URBANA CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2020

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 three months ended March 31, 2020 (the "Interim Financial Statements") and the audited financial statements of Urbana and notes thereto for the year ended December 31, 2019 (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 May 6, 2020. 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 March 31, 2020 and December 31, 2019 is presented in the following table:

	March 31, 2020	**December 31, 2019**
Assets ($)	230,127,148	290,705,461
LESS Liabilities ($)	27,357,665	37,179,968
EQUALS Net Assets ($)	202,769,483	253,525,493
DIVIDED BY Number of Shares Outstanding	49,091,127	49,563,600
EQUALS Net assets per share ($)	4.13	5.12

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. 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 first financial quarter of 2020 ("2020 Q1") 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 combination of the COVID-19 pandemic, the isolation defense and a worldwide energy collapse brought significant downward pressure and extreme volatility to markets in 2020 Q1.

During 2020 Q1, Urbana's net assets per share decreased from $5.12 to $4.13, after the payment of a dividend of eight cents ($0.08) per share[1] in January 2020, resulting in an 18.1% negative total return of net assets per share. During the same period, the S&P/TSX Composite Total Return Index ("S&P/TSX Index") decreased by 20.9% and the Dow Jones Industrial Average Total Return Index (converted to Canadian Dollars) ("DJIA Index") decreased by 16.4%.

Urbana's long-term performance, represented by its CAGR of net assets per share since inception to March 31, 2020, was 13.0%. This compares favourably with the CAGR of the S&P/TSX Index of 7.4% and the CAGR of the DJIA Index of 8.2%, for the same period.[2] Our long-term goal is to strive for and maintain superior long-term performance.

Financial markets generally reflect the mood of the society in which they function. If a society is in panic mode, markets will share that emotion. During 2020 Q1, Urbana's management gradually liquidated positions to pay off our trading credit line and build cash reserves in order to preserve capital and be in a position to seek out opportunities when events appear to turn.

At present, we are all still struggling through COVID-19 and watching the grim statistics in anticipation of an easing in the number of new cases and fatalities.

A concern developing now appears to be the potential longer-term economic damage from the isolation measures designed to buy time in order to develop effective treatments and vaccines. Markets are now looking beyond COVID-19 to what the "new normal" will look like.

The economic re-opening process has now begun. Like so many things, this will involve a balancing of risks and rewards.

Urbana's management team is focusing on a post COVID-19 world and its investment opportunities. Undoubtedly, we will face a new world and as this is new territory, one must feel their way and be a bit cynical of the "experts" because none exist in matters not experienced. The extent of a recession or economic slowdown is hard to determine until we see the length of the COVID-19 lockdown.

Management's initial view is that we will be facing a world of increasing economic isolation. World trade and globalization will be put on the back burner and current events will be used to build domestic industries and jobs. It is our opinion that President Trump will focus on punishing China by increasing tariffs and other restrictions. A damaged Chinese economy can have a direct impact on Canadian raw material exports. Europe may not be far behind in experiencing the impact of America's drive toward isolation and self-reliance.

America's protectionist position and their rebuilding of American supply chains speak to the U.S. economy as a more desirable investment destination than many others.

Canada faces grave challenges in the energy sector. Our dollar is considered a petro currency and thus vulnerable even at the $0.71US level.

[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.

The Saudi Crown Prince could not have picked a worse time to flex his muscles and start a price/market share war with Russia and indirectly with the United States by damaging shale production.

President Trump is presently considering a ban on Saudi oil. We only hope he does not include Canada as part of that process. The lack of coherent government policies in Canada do not help either. (For example, Canadian oil cannot be sold in Quebec, nor can pipelines cross its boundaries). West coast pipeline blockages also damage the industry and Canada's image internationally.

All of the above notwithstanding, if we do add to the energy group it will be in the companies that have the resources to buy out weaker industry participants. At present, it is cheaper to buy oil than explore for it or develop new fields.

Financial Services have always been a feature of our investment process and despite their recent significant declines and risk exposures, the banks we now hold appear to have the resources (built up after 2008) to weather what we are currently anticipating.

Corporations will also need to raise funds as we come out of this period. Corporate finance departments will see business increase substantially.

The key market determinant will be how long these COVID influences take to play out. Our stance is to wait and watch for value possibilities. These opportunities will also change with the duration of the current isolation measures. The resurfacing of President Trump's fixation on punishing China will not help.

In the interim, Urbana has recommenced its share buyback program (Normal Course Issuer Bid ("NCIB")). We are constrained to 7,572 "A" shares per day until June 30, 2020 and thereafter, to 3,786 "A" shares per day, but we can purchase larger blocks from any one broker per week. To date, we have not been able to locate any large sellers but, given the price of Urbana's "A" shares, we are open to such purchases.

We have seen a significant improvement in both our share price and net assets per share since the March lows, but still have ground to cover from the February 2020 market highs.

At present, Urbana's trading credit line has been paid off and our company also has good cash reserves and buying power. We may further add to some positions and seek out new ones, but this is very much a "daily market" where flexibility of thought and action are important.

The good news is that the current "repricing" of many companies presents greater long-term value for our organization as a "value investor".

We wish all of our shareholders, employees, suppliers and advisors well through this challenging time.

In 2020 Q1, dividend income was $879,293, up from $650,364 in the first quarter of 2019 ("2019 Q1"). This increase stemmed primarily from increased dividend payout rates on our dividend paying stocks, and in particular, on our U.S. financials. In 2020 Q1, interest income amounted to

$36,986, up from $5,520 in 2019 Q1. 2020 Q1 revenue reflects interest on promissory notes held by Urbana in Highview Financial Holdings Inc. and Radar Capital Inc.

Urbana realized a net gain of $7.9M from the sale of investments in 2020 Q1 (2019 Q1 - $1.0M). This gain stemmed primarily from the disposition of a portion of the investments in Real Matters ($4.9M), Bank of America ($1.6M) and Intercontinental Exchange Group ($1.2M).

Urbana recorded $59.4M in unrealized losses in 2020 Q1 (2019 Q1 - $13.7M gain). Virtually all holdings experienced unrealized losses, primarily because of the impact of COVID-19 on financial markets in general and on certain businesses in particular. The largest valuation decrease of $7.8M related to Bank of America, however, when a portion of this investment was sold, $1.2M of this unrealized loss was converted to a realized gain, as discussed above. The other notable underperformers included Citigroup ($7.0M), Suncor Energy ($6.0M), Detour Gold ($5.3M), Morgan Stanley ($4.9M) and Whitecap Resources ($4.4M).

During 2020 Q1, Urbana recorded a net loss before income taxes of $52.7M (2019 Q1 - $14.1M net income) primarily due to $59.4M in unrealized losses on investments. Investment management fees in 2020 Q1 were $1.5M, up from $871,080 in 2019 Q1 due to an increase in the average net assets under management as well as an increase in the management fee from 1.5% to 2.0% per annum. Interest expense in 2020 Q1 amounted to $286,213 compared to $Nil in 2019 Q1 since Urbana borrowed under its loan facility in 2020 Q1. Transaction costs in 2020 Q1 were $9,568, down from $35,871 in 2019 Q1, since 2020 Q1 transaction costs in respect of all trades excluding normal course issuer bid trades, are absorbed by Caldwell Investment Management Ltd. ("CIM" or the "Manager"). Professional fees, comprised of audit fees and legal costs, were $33,080 in 2020 Q1, down from $46,791 in 2019 Q1, since last year included legal fees for special project work. Administrative expenses in 2020 Q1 were $284,558, virtually unchanged from $288,527 in 2019 Q1. Foreign withholding tax expense in 2020 Q1 was $124,312, up from $70,976 in 2019 Q1 due to higher foreign dividend revenues in 2020 Q1. A deferred income tax recovery of $7,276,000 has been recorded in 2020 Q1 (2019 Q1 - $1,707,000 expense) primarily due to the unrealized losses recorded during 2020 Q1.

Urbana purchased and cancelled 472,473 non-voting Class A shares ("Class A shares") in 2020 Q1 at an average price of $2.58 per Class A share. Subsequent to March 31, 2020, Urbana purchased an additional 172,500 Class A shares at an average price of $2.00 per Class A share. Since May 2010, Urbana has purchased and cancelled a total of 38,607,693 Class A shares under its normal course issuer bid programs. The number of Class A shares now outstanding is 38,918,627.

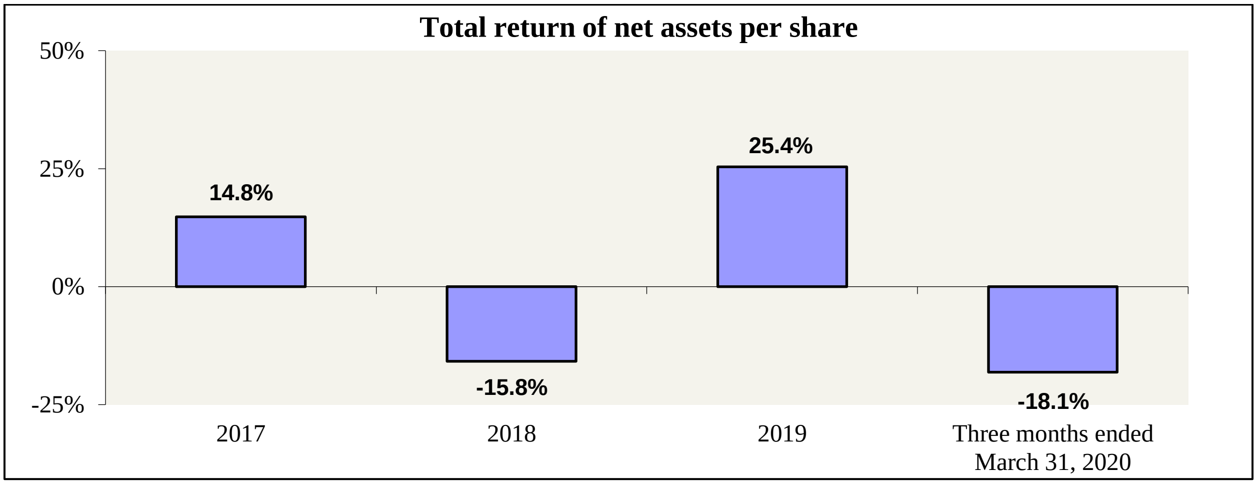
Past Performance

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 March 31, 2020

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	11.5%
35	Minneapolis Grain Exchange (seats)	8,151,851	9,166,374	4.0%
800,000	Caldwell Financial Ltd.	1,826,650	1,848,000	0.8%
2,350,000	Radar Capital Inc. Class A Common (i)	50	6,580	-%
16,755,081	Radar Capital Inc. Class B Common (i)	12,566,311	12,613,225	5.5%
3,000,000	Evolve Funds Group Inc. Class A Preferred	3,000,000	3,594,009	1.6%
1,544,236	Evolve Funds Group Inc. Class B Preferred	1,850,000	1,850,000	0.8%
9,909,025	Highview Financial Holdings Inc.	5,406,753	9,413,574	4.1%
4,538,460	Four Lakes Capital Fund Limited Partnership	4,999,998	3,217,314	1.4%
84,012	Caldwell Growth Opportunities Trust (ii)	703,437	760,992	0.3%
465,381	Vive Crop Protection Inc. Class A Preferred	314,132	314,132	0.1%
455,671	Vive Crop Protection Inc. Class B Preferred	45,567	45,567	-%
122,222	Kognitiv Corporation	2,404,596	2,287,636	1.0%
4,112,569	FundThrough Inc. Preferred	4,250,000	4,250,000	1.9%
	Public equity investments			
672,832	Caldwell India Holdings Inc. (iii)	14,655,481	5,487,768	2.4%
343,238	Urbana Mauritius Inc. (iv)	6,346,517	2,774,952	1.2%
110,000	Cboe Global Markets, Inc.	3,637,004	13,973,739	6.1%
100,000	Intercontinental Exchange Group Inc.	4,153,846	11,493,551	5.0%
160,000	Citigroup Inc.	7,487,889	9,592,240	4.2%
400,000	Bank of America Corp.	5,579,871	12,087,088	5.3%
300,000	Suncor Energy	12,025,030	6,738,000	2.9%
400,000	Teck Resources Ltd. Class B	4,552,271	4,268,000	1.9%
275,000	Morgan Stanley	7,626,878	13,308,322	5.8%
2,500,000	Real Matters Inc.	9,710,417	35,000,000	15.2%
150,000	Kirkland Lake Gold Ltd..	5,010,267	6,217,500	2.7%
40,000	Canadian Imperial Bank of Commerce	4,482,318	3,280,000	1.4%
700,000	AGF Management Ltd. Class B	4,044,556	2,100,000	0.9%
250,000	KKR & Co. Inc. Class A	8,541,467	8,351,506	3.7%
1,000,000	Whitecap Resources Inc.	4,696,019	1,170,000	0.5%
150,000	Micron Technology Inc.	8,752,361	8,979,915	3.9%
200,000	Husky Energy Inc.	2,078,302	708,000	0.3%
3,323,925	Metamaterial Inc.	2,054,790	1,146,754	0.5%

	Private debt investments			
3,000,000	Highview Financial Holdings Inc. (v)	3,000,000	3,000,000	1.3%
2,133,980	Radar Capital Inc. (vi)	2,133,980	2,133,980	0.9%
	Cash	2,034,205	2,034,205	0.9%
		175,371,163	229,734,679	100.0%

(i) Urbana owns 65.51% of Radar Capital Inc. ("RCI"), which owns 26.10% of the common shares of Highview Financial Holdings Inc.
(ii) Urbana owns 23.14% of Caldwell Growth Opportunities Trust, which owns 5.50% of the Class B common shares of RCI.
(iii) Caldwell India Holdings Inc. ("CIHI"), a wholly-owned subsidiary of Urbana, holds 672,832 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 of CIHI. The fair value of these voting ordinary shares is nominal.
(iv) Urbana Mauritius Inc., a wholly-owned subsidiary of Urbana, holds 343,238 equity shares of the BSE.
(v) Unsecured convertible promissory note maturing on June 30, 2023 with interest at 8% per annum payable quarterly. This promissory note was issued in connection with a $3 million revolving line of credit and is convertible (in whole or in part) into common shares on the maturity date at $1.07 per common share.
(vi) Unsecured promissory note maturing on July 31, 2024 with interest compounding annually at the TD Canada Trust prime rate less 1% per annum payable on the maturity date.

In addition to the investments listed above, Urbana holds 44 mining claims in Urban Township, Quebec. No mining expenditures were incurred in 2020 or 2019.

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 March 31, 2020, the outstanding balance of the loan was $19.2M. The minimum and maximum amounts borrowed during 2020 Q1 were $18.1M and $24.2M respectively. As at the date of this MD&A, the Corporation has repaid the loan in full and has complied with all covenants, conditions or other requirements of the loan facility.

Normal Course Issuer Bid

On August 29, 2019 the TSX accepted a notice of intention to conduct a normal course issuer bid from Urbana to purchase up to 3,963,322 of its own Class A shares (the "2019 NCIB"), representing 10% of the public float, pursuant to TSX rules. Purchases under the 2019 NCIB were permitted starting on September 4, 2019, and will terminate on the earlier of September 3, 2020, 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. As at March 31, 2020, Urbana had purchased and cancelled 863,473 Class A shares pursuant to the 2019 NCIB at an average purchase price of $2.62 per Class A share.

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 (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 was incurred 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, 2020, the Corporation paid a cash dividend of $0.08 per share on the issued and outstanding common and Class A shares as at January 17, 2020. 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 May 6, 2020, the Corporation has 10,000,000 common shares and 38,918,627 Class A shares outstanding.

RELATED PARTY DISCLOSURES

Caldwell Financial Ltd. ("CFL"), a company under common management with Urbana, is the parent company of 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 March 31, 2020 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 three-month periods ended March 31, 2020 and 2019, and during the years ended December 31, 2019 and 2018, were $9,568, $35,871, $179,281 and $260,056 respectively. All securities transactions conducted through CSL are reviewed by Urbana's independent directors on a quarterly basis.

On July 19, 2019, the Ontario Securities Commission (the "OSC") approved and published a settlement agreement with CIM to resolve a publicly disclosed enforcement proceeding. Before the commencement of the proceeding, CIM upgraded some of its policies and agreed as part of the settlement to testing and validation of its procedures by an outside consultant. The testing and validation have been completed and submitted as per the settlement agreement.

Pursuant to an administrative services agreement between Urbana and CSL dated and effective March 1, 2019 Urbana pays 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.

As at March 31, 2020 Urbana owned 50% of the voting class A common shares and 68.49% of the voting class B common shares of Radar Capital Inc. ("RCI"), a private capital company. Effective August 1, 2019, pursuant to RCI's shareholders' agreement, the previously held non-voting preferred shares of RCI were redeemed for a $4.2M unsecured promissory note and the non-voting class B common shares became voting class B common shares. As a result, Urbana owns a total of 65.51% of the voting common shares of RCI with each class A and class B common share entitled to one vote. In March 2020, RCI distributed to its shareholders, shares of one of its investments, namely Metamaterial Inc., that went public. This distribution served to reduce the principal balance of the unsecured promissory note to $2.1M.

As at March 31, 2020 Urbana had a 23.14% 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 March 31, 2020 Urbana owned 49.26% of the common shares of CNSX Markets Inc., the operator of the Canadian Securities Exchange.

As at March 31, 2020 Urbana had a 47.44% direct ownership interest in Highview Financial Holdings Inc. ("HFHI") and held a $3.0M promissory note from HFHI. RCI had a 26.10% ownership interest in HFHI.

As at March 31, 2020, there were no fees payable to related parties, other than a management fee of $1.5M payable to CIM.

During the three-month period ended March 31, 2020, Urbana, as lender, issued loans to three directors of the Corporation, Charles A. V. Pennock, George D. Elliott and Michael B. C. Gundy. Each loan agreement provides for a revolving credit facility of up to $100,000 for each such director, which they may use for the sole purpose of purchasing Urbana shares. Interest is charged at the interest rate used by the Canada Revenue Agency to calculate taxable benefits for employees and shareholders from interest-free and low-interest loans. The securities of Urbana purchased by each director with funds advanced under each revolving credit facility are held in a broker's account as security for the loan. As at March 31, 2020, the total outstanding principal amount of such loans is $149,463, being $50,090, $26,921 and $72,452 in respect of Messrs. Elliott, Gundy and Pennock respectively. As at March 31, 2020, Messrs. Gundy, Elliott and Pennock have purchased, respectively, 19,000 Common Shares, 9,900 Common Shares, and 6,000 Common Shares and 20,000 Class A Shares, of the Corporation with funds borrowed under the credit facilities.

MANAGEMENT FEES

Investment management fees were charged by CIM for portfolio management services in accordance with a fund management and portfolio management agreement effective as of August 10, 2011 between Urbana and CIM. Pursuant to such agreement, in 2019 CIM was entitled to an investment management fee equal to 1.5% per annum of the market value of Urbana's investment portfolio. On December 6, 2019 Urbana entered into an updated investment management and advisory agreement with CIM, effective as of January 1, 2020. Pursuant to this agreement, CIM is entitled to an investment management fee equal to 2.0% per annum of the market value of Urbana's investment portfolio, and, with the exception of NCIB purchases, CIM will pay a fee to CSL to cover all charges for brokerage, trade execution and other necessary investment-related services rendered directly or indirectly for the benefit of Urbana by CSL. The updated investment management and advisory agreement with CIM was unanimously approved by the Board, on the recommendation of the independent directors of the Corporation, which was based on, among other factors, advice from an independent financial advisory firm. In 2020 Q1, CIM earned $1.5M of investment management fees from Urbana (2019 Q1 - $0.9M). The investment management fees are accrued daily and paid quarterly in arrears. As at March 31, 2020 there was an investment management fee of $1.5M payable to CIM (March 31, 2019 - $0.9M).

SUMMARY OF QUARTERLY RESULTS

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

	1st Quarter 2020 ($)	**4th Quarter 2019 ($)**	**3rd Quarter 2019 ($)**	**2nd Quarter 2019 ($)**
Realized gain	7,861,268	45,457	2,572,660	286,079
Change in unrealized gain (loss)	(59,361,039)	40,107,536	15,814,135	9,953,631
Dividend income	879,293	848,672	822,878	756,625
Interest income	36,986	91,205	49,612	2,064
Total expenses	2,144,626	2,004,909	1,664,371	1,325,177
Net income (loss) before income taxes	(52,728,118)	15,441,490	17,594,914	9,673,222
Net assets per share (beginning of period)	5.12	4.83	4.51	4.32
Net assets per share (end of period)	4.13	5.12	4.83	4.51
	1st Quarter 2019 ($)	**4th Quarter 2018 ($)**	**3rd Quarter 2018 ($)**	**2nd Quarter 2018 ($)**
Realized gain	984,014	2,204,679	1,009,623	7,266,506
Change in unrealized gain (loss)	13,692,840	(19,919,651)	(6,441,558)	(9,876,993)
Dividend income	650,364	689,543	621,651	608,053
Interest income	5,520	402,653	30,286	30,161
Total expenses	1,242,269	1,329,651	1,495,622	1,747,531
Net income (loss) before income taxes	14,090,469	(17,952,427)	(6,275,620)	(3,719,804)
Net assets per share (beginning of period)	4.15	4.46	4.57	4.64
Net assets per share (end of period)	4.32	4.15	4.46	4.57

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 63% of its assets, with a fair value of approximately $136M, 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 2020 Q1, 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 2020 Q1 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 March 31, 2020 (A) the Corporation's DC&P provide reasonable assurance that (i) material information relating to the Corporation has been made known to them, particularly during the financial quarter ended March 31, 2020 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 January 1, 2020 and ending on March 31, 2020 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 Objectives And Strategies, 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.