



URBAN SELECT CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

For the three months ended September 30, 2018

The following management discussion and analysis (“MD&A”) has been prepared by management as of November 27, 2018, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes of the Company for the three months ended September 30, 2018, and the audited financial statements and related notes of the Company for the year ended June 30, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets”, “may”, “will” and similar expressions identify forward-looking statements. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Factors that could cause results or events to differ materially from those expressed in, or implied by, such forward-looking statements and include, but are not limited to, those discussed in the section entitled “Risks and Uncertainties”. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

OVERVIEW

Urban Select was incorporated on September 12, 2007 under the laws of British Columbia, Canada as China Select Capital Partners Corp. and changed its name to Urban Select Capital Corporation on October 20, 2011. The common shares of the Company are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “CH”.

The Company is an investment issuer focused on investing growth capital into private and public companies in a broad range of sectors including fintech, education, natural resources, healthcare and consumer retail services. Urban Select’s management team is composed of investment professionals combining an Asian background with Western education and extensive experience in investment banking, venture capital and fund management in Canada, China and the United States (“U.S.”).

During the year ended June 30, 2017, Bellini Fine Art Inc. (“Bellini”) and Art Flow Through Limited Partnership (“Art Flow”), new subsidiaries of the Company, were established to exhibit, market, purchase and sell graphic art of cultural merit.

During the year ended June 30, 2018, the Company incorporated 1137182 B.C. Ltd. (“1137182”) and 1137188 B.C. Ltd. (“1137188”), 1151555 B.C. Ltd. (“1151555”), 1151556 B.C. Ltd. (“1151556”), 1151560 B.C. Ltd. (“1151560”), 1151561 B.C. Ltd. (“1151561”), and 1151559 B.C. Ltd. which was renamed as Pinmo Blockchain Corp. and ultimately renamed as IBank Digital Asset Corporation (“IBank”), for the purpose of completion a plan of arrangement and therefore each of these entities would become a reporting issuer in British Columbia and Alberta. On December 13, 2017, Company entered into an amended and restated plan of arrangement (the “A&R Arrangement”) with respect to 1137188 whereby one of the creditors of the Company would receive 1137188, once it becomes a reporting issuer, in settlement of all amounts owing to this creditor. The plan of arrangement with respect to 1137182 and the A&R Arrangement with respect to 1137188 was approved by the Supreme Court of British Columbia on December 18, 2017. On January 11, 2018, the Company entered into a mutual release agreement with the creditor whereby the Company and the creditor mutually agree to terminate the loan agreement and discharge all actions and claims related to the loan, and the creditor received 1137188 during the year ended June 30, 2018. The plan of arrangement with respect to 1151555, 1151556, 1151560, 1151561 and IBank was approved by the Supreme Court of British Columbia on March 19, 2018. 1151555, 1151556, 1151560 and 1151561 are inactive during the three months ended September 30, 2018.

On July 6, 2018, the Company entered into an Acquisition Agreement with Hard Rock Lithium Corp. (“Hard Rock”), of which the Company proposes to acquire all of the issued and outstanding shares of Hard Rock through a three-

cornered amalgamation involving a wholly-owned subsidiary of the Company and Hard Rock. Upon closing of the transaction, the Company will issue an aggregate of 21,000,000 common shares to the shareholders of Hard Rock, and pay a fee consisting of 1,000,000 common shares and \$30,000 cash to a consultant in consideration of services provided in facilitating the Acquisition Agreement. The closing of this transaction is subject to certain conditions and TSX Venture Exchange approval. The Company received \$70,000 refundable deposit from Hard Rock in July 2018.

On July 10, 2018, the Company announced a non-brokered private placement of up to 10,000,000 units of the Company at a price of \$0.10 per unit for gross proceeds of up to \$1,000,000. Each unit comprises one common share and one common share purchase warrant (“Warrant”). Each whole Warrant will entitle the holder to purchase one additional common share for a period of one year at a price of \$0.15 per common share. Final closing of this offering is subject to TSX Venture Exchange approval.

OUTLOOK

During the three months ended September 30, 2018, the financial markets are still volatile as a result of fluctuations in the commodity prices from time to time. The global recovery is dependent on the progress of the European debt and BREXIT situation, stable growth in China and emerging markets, and political stability in the Middle East. The Company will continue with its disciplined approach of seeking investments that fit its investment criteria and provide the potential for superior risk-adjusted returns. The Company continues to assist its investee companies in developing and executing their strategies and enhancing shareholder value.

The Company will also look to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. This could include direct equity and debt investments from our balance sheet or financing raised from financial or strategic investors, advisory work and analytical efforts on financial modeling and business valuation.

Finally, the Company will continue to work on exploring financial advisory, capital markets and investment opportunities with its partners to build a long-term and sustainable business strategy for the Company. This strategy could include the organization of formal investment conferences designed to bring private and public companies seeking direct investment together with international investors actively searching for optimal investment opportunities that we may have proprietary access to. In this capacity we may act as a financial advisor to a transaction as well as a principal investor or co-investor depending on the nature, scale and future prospects of a potential transaction.

DISCUSSION OF OPERATIONS

Three month period ended September 30, 2018

For the three months ended September 30, 2018, the Company generated a net loss attributable to equity holders of the Company of \$160,713 as compared to a net income of \$20,815 for the three months ended September 30, 2017. The net loss in the current period comprised primarily of advisory income of \$Nil (2017 - \$75,746), unrealized loss on investments of \$6,247 (2017 - \$3,639) and general operating expenses of \$165,831 (2017 - \$52,537). The unrealized gain/loss on investments is a result of change in the fair value of its investment portfolio.

The general operating expenses were \$165,831 (2017 - \$52,537). Some of the significant general operating expenses are as follows:

- Consulting fees of \$21,250 (2017 - \$8,907) include mainly fees to the Company’s executive officers and corporate consultants.
- Filing and transfer agent fees of \$10,463 (2017 - \$1,333) for filing applications in relation to the Hard Rock transaction and private placement of the Company’s common shares;
- Interest expense of \$3,951 (2017 - \$7,378) accrued on loans advanced by strategic investors.
- Legal fees of \$16,611 (2017 - \$9,289) related to legal advice on litigation.
 - The Company has been named as one of the defendants in a claim filed with the Supreme Court of British Columbia on April 21, 2016 by one of the shareholders of CICINO Corporation (“CICINO”) who owns

2,500,000 preferred voting shares (the “Plaintiff”). CICINO is an investee company of which the Company’s Chief Executive Officer (the “CEO”) is a shareholder of CICINO, and was also the president and director of CICINO until December 31, 2016. The Plaintiff alleged to be misled into the investment in CICINO in the amount of \$1,000,000. Among other things, the Plaintiff seeks for general damages, special damages and special costs from the Company. The Company believes that the claim has no merit and intends to vigorously defend the action.

- Public relations and conferences of \$53,459 (2017 - \$Nil) related to expenses incurred for the Blockchain Impact Summit organized by IBank.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited quarterly financial information of the Company.

Quarterly Information	Revenue	Income (loss) from continuing operations attributable to equity holders of the Company	Net income (loss) attributable to equity holders of the Company	Basic and diluted income (loss) from continuing operations per share attributable to equity holders of the Company	Basic and diluted net income (loss) per share attributable to equity holders of the Company
Sept. 30, 2018	\$ 4,961	\$ (160,713)	\$ (160,713)	\$ (0.00)	\$ (0.00)
Jun. 30, 2018	\$ (15,163)	\$ (438,644)	\$ (438,644)	\$ (0.01)	\$ (0.01)
Mar. 31, 2018	\$ 13,892	\$ 233,578	\$ 233,578	\$ 0.01	\$ 0.01
Dec. 31, 2017	\$ 19,657	\$ (18,747)	\$ (18,747)	\$ (0.00)	\$ (0.00)
Sept. 30, 2017	\$ 71,816	\$ 20,815	\$ 20,815	\$ 0.00	\$ 0.00
Jun. 30, 2017	\$ 92,055	\$ (326,684)	\$ (326,684)	\$ (0.01)	\$ (0.01)
Mar. 31, 2017	\$ (11,702)	\$ (167,310)	\$ (167,310)	\$ (0.00)	\$ (0.00)
Dec. 31, 2016	\$ 16,850	\$ (54,696)	\$ (54,696)	\$ (0.00)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended September 30, 2018, the cash balance decreased by \$84,392 (2017 - increased by \$37,927). The decrease in cash balance is mainly attributed to the cash used in operating activities of \$122,962 (2017 - \$37,927 generated by operating activities). During the three months ended September 30, 2018, the Company received refundable deposits of \$70,000 (2017 - \$Nil) from Hard Rock and paid \$30,000 (2017 - \$Nil) as a reimbursement to the CEO who provided personal guarantees on loans granted to CICINO.

As at September 30, 2018, the Company had a cash balance of \$142,859 (June 30, 2018 - \$227,251) and a working capital deficiency of \$572,027 as compared to a working capital deficiency of \$410,042 as at June 30, 2018.

The Company generates cash flows primarily from equity financings and from the disposition of its investments. 34% of the Company’s investments are in common shares of companies traded on various stock exchanges (or quotation systems) in Canada, thereby offering potential sources of liquidity and cash flow for the Company.

If the Company identifies profitable investment opportunities, additional financings will be required for growth of the investment portfolio. The Company is currently looking to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

Going Concern

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and settle the outstanding loans payable on reasonable terms, and/or to commence profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to

continue as a going concern. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. Management, after reviewing the current cash position and having considered the Company’s ability to raise funds in the short-term, has adopted the going concern basis in preparing its financial statements. The consolidated financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company’s related parties include corporate entities over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are recorded at the exchange amount of consideration established and agreed by the related parties. The related party transactions not disclosed elsewhere in these consolidated financial statements are listed below.

Key management includes directors (executive and non-executive), the CEO and Chief Financial Officer (the “CFO”) of the Company. The compensation paid or payable to key management personnel is as follows:

	Three months ended	
	September 30, 2018	September 30, 2017
	\$	\$
Consulting fees (a)	20,250	8,250

Key management personnel were not paid any termination payments, post-employment benefits or other long-term benefits during the three months ended September 30, 2018 and 2017.

The Company entered into the following transactions with related parties during the three months ended September 30, 2018 and 2017:

- (a) The Company paid its CEO, who is also a director of the Company, \$6,000 per month for the management consulting services rendered. During the three months ended September 30, 2018, the Company incurred total consulting fee of \$18,000 (2018 - \$6,000) to the CEO and \$2,250 (2017 - \$2,250) to the CFO, who is also a director of the Company, respectively.
- (b) The Company entered into an agreement with the CEO on August 2, 2016, of which the CEO granted to Bellini a revocable consent to use the name “Bellini Fine Art Inc.” and “Bellini Fine Art” for a period of three years at no cost.
- (c) During the year ended June 30, 2018, the CEO entered into settlement agreements with certain lenders for loans granted to CICINO, of which the CEO provided personal guarantees on some of these loans. The Company agreed to reimburse the CEO for the settlement, aggregate to \$165,399, of which \$53,267 has been paid by the Company and the remaining \$112,132 (June 30, 2018 - \$143,132) is included in the accounts payable and accrued liabilities as at September 30, 201
- (d) Since fiscal year 2016, the Company made advance of \$715,000 to CICINO. On December 4, 2015, the Company signed a debt settlement agreement with CICINO to settle a loan principal amount of \$30,000 in exchange of 150,000 preferred share of CICINO. Pursuant to a general security agreement dated February 20, 2015 entered into between CICINO and the Company, CICINO grants to the Company a security interest in the collateral (the “Collateral”) to secure the payment of all obligations, indebtedness and liabilities of CICINO to the Company. The Collateral includes inventory, equipment, accounts receivable, intangibles, other personal property of CICINO (collectively referred to as the “Properties”) and proceeds derived from sale, lease or other dispositions of any Properties. CICINO has no rights to sell, lease or dispose of any of the Collateral except for a sale of

inventory in the ordinary course of business.

As at September 30, 2018, the total amount of loan principal outstanding was \$685,000 (June 30, 2018 - \$685,000), of which:

- (aa) a promissory note dated September 23, 2015 in the amount of \$50,000 bears an interest rate of 10% per annum and repayable on demand;
- (bb) a promissory note dated January 21, 2016 in the amount of \$100,000 bears an interest rate of 5% per annum and repayable on demand;
- (cc) a loan agreement dated January 28, 2016 in the amount of \$120,000 bears an interest rate of 5% per annum and repayable on demand. The Company has the option to convert all or any part of the entire principal amount into preferred voting shares of CICINO at a conversion price of \$0.20 per share if the conversion occurs on or prior to September 30, 2016. This conversion option expires unexercised;
- (dd) a loan agreement dated March 21, 2016 in the amount of \$75,000 bears an interest rate of 5% per annum and repayable on demand. The Company has the option to convert all or any part of the entire principal amount into preferred voting shares of CICINO at a conversion price of \$0.20 per share if the conversion occurs on or prior to September 30, 2016. This conversion option expires unexercised;
- (ee) a promissory note dated May 31, 2016 in the amount of \$210,000 bears an interest rate of 5% per annum, compounded monthly, and repayable on demand;
- (ff) a promissory note dated September 12, 2016 in the amount of \$50,000 bears an interest rate of 5% per annum, compounded monthly, and repayable on demand;
- (gg) a promissory note dated September 30, 2016 in the amount of \$60,000 bears an interest rate of 5% per annum, compounded monthly, and repayable on demand;
- (hh) a promissory note dated October 31, 2016 in the amount of \$10,000 bears an interest rate of 5% per annum, compounded monthly, and repayable on demand; and
- (ii) a promissory note dated December 30, 2016 in the amount of \$10,000 bears an interest rate of 5% per annum, compounded monthly, and repayable on demand.

As at September 30, 2018, the carrying amount of loan receivables from CICINO, net of a provision of \$685,000, was \$Nil (June 30, 2018 - \$Nil). As at September 30, 2018, loan interest receivable from CICINO in the amount of \$91,314 (June 30, 2018 - \$82,303) has not been accrued. The fair value of the conversion feature embedded in the loan agreements is not material.

The balance of due to related parties as at September 30, 2018 is included in the accounts payable and accrued liabilities, and is comprised of:

- \$17,325 (June 30, 2018 - \$17,325) representing the unpaid consulting fee owed to a company controlled by the CEO, who is also a director of the Company.
- \$750 (June 30, 2018 - \$750) representing the unpaid consulting fee owed to the CFO of the Company.
- \$44,100 (June 30, 2018 - \$50,400) representing the unpaid consulting fee owed to the CEO of the Company.
- \$17,525 (June 30, 2018 - \$11,744) representing advance made by the CEO of the Company. The advance is unsecured, non-interest bearing, and has no specific terms of repayment.
- \$112,132 (June 30, 2018 - \$142,132) representing reimbursement to the CEO of the Company for the settlement of personal guarantees on loans to CICINO.

SUMMARY OF OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series. The Company has no preferred shares issued and outstanding at September 30, 2018 and June 30, 2018. The Company's issued and outstanding share capital as at the date of this report is as follows:

Issued and Outstanding Common shares	48,203,000
Stock options	-
	40,903,000

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are listed below.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Critical areas requiring the use of management estimates include:

- (a) The determination of the fair value of the Company's investments that are valued using inputs other than quoted prices are subject to estimation. Where the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, estimation is required to establish fair values.

Critical accounting judgments

Critical accounting judgements are accounting policies that have been identified as being complex or involving subject judgment or assessments. The most critical judgments that are applicable to the Company's consolidated financial statements include:

- (a) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.
- (b) The accounting treatment of investments.
- (c) The Company is subject to claims and legal proceedings arising in the ordinary course of business activities. Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: other receivables and loan receivables as loans and receivables and measured at amortized cost; cash and investments are measured at fair value through profit or loss; and accounts payable and loan payables are classified as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value on the recurring basis are summarized in levels of fair value hierarchy as follows:

September 30, 2018	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Cash	\$ 142,859	\$ -	\$ -	\$ 142,859
Investments	\$ 22,666	\$ -	\$ 44,748	\$ 67,414
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June 30, 2018	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Cash	\$ 227,251	\$ -	\$ -	\$ 227,251
Investments	\$ 28,913	\$ -	\$ 44,748	\$ 73,661

Level 3 investments consist of equity instruments that do not have a quoted price in an active market.

The following table presents the changes in recurring fair value measurements categorized at Level 3:

	Equity securities of private companies
July 1, 2017 and September 30, 2017	\$ 118,489
Securities purchased	25,000
Fair value adjustment	(98,741)
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June 30, 2018 and September 30, 2018	\$ 44,748

Risk management

The Company's financial instruments and risk exposures are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash are minimal as it is held with high-credit quality financial institutions. The Company's credit exposure to loan receivables from CICINO is equal to its carrying amount. The Company has reviewed the financial conditions of CICINO and maintained a provision of \$685,000 towards the loan as at September 30, 2018. The Company manages credit risk on its investments through thoughtful planning, strict investment selection criteria and significant due diligence of investment opportunities. Management and the Board of Directors review the financial condition of the investee companies regularly.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's financial liabilities include accounts payable and accrued liabilities and loan payables.

The Company generates cash flows primarily from equity financings, management fees and from the disposition of its investments. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's investments focus on renewable energy, natural resources, chemicals, agriculture and consumer retail services. These investments can at times be relatively illiquid, and if the Company decides to dispose of certain securities, it may not be able to do so at favourable prices at that time, or at all.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. The Company is exposed to market risk through its investments in equity securities.

As at September 30, 2018, 34% of the investments were made up of investment in publicly-traded companies. If security market prices were higher or lower by 5% as at September 30, 2018, the carrying value of its investments and unrealized gains (losses) on investments would be increased or decreased by approximately \$1,133, respectively.

The Company is exposed to foreign exchange rate and interest rate risks to the extent that cash is maintained at the financial institutions. The foreign exchange rate and interest rate risks on cash are not considered significant.

The Company manages market risk by developing a diversified portfolio of investments. The Company has established an investment committee to monitor its investment portfolio on an ongoing basis.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

There have been no new accounting pronouncements issued in the three months period ended September 30, 2018 that are expected to impact the Company. For a summary of accounting pronouncements, see the significant accounting policies note in the Company's audited financial statements for the year ended June 30, 2018.

RISK AND UNCERTAINTIES

Market Exposure

Market risk is the risk that the fair value of, or future cash flows from the Company's investment in marketable securities will significantly fluctuate because of changes in market prices. The Company will be exposed to market risk or equity risk or equity price risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Fluctuations in commodity prices and global political, economic and market conditions could have a negative impact on the Company's portfolio companies and thereby have an adverse effect on our business. Additionally, the Company marks its investments to market in accordance with the accounting policies at each reporting period. This process could result in significant write downs of the Company's investments over one or more reporting periods, particularly during periods of declining markets.

Private Issuers and Illiquid Securities:

The Company invests in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy.

Additional Financing Requirements

The Company anticipates ongoing requirements for funds to support the Company's growth and may seek to obtain additional funds for these purposes through public or private equity shares or debt financing. There are no assurances that additional funding will be available to the Company at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on our operations or ability to incur additional debt. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its investment portfolio.

APPROVAL

The Board of Directors of Urban Select Capital Corporation has approved the contents of this management discussion and analysis. A copy of this MD&A will be provided to anyone who requests it and can be obtained along with additional information, on the SEDAR website at www.sedar.com.