quarter and first half of 2019 have been positive for the Corporation. Urbana's overall portfolio grew by 4.4% in the second quarter of 2019, as its net assets per share increased from $4.32 to $4.51. During the same period, the S&P/TSX Total Return Composite Index ("S&P/TSX Index") increased by 2.6% and the Dow Jones Industrial Average Index (converted to Canadian Dollars) ("DJIA Index") increased by 1.2%.

During the first half of 2019, Urbana's net assets per share increased from $4.15 to $4.51, after the payment of a dividend of seven cents ($0.07) per share[1] in January 2019, resulting in a 10.5% total return of net assets per share. During the same period, the S&P/TSX Index increased by 16.2% and the DJIA Index increased by 10.8%.

Our CAGR of net assets per share since inception to June 30, 2019 was 14.1%. This compares favourably with the CAGR of the S&P/TSX Index of 8.9% and the CAGR of the DJIA Index of 9.2%, for the same period.[2] Clearly, our long-term goal is to strive for and maintain long-term performance.

Private Equity Investments
In 2019 Q2 Urbana added slightly to this portfolio component and there have been some price improvements within the sector. Private equity holdings are "lumpy" in that one can experience periods of little price improvement until liquidity events generate profits or the companies themselves mature. This is the nature of all private equity investments.

As a result of one of our shareholder's suggestions, we have added a summary section on our private investments to our website under the heading "Private Equity Company Profiles". There are links, which allow our investors to access the various company websites in order to obtain more information. We hope this is helpful.

---

[1] The common shares and the Class A shares participate equally in dividends.
[2] The CAGR of the indexes is calculated in the same way as the CAGR of net assets per share since inception.

Public Holdings
Our publicly traded holdings have tracked most major indexes. We update the market prices of these investments, as well as of our private holdings, weekly on our website at www.urbanacorp.com.

Our focus is still on financial services along with Canadian dividend paying companies and some resource entities.

A standout in this quarter, and this year, has been the recovery in the share price of Real Matters from $3.30 on December 31, 2018 to $5.41 on March 31, 2019 to $6.85 on June 30, 2019 and $8.84 as of August 6, 2019.

On our holding of approximately 3.1 million shares, this recoups some of Real Matters' earlier losses. Much of the improvement is due to lower interest rates fueling the house refinancing market in the United States.

Resources
With respect to our resource holdings (44 claims – 2,852.7 acres) gold prospect in Urban Township, Quebec, there is significant work being done on the ground immediately adjacent to our land, with positive results.

Our neighbor's (Osisko Mining Corporation) significant exploration and development programs appear greatly encouraging.

Our plan remains to wait for an opportune time to strike a deal with this asset, which is currently reflected on our books at zero.

Share Price
It is clear that many mid to small cap companies in Canada have become orphans, as larger investment dealers focus on packaged products and Exchange Traded Funds. This is unfortunate but it does provide an array of excellent investment opportunities at advantageous prices. We believe this also applies to Urbana's shares.

With this being the case, it is management's intention to recommence share buy backs (Normal Course Issuer Bid "NCIB") in calendar 2019. This will be done against a background of increasing asset value for Urbana as we do not plan to shrink the company. Hopefully this will help with share liquidity.

Your management is always available, by email or telephone, to answer questions.

In 2019 Q2, dividend income was $756,625, up from $608,053 in the second quarter of 2018 ("2018 Q2"). This increase stemmed primarily from our new holdings of Canadian dividend paying stocks, namely, CIBC, Inter Pipeline, Power Financial, AGF Management and Canadian Natural Resources. This increase was partially offset by the sale of Deutsche Bank and Barrick Gold. In 2019 Q2, interest income was $2,064, down from $30,161 in 2018 Q2. Included in 2018

Q2 was interest from our holdings of NinePoint Financial Group promissory notes, which were repurchased by the issuer in late 2018.

Urbana realized a net gain of $286,079 from the sale of investments in 2019 Q2 (2018 Q2 - $7.3M). This gain stemmed primarily from the disposition of Detour Gold ($0.2M), and Caldwell Growth Opportunities Trust ($0.1M).

Urbana recorded $10.0M in unrealized gains in 2019 Q2 (2018 Q2 - $9.9M loss). The best performer during 2019 Q2 was Real Matters, which contributed an increase in unrealized gains of $4.5M. Other strong performers that generated unrealized gains included Detour Gold ($2.0M), Citigroup ($1.3M), Intercontinental Exchange Group ($1.3M) and Cboe Global Markets ($0.9M).

During 2019 Q2, Urbana recorded net income before income taxes of $9.7M (2018 Q2 - $3.7M net loss) primarily due to $10.0M in unrealized gains on investments. Investment management fees in 2019 Q2 were $1.0M, relatively unchanged from 2018 Q2 since the average net assets under management were only slightly lower in 2019 Q2. Interest expense in 2019 Q2 amounted to $1,994, down from $74,762 in 2018 Q2 due to significantly reduced borrowings in 2019. Transaction costs in 2019 Q2 were $37,750, down from $96,040 in 2018 Q2, due to reduced trading activity in 2019 Q2. Professional fees, comprised of audit fees and legal costs, were $68,707 in 2019 Q2, down from $106,397 in 2018 Q2, since last year included legal fees for special project work. Administrative expenses in 2019 Q2 were $255,387, down from $435,794 in 2018 Q2, due to reduced spending on marketing and advertising. Foreign withholding tax expense in 2019 Q2 was $67,703, up from $48,283 in 2018 Q2, since last year included a refund of taxes related to a prior year. A deferred income tax expense of $143,000 has been recorded in 2019 Q2 (2018 Q2 - $310,000 recovery) primarily due to the unrealized gains recorded during 2019 Q2.

Urbana has not purchased any of its non-voting Class A shares ("Class A shares") in 2019 Q2. Since May 2010, Urbana has purchased and cancelled a total of 37,526,320 Class A shares under its normal course issuer bid programs. The number of Class A shares now outstanding is 40,000,000.

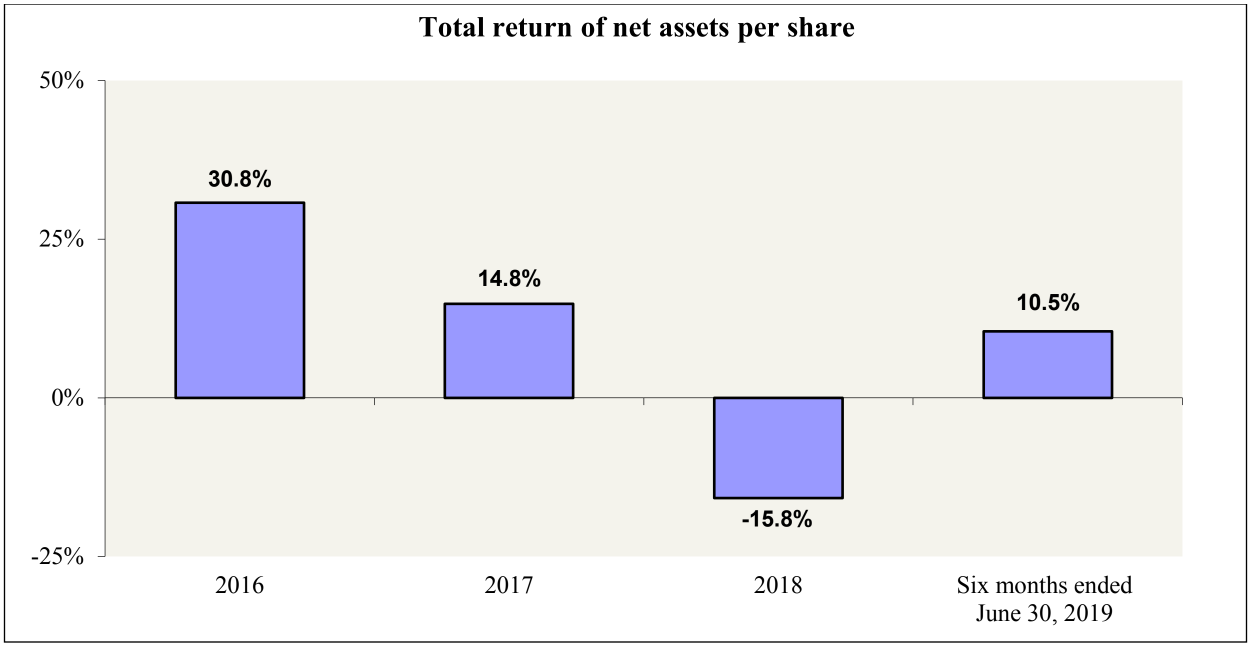
Past Performance

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, assuming that each dividend paid during the period was reinvested.

Urbana's Class A shares, which 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 at June 30, 2019

The following data is extracted from Urbana's Interim Financial Statements:

Number of securities	Description	Cost ($)	Fair value ($)	% of Portfolio Fair Value
	Private equity investments			
13,260,878	CNSX Markets Inc.	7,248,349	26,521,756	11.16%
35	Minneapolis Grain Exchange (seats)	8,151,851	9,833,294	4.14%
800,000	Caldwell Financial Ltd.	1,826,650	1,640,000	0.69%
2,350,000	Radar Capital Inc. Class A Common (i)	50	50	-%
16,755,081	Radar Capital Inc. Class B Common (i)	12,566,311	13,236,514	5.57%
16,755,081	Radar Capital Inc. Preferred (i)	4,188,770	4,188,770	1.76%
3,000,000	Evolve Funds Group Inc. Class A Preferred	3,000,000	3,594,009	1.51%
1,001,667	Evolve Funds Group Inc. Class B Preferred	1,200,000	1,200,000	0.50%
9,909,025	Highview Financial Holdings Inc.	5,406,753	9,512,664	4.00%
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	4,165,852	1.75%
84,012	Caldwell Growth Opportunities Trust (ii)	703,437	730,420	0.31%
465,381	Vive Crop Protection Inc. Class A Preferred	314,132	314,132	0.13%
455,671	Vive Crop Protection Inc. Class B Preferred	45,567	45,567	0.02%
122,222	Kognitiv Corporation	2,404,596	2,395,704	1.01%
	Public equity investments			
757,569	Caldwell India Holdings Inc. (iii)	16,501,204	10,332,638	4.35%
395,500	Urbana Mauritius Inc. (iv)	7,312,848	5,250,887	2.21%
110,000	Cboe Global Markets, Inc.	3,637,004	14,896,035	6.27%
125,000	Intercontinental Exchange Group Inc.	5,192,307	14,037,762	5.91%
160,000	Citigroup Inc.	7,487,889	14,641,873	6.16%
450,000	Bank of America Corp.	6,277,355	17,053,088	7.17%
175,000	Suncor Energy	6,909,669	7,148,750	3.01%
400,000	Teck Resources Ltd. Class B	4,552,271	12,088,000	5.09%
275,000	Morgan Stanley	7,626,878	15,743,397	6.62%
3,135,711	Real Matters Inc.	12,179,624	21,479,620	9.04%
500,000	Detour Gold Corp.	5,702,106	8,260,000	3.48%
50,000	Canadian Imperial Bank of Commerce	5,602,898	5,149,000	2.17%
200,000	Inter Pipeline Ltd.	4,368,963	4,074,000	1.71%

500,000	AGF Management Ltd. Class B	2,792,360	2,600,000	1.09%
100,000	Power Financial Corp.	2,896,887	3,012,000	1.27%
20,000	Canadian Natural Resources Ltd.	841,429	706,200	0.30%
55,000	KKR & Co. Inc. Class A	1,731,993	1,816,186	0.76%
400,000	Whitecap Resources Inc.	1,715,110	1,700,000	0.72%
	Cash	329,350	329,350	0.14%
		155,714,609	237,697,518	100.00%

(i) Radar Capital Inc. ("RCI") owns 28.12% of the common shares of Highview Financial Holdings Inc.

(ii) Urbana owns 23.19% of Caldwell Growth Opportunities Trust, which owns 2.04% of the investor shares of Caldwell India Holdings Inc. ("CIHI"), 5.50% of the Class B common shares of RCI and 5.50% of the Preferred shares of RCI.

(iii) Urbana owns 97.96% of the investor shares of CIHI, which holds 773,319 equity shares of the Bombay Stock Exchange (the "BSE"). 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 394,500 equity shares of the BSE.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. No mining expenditures were incurred in the first six months of 2019. Mining expenditures of $77,849 were incurred in the first six months of 2018 and have been recorded as a loss in computing net realized gain on sale and disposal of investments.

The above summary of the investment portfolio may change due to ongoing portfolio transactions. Weekly and quarterly updates are available at Urbana's website at www.urbanacorp.com.

Demand Loan Facility

On February 15, 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 June 30, 2019, the outstanding balance of the loan was $1.4M. The minimum and maximum amounts borrowed during 2019 Q2 were $Nil and $1.4M 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 28, 2018 the Toronto Stock Exchange (the "TSX") accepted a notice of intention to conduct a normal course issuer bid from Urbana to purchase up to 3,965,572 of its own Class A shares (the "2018 NCIB"), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2018 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. The Class A shares purchased under the 2018 NCIB must be cancelled. As at June 30, 2019, Urbana had not purchased any Class A shares pursuant to the 2018 NCIB.

Acquisitions and Dispositions of Portfolio Investments

From January 1, 2019 to June 30, 2019, Urbana made the following significant acquisitions and dispositions of portfolio investments:

Acquisitions

Investments	No. of Securities	Cost Base ($)[1]
Evolve Funds Group Inc. Class B Preferred	1,001,667	1,200,000
JP Morgan Chase & Co.	10,000	1,348,315
Goldman Sachs Group Inc.	5,000	1,246,064
AGF Management Ltd. Class B	500,000	2,792,360
Power Financial Corp.	100,000	2,896,887
Gluskin Sheff & Associates Inc.	100,000	1,118,029
Radar Capital Inc. Class B	1,345,000	1,008,750
Minneapolis Grain Exchange (seats)	3	872,492
Kognitiv Corporation	122,222	2,404,596
Detour Gold Corp.	100,000	1,223,048
Inter Pipeline Ltd.	100,000	2,190,555
Canadian Natural Resources Ltd.	20,000	841,429
KKR & Co. Inc. Class A	55,000	1,731,993
Whitecap Resources Inc.	400,000	1,715,110

Dispositions

Investments	No. of Securities	Cost Base ($)[1]	Proceeds ($)[1]
Cboe Global Markets, Inc.	5,000	165,318	615,633
Suncor Energy	25,000	987,096	1,111,728
Detour Gold Corp.	100,000	1,131,241	1,431,788
Gluskin Sheff & Associates Inc.	100,000	1,118,029	1,424,095
JP Morgan Chase & Co.	10,000	1,348,315	1,327,135
Goldman Sachs Group Inc.	5,000	1,246,064	1,262,980
Caldwell Growth Opportunities Trust	322,054	2,696,563	2,800,000

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

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.

Urbana has incurred mining expenditures totaling $1.1M, all of which relate to periods prior to 2019. These expenditures are recorded as a loss in computing "net realized gain on sale and disposal of investments" in the Interim Financial Statements, in accordance with IFRS 6 *"Exploration for and Evaluation of Mineral Resources"*. 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 at this time. 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 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 31, 2019, the Corporation paid a cash dividend of $0.07 per share on the issued and outstanding common and Class A shares as at January 17, 2019. Pursuant to subsection 89(14) of the *Income Tax Act* of Canada (ITA) each dividend paid by Urbana qualifies as and is designated an eligible dividend for Canadian income tax purposes, as defined in subsection 89(1) of the ITA.

Outstanding Share Data
As at August 6, 2019, the Corporation has 10,000,000 common shares and 40,000,000 Class A shares outstanding.

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 of Caldwell Securities Ltd. ("CSL"). Urbana pays CIM investment management fees for investment management services that CIM provides to Urbana – refer to "Management Fees" below. As at June 30, 2019 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. The total amount of commission fees paid to CSL by Urbana in the six-month periods ended June 30, 2019 and June 30, 2018, and during the years ended December 31, 2018 and 2017, were $73,621, $107,023, $260,056 and $254,051 respectively. All securities transactions are reviewed by Urbana's independent directors on a quarterly basis.

In 2018, the Ontario Securities Commission ("OSC") 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. At the end of 2019 Q2, in consideration of the potential impact of this proceeding, Urbana revalued its investment in CFL, the parent company of CIM, which resulted in a less than $0.01 per share decrease in Urbana's net assets per share. On July 19, 2019, the OSC approved a settlement between the Staff of the OSC and CIM to resolve the proceeding. Urbana management has determined that the 2019 Q2 revaluation of the CFL investment reflects the actual impact of the July 19, 2019 CIM settlement and therefore no further adjustment to the value of the CFL investment is currently deemed necessary in connection with this matter.

Pursuant to an administrative services agreement between Urbana and CSL dated January 1, 2016, Urbana paid CSL a monthly fee of $33,900 (HST inclusive) from January 2016 to February 2019, inclusive, 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. On March 1, 2019, this agreement was amended and restated to provide that, effective March 1, 2019, Urbana would pay CSL a monthly fee of $28,702 (HST inclusive) for administrative services, including investor relations, information technology, professional corporate office, and office and conference room access for Urbana's staff, directors and officers. Effective March 1, 2019, Urbana's chief financial officer is an employee of Urbana and CSL no longer provides chief financial officer services to Urbana.

As at June 30, 2019 Urbana owned 50% of the voting class A common shares, 68.49% of the non-voting class B common shares, and 68.49% of the non-voting preferred shares of Radar Capital Inc. ("RCI"), a private capital company.

As at June 30, 2019 Urbana had a 23.19% ownership interest in Caldwell Growth Opportunities Trust, which is a private equity pool managed by CIM – refer to "Summary of Investment Portfolio" above.

As at June 30, 2019 Urbana owned 49.29% of the common shares of CNSX Markets Inc., the operator of the Canadian Securities Exchange.

As at June 30, 2019 Urbana had a 46.87% direct ownership interest in Highview Financial Holdings Inc. ("HFHI") and RCI had a 28.12% ownership interest in HFHI.

As at June 30, 2019, there were no fees payable to related parties, other than a management fee of $1.0M payable to CIM (June 30, 2018 - $1.0M).

MANAGEMENT FEES

Investment management fees are charged for portfolio management services in accordance with a fund management and portfolio management agreement effective as of August 1, 2011 between Urbana and CIM. Pursuant to such agreement, CIM is entitled to an investment management fee equal to 1.5% per annum of the market value of Urbana's investment portfolio. In the six month periods ended June 30, 2019 and June 30, 2018, CIM earned $1.8M and $2.1M respectively, of investment management fees from Urbana. The investment management fees are accrued daily and paid quarterly in arrears. As at June 30, 2019 there was an investment management fee of $1.0M payable to CIM (June 30, 2018 - $1.0M).

SUMMARY OF QUARTERLY RESULTS

The tables below show the key operating results of the Corporation for each of the eight most recently completed quarters:

	2nd Quarter 2019 ($)	**1st Quarter 2019 ($)**	**4th Quarter 2018 ($)**	**3rd Quarter 2018 ($)**
Realized gain	286,079	984,014	2,204,679	1,009,623
Change in unrealized gain (loss)	9,953,631	13,692,840	(19,919,651)	(6,441,558)
Dividend income	756,625	650,364	689,543	621,651
Interest income	2,064	5,520	402,653	30,286
Total expenses	1,325,177	1,242,269	1,329,651	1,495,622
Net income (loss) before income taxes	9,673,222	14,090,469	(17,952,427)	(6,275,620)
Net assets per share (beginning of period)	4.32	4.15	4.46	4.57
Net assets per share (end of period)	4.51	4.32	4.15	4.46
	2nd Quarter 2018 ($)	**1st Quarter 2018 ($)**	**4th Quarter 2017 ($)**	**3rd Quarter 2017 ($)**
Realized gain (loss)	7,266,506	6,739,053	4,377,175	(199,081)
Change in unrealized gain (loss)	(9,876,993)	(22,230,664)	10,311,201	5,472,569
Dividend income	608,053	571,832	745,350	567,262
Interest income	30,161	30,017	25,640	25,782
Total expenses	1,747,531	1,559,642	1,706,444	1,449,915
Net income (loss) before income taxes	(3,719,804)	(16,449,404)	13,752,922	4,416,617
Net assets per share (beginning of period)	4.64	5.03	4.78	4.70
Net assets per share (end of period)	4.57	4.64	5.03	4.78

The variations shown in the table above relate to the timing of investment decisions and do not reflect any general trends or seasonality.

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 67% of its assets, with a fair value of approximately $169M, in cash and marketable securities. It has the liquidity to readily meet all of its operating expense requirements and its obligations under the loan facility.

In 2019 Q2, the Corporation did not conduct any additional financing activities. As at the date of this MD&A, the Corporation does not have any capital expenditure commitments, 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 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.

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.

Changes in Accounting Policies

There have been no changes in accounting policies during 2019 Q2 that affect the Corporation.

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 June 30, 2019 (A) the Corporation's DC&P provides reasonable assurance that (i) material information relating to the Corporation has been made known to them, particularly during the financial quarter ended June 30, 2019 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 April 1, 2019 and ending on June 30, 2019 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 Corporation 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.