

**StorageVault Canada Inc.
(the "Corporation")**

**Form 51-102F1
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2010**

This management's discussion and analysis (MD&A) should be read in conjunction with the Corporation's financial statements and notes to the financial statements for the three and six months ended June 30, 2010 and the audited financial statements and notes to the financial statements for the year ended December 31, 2009. The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Corporation's results of operations and financial condition.

This MD&A contains forward-looking information. All statements, other than statements of historical fact, included in this MD&A may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, forward-looking information included in this MD&A includes statements with respect to: the Corporation's outlook as to the market for self-storage, the economic recession, the reduced availability of credit and the general outlook for the Corporation contained in the "Outlook" section of this MD&A; the expectation of cash flows discussed in the "Nature of Business" section; and expected inventory levels of PUPS units contained in the "Revenue from Income Producing Properties" section of this MD&A.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Corporation; capital market conditions; general business and economic uncertainties; competition; delay or failure to receive board or regulatory approvals; changes in legislation including environmental legislation affecting the Corporation; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation.

The forward-looking information in this MD&A should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this MD&A. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Corporation to obtain necessary financing, satisfy conditions under previously announced acquisition agreements, or satisfy any requirements of the TSX Venture Exchange (the "TSXV") with respect to these acquisitions and any related private placement; the level of activity in the self-storage business and the economy generally; consumer interest in the Corporation's services and products; competition; and anticipated and unanticipated costs. The Corporation undertakes no obligation to publicly update or review any forward-looking information, except in accordance with applicable securities laws. Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations.

All amounts included in this MD&A are in Canadian dollars.

Additional information relating to StorageVault Canada Inc. can be found at www.sedar.com.

This MD&A is dated August 26, 2010 and is in respect of the period from January 1, 2010 to June 30, 2010. The discussion in the MD&A focuses on this period.

NON-GAAP FINANCIAL MEASURES

The Corporation uses non-GAAP financial measures to assess its operating performance. Securities regulators require that companies caution readers that earnings and other measures adjusted to a basis other than Canadian generally accepted accounting principles ("GAAP") do not have a standardized meaning and may not be comparable to similar measures used by other companies. Such non-GAAP measures include:

- a) Funds from Operations ("FFO") – FFO is defined as net income (loss) excluding gains or losses from the sale of depreciable real estate and extraordinary items, plus depreciation, amortization, stock based compensation expenses, and future income taxes; and after adjustments for equity accounted entities and non-controlling interests. FFO should not be viewed as an alternative to cash from operating activities, net income, or other measures calculated in accordance with GAAP. The Corporation believes that FFO can be a beneficial measure, when combined with primary GAAP measures, to assist in the evaluation of the Corporation's ability to generate cash and evaluate its return on investments as it excludes the effects of real estate amortization and gains and losses from the sale of real estate, all of which are based on historical cost accounting and which may be of limited significance in evaluating current performance.
- b) Property Net Operating Income ("NOI") – NOI is defined as rent from income producing properties less property operating costs. NOI does not include interest expense or income, depreciation and amortization, corporate administrative costs, stock based compensation costs or taxes. NOI assists management by assessing profitability from principal business activities without regard to the manner in which these activities are financed or amortized. "NOI Margin" is the NOI for a given time period, divided by the revenue from income producing properties for that same time period.

NATURE OF BUSINESS

Business Overview

The Corporation was incorporated on May 31, 2007. It is publicly traded on the TSXV under the symbol SVI. It owns and operates self storage operations in Regina, SK, Saskatoon, SK, Winnipeg, MB and Cambridge, ON. It also manages a self storage operation in Kanata, ON.

The Corporation provides both “fixed” and “portable” self storage. Fixed self storage is sometimes referred to as mini-storage. Under this model, a customer rents a storage space in the operator’s premises to store personal or commercial possessions. Rental agreements are usually on a month-to-month basis. Tenants can vacate with as little as one month notice. The storage facility usually consists of one or more buildings, each partitioned into individual storage units with separate doors. Depending on the construction, storage units are accessed by drive-up to each unit, or through an interior hallway. Units can be climate controlled or simple cold storage. The tenant provides his or her own lock for the door, and is the only person with access to the unit when it is rented. Often, fixed storage facilities also provide uncovered, outdoor parking spaces for boats, cars and recreational vehicles.

Through its Canadian Master Franchise agreement with Canadian PUPS Franchises Inc. (PUPS), the Corporation also provides portable storage services. The PUPS system uses galvanized steel storage containers ranging from 2.3 meters to 6 meters in length. This premium priced service delivers the storage unit to the customer, as opposed to the customer having to transport his or her possessions to a traditional fixed storage location. Once loaded, the PUPS container can stay at the customer’s location, or be transported to the Corporation’s compound for longer term storage. The PUPS model generates revenue through both the rental of the storage container and the fees to deliver the container to and from the customer’s location.

Management believes that the PUPS storage model is complementary to the fixed storage operations. It appeals to customers that:

- would not normally use a traditional fixed storage facility because they do not have the means to transport their possessions.
- are moving between locations and need temporary storage, but do not want to move their possessions to a fixed storage unit, only to move them to their new location in a few days or weeks. The PUPS container allows them to pack and unpack only once.
- are moving between locations and do not want to pay the high costs of a moving company. This do-it-yourself customer appreciates the lower cost afforded by the PUPS model.
- are renovating an existing location. They need to remove their possessions from their building, but want to keep the possessions at their location for easy access. PUPS will place a container at their residence or business, and that container can stay there until the renovation is complete.

When paired with a traditional fixed storage facility, the PUPS model also offers benefits in cost savings and promotion:

- Often, fixed storage facilities have surplus land that is undeveloped, or utilized for low return outdoor parking spaces. Redeploying some of this land for PUPS storage significantly increases the revenue per square foot earned from that surplus land.
- Many of the overhead costs required to run a PUPS facility, such as labor, telephone, and some occupancy costs, are already being covered by the existing fixed storage facility.
- The basic premise behind renting fixed or portable storage units is similar, so existing staff at a fixed storage facilitates can easily learn and integrate the PUPS systems into day-to-day operations.
- On-site staff has the ability to cross sell. Customers who may not be able to afford the premium price of a PUPS container can be offered a lower cost fixed storage unit. Or customers looking for fixed storage who did not know about the existence of portable storage can be up-sold to a premium product.

The Corporation's strategic objective is to own, acquire and operate self storage facilities across Canada as well as develop a portable storage business to access an untapped market in the Canadian storage industry. The Corporation will focus on acquiring and operating self storage facilities with proven cash flows, superior location in relationship to markets, and excess physical space to allow rapid deployment of portable storage operations. Financing for this growth is intended to come from a combination of cash from operations, mortgage financing, the assumption of debt, and the issuance of additional common shares or other securities.

Highlights for the Three and Six months ended June 30, 2010

On May 10, 2010 the Corporation acquired from an arm's length vendor the assets and operations of B&B Mini Storage (B&B), a self storage facility located in Cambridge, ON. The aggregate purchase price was \$2,367,500 subject to customary adjustments. The purchase price was paid by \$1,495,000 of bank mortgage financing and the remainder in cash. B&B is located at 1316 Industrial Drive in Cambridge. It is approximately 4.76 acres, with 4 storage buildings comprising a total of 25,830 rentable square feet. Approximately 2 acres of the property is undeveloped and is used for rental parking spaces for vehicles. It is the Corporation's intention to re-deploy a portion of the property at this site as a portable storage operation.

Selected financial highlights for the Corporation:

	Three Months Ended June 30		Six Months Ended June 30	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Total Revenue	635,826	464,668	1,088,912	719,268
Year over Year change \$	171,158		369,644	
Year over Year change %	36.8%		51.4%	
Net Loss and Comprehensive Loss	(47,877)	(430,280)	(247,353)	(604,815)
Year over Year change \$	382,403		357,462	
Year over Year change	88.9%		59.1%	
Funds from Operations	183,413	132,144	230,311	130,152
Year over Year change \$	51,269		100,159	
Year over Year change	38.8%		77.0%	

Total revenue grew by 36.8% in Q2 of 2010 compared to 2009. The addition of B&B in Cambridge, ON noted above, the growth in PUPS operations in all sites operated by the Corporation, and an increase in occupancy at the Kenaston site in Winnipeg, MB all contributed to this growth. Further discussion is provided in the section "RESULTS OF OPERATIONS" below.

The Net Loss and Comprehensive Loss of the Corporation improved by \$382,403 for the three months ended June 30, 2010 compared to the same period in 2009. A significant portion of the change is attributable to \$343,958 of expensed stock options granted in the 2009 period. No stock options have been granted to date in 2010. Additionally, amortization of intangible assets acquired with the Canadian PUPS (Regina, SK) and Kenaston Self Storage (Winnipeg, MB) ended in Q2 2010. The cessation of this non-cash expense contributed an additional \$63,129 toward the bottom line in 2010 compared to the same three months in 2009.

Funds from Operations has increased by 38.8% for the three months ended June 30, 2010 compared to 2009, and 77.0% for the respective six month periods. This means that the Corporation has averaged over \$38,000 per month of FFO over the first 6 months of 2010. For the months of April, May and June, 2010, the average has been approximately \$61,000 per month. These summer months are historically stronger than the Q1 winter months. Plus the same drivers of revenue growth noted above have also contributed to the cash flow growth. Management believes that these levels of cash from operating activities are sustainable, and will increase with future acquisitions of fixed storage facilities and the continued growth of PUPS operations.

On August 9, 2010, the Corporation announced it had entered into an agreement to manage, on behalf of Conundrum Management Corporation, its portfolio of six self storage properties located in the province of Ontario. During the five year term of the agreement, the Corporation will receive a management fee of 5% of gross revenue of the six properties plus an additional amount as a contribution towards general administrative expenses. The managed facilities are situated in Kanata, Kitchener, Brampton, Uxbridge, and two in Peterborough. The Corporation already operates, on behalf of Conundrum Management Corporation, a PUPS operation in Kanata. By entering into this agreement, management of the Corporation expects to further expand its PUPS network, as well as leverage its knowledge of the self storage industry to generate positive cash flows through management fee revenues.

Portfolio

As at June 30, 2010, the Corporation owned and operated three fixed storage facilities and three PUPS portable storage operations as follows:

	<u>Acquired</u>	<u>Units</u>	<u>Rentable Square Feet</u>
FIXED STORAGE			
Trans Can Mini Stor, Regina, SK	May 1, 2008	351	39,439
Kenaston Self Storage, Winnipeg, MB	March 2, 2009	543	47,025
B & B Mini Storage, Cambridge, ON	May 10, 2010	<u>186</u>	<u>25,830</u>
Total		1,080	112,294
PORTABLE STORAGE			
Trans Can Mini Stor, Regina, SK	December 31, 2008	288	26,985
Kenaston Self Storage, Winnipeg, MB		150	14,816
Saskatoon, SK		<u>80*</u>	<u>7,515*</u>
Total		518	49,316

* In lease-up.

Outlook

The economic malaise that affected Canada and most of the world over the past two years also had an impact on the storage industry. Occupancy rates in many facilities were down compared to the flourishing times in 2007 and early 2008 as consumers found they had less discretionary spending power, and as the housing and renovation markets waned in many areas.

Despite the general economic gloom, the locations operated by the Corporation did not experience large declines in occupancy rates. Instead, occupancy rates were held relatively steady on a seasonally adjusted basis. This is due in part to having the majority of operations concentrated in Saskatchewan and Manitoba, both of which did not feel the effects of the recession to the same extent as other regions. It is also attributable to having portable storage in these markets, where there is little competition, and where demand is growing as the markets are learning the value and convenience of this product.

Management expects 2010 to show continued growth from existing PUPS locations, particularly from portable storage. Both the Saskatoon and Winnipeg PUPS locations have weathered their first winter season and are entering their first full summer seasons. As both locations have already invested in advertising in the late winter and early spring, and both have already had portable containers in high exposure areas of the respective cities, the expectation is that both will show a continued growth in the number of rented units. This would mirror the experiences gained from the Regina PUPS location, which saw its strongest growth after its first winter season.

Self storage revenues are expected to show improvement through the balance of 2010, although most revenue growth will come from the addition of new facilities to the Corporation's portfolio. There is opportunity to raise rental rates in existing facilities, but the extent of increases is limited given the economic conditions. Should the economy continue its slow ascent out of recession, pent up demand for housing and renovations should help to move occupancy rates higher. Demographic conditions will also help. The cities in which the Corporation operates continue to grow. Yet few new self storage facilities are being built as the recession severely restricted financing for real estate development. This results in more potential customers with little or no new competition. However, management remains cognizant of the competitive landscape in all of the cities in which it operates and will be ready to adjust pricing or operations should conditions warrant.

The Corporation continues to generate positive Funds From Operations. Mortgage financing for self storage facilities is slowly improving. In late 2008 and 2009, the banks had tightened credit to such an extent that it was often not feasible to acquire existing self storage facilities. By early 2010, credit had eased to a point that acquisitions can be financially viable. Management continues to search for appropriately priced acquisitions that will be accretive to the Corporation's NOI and will permit the expansion of the PUPS network.

SELECTED ANNUAL INFORMATION

The Corporation was incorporated on May 31, 2007. A summary of selected financial information for the Corporation's fiscal years ended December 31, 2009 and 2008, and fiscal period (seven months) ended December 31, 2007 is as follows:

	<u>Fiscal Year Ended December 31, 2009</u>	<u>Fiscal Year Ended December 31, 2008</u>	<u>Seven Months Ended December 31, 2007</u>
Total Revenue	\$1,755,711	\$332,706	\$ 6,027
Net Income / (Loss)			
Total	(\$ 766,543)	(\$ 252,198)	(\$ 111,029)
Per share, basic and diluted	(\$ 0.023)	(\$ 0.019)	(\$ 0.018)
Total Assets	\$ 12,063,399	\$ 7,787,203	\$ 1,342,978
Long Term Financial Liabilities	\$ 6,209,775	\$ 2,004,657	nil
Dividends declared	nil	nil	nil

Year over year revenue increased in 2009 because of the acquisition of Canadian PUPS Storage of Regina, SK on December 31, 2008 and Kenaston Self Storage of Winnipeg, MB on March 2, 2009. These newly acquired properties also affected total net loss, primarily because of increases in non-cash depreciation and amortization expenses from \$122,352 in 2008 to \$841,918 in 2009. Additionally, non-cash stock compensation expense of \$343,958 in 2009 (\$nil in 2008) adversely affected the net loss figure. See further discussion below.

RESULTS OF OPERATIONS

Property Operations

The storage industry in Canada tends to be seasonal. A significant portion of demand is generated from residential customers who are either moving to a new residence or renovating an existing home. Demand wanes in winter months as cold temperatures discourage this type of activity. At the same time, operating costs increase in the winter. Heating costs (for those facilities with heated storage) and snow removal costs are at their peak. The result is a historically higher operating cost percentage, and lower revenue and NOI margin in Q1 and Q4 of each year.

The Corporation's quarterly results are also affected by the timing of acquisitions and the start-up of PUPS operations. Certain expenses, including some due diligence and professional fees cannot be capitalized. These are instead expensed in the weeks surrounding a related acquisition. The Corporation also incurs some start-up expenses when a PUPS location is opened and is in lease-up. These costs may include labor, training, travel, advertising or office expenses.

A summary of the results of operations is as follows:

	2010 Fiscal Year ('000 omitted)					2009 Fiscal Year ('000 omitted)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Fixed Storage										
Property Revenue	321	389	-	-	710	164	337	357	345	1,203
Operating Costs	118	140	-	-	258	56	106	110	112	384
NOI	203	250	-	-	452	108	231	247	233	819
NOI Margin	63.1%	64.2%			63.7%	65.7%	68.6%	69.2%	67.5%	68.1%
PUPS Portable Storage										
Property Revenue	125	236	-	-	361	87	127	165	156	534
Operating Costs	102	121	-	-	223	28	63	102	103	296
NOI	22	115	-	-	138	58	65	62	53	239
NOI Margin	17.9%	48.8%			38.1%	67.6%	50.8%	37.9%	34.0%	44.6%
Combined										
Property Revenue	446	625	-	-	1,071	251	464	522	501	1,738
Operating Costs	221	260	-	-	481	84	169	212	215	680
NOI	225	365	-	-	590	166	296	309	286	1,058
NOI Margin	50.5%	58.4%			55.1%	66.4%	63.7%	59.3%	57.1%	60.9%

Revenue from Income Producing Properties

Total revenue from fixed storage properties for the three months ended June 30, 2010 was \$389,323 compared to \$337,081 for the same period last year. The increase of \$52,242 or 15.5% can be attributed to the addition of B&B in Cambridge, ON (\$44,000) with most of the remainder related to higher occupancy at the Kenaston facility in Winnipeg, MB. For the six months ended June 30, 2010, the fixed storage revenue was \$710,436 compared to \$501,655 for the same period in 2009. Again, the addition of B&B on May, 10, 2010 contributed to the growth in revenue. As well, Kenaston Self Storage in Winnipeg, MB was acquired on March 2, 2009, meaning the 2009 results had only 4 months of revenue from this site.

The revenue from PUPS operations was \$235,774 in Q2 of 2010, an increase of \$108,384 (85.1%) over the \$127,390 earned from PUPS in Q2 of 2009. For the six months ended June 30, total PUPS related revenue was \$360,530 in 2010 compared to \$213,934 in 2009, and increase of \$146,566 or 68.5%. This growth is reflective of the maturing of the PUPS operations in Regina, and the progression of operations in Saskatoon and Winnipeg. The development of a PUPS operation typically takes 2 to 3 years from inception to maturity. This time is necessary for the local market to not only learn of the PUPS operation through advertising and promotion, but also to understand the concept of portable storage, which is still a new concept in many markets. The Saskatoon PUPS location is now in its first summer season of operations, and the Winnipeg site is in its second summer season, having launched operations in May of 2009. Both are growing at rates which were expected by management. The overall level of PUPS revenue inside the Corporation generally correlates with the number of PUPS containers in the rental fleet. At June 30, 2010, the Corporation had 518 containers in circulation. At June 30, 2009, there were 349 – an increase of 48.2%.

A summary of unit occupancy rates at the end of each fiscal quarter is as follows:

	2010 Fiscal Year				2009 Fiscal Year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fixed Storage								
Trans Can Mini Stor, Regina, SK	79.5%	84.3%	-	-	78.9%	81.2%	81.8%	80.1%
Kenaston Self Storage, Winnipeg, MB	86.7%	96.9%	-	-	73.5%	86.0%	90.6%	84.7%
B&B Mini Storage, Cambridge, ON	*	96.2%	-	-	*	*	*	*
Portable Storage								
Trans Can Mini Stor, Regina, SK	73.3%	89.6%	-	-	76.7%	94.4%	91.7%	73.2%
Kenaston Self Storage, Winnipeg, MB	57.4%	74.0%	-	-	*	39.0%	60.0%	50.5%
Saskatoon, SK	27.4%	98.8%	-	-	*	*	-	55.3%

* property not owned by the Corporation at this time

Occupancy rates in Trans Can Mini Stor have remained in a tight range of approximately 78% to 84% over the past six fiscal quarters. Management targets occupancy at 85%. The decline can be attributed, in part, to the general economic decline that affected Canada throughout 2008 and 2009. The economy in Regina in 2007 and early 2008 was very robust, and occupancies at this location often exceeded 90%. But with the slowdown in the new and resale housing markets, occupancies went down. We are starting to see increased housing activities in Regina and area, and anticipate a gradual climb back to occupancies in the 85% range. Management will be actively monitoring rental rates and the competitive landscape to assist in this process.

The occupancy rate at Kenaston Self Storage was 96.9% at the end of Q2 2010. Unlike Trans Can Mini Stor, this property has the advantage of having approximately half of its storage space heated. This supports demand in the winter months and reduces the seasonal effects on occupancy rates. Kenaston Self Storage is also on a highly visible intersection in a growing neighborhood in Winnipeg which should help this site retain its high level of occupancy.

Occupancy rates at the three PUPS locations have all improved compared to Q1 of 2010. However, unlike fixed self storage, the number of storage units in PUPS operations changes frequently as the locations add more containers to meet growing demand. This means occupancy rates can vary for two reasons – changes in inventory or changes in demand. An alternative to occupancy rates for PUPS is simply a comparison of the number of units rented at a given date. As can be seen by the following table, rented PUPS units increased from 270 to 448 from the end of Q1, 2010 to the end of Q2, 2010. This 69.5% increase in rented units is similar to the growth in revenues, and reflects the continued maturing of the operations in Winnipeg and Saskatoon, as well as the seasonal growth normally experienced in the summer months.

	2010 Fiscal Year				2009 Fiscal Year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PUPS Units Rented								
Trans Can Mini Stor, Regina, SK	195	258	-	-	191	237	242	194
Kenaston Self Storage, Winnipeg, MB	58	111	-	-	-	39	60	51
Saskatoon, SK	17	79	-	-	-	-	-	26
Total	270	448	-	-	191	276	302	271

Property Net Operating Income (NOI)

Combined NOI from properties for the three and six months ended June 30, 2010 was \$364,996 and \$589,974, respectively, compared to \$295,969 and \$462,417, respectively, for the same periods last year. The increase is due to the new properties and operations added to the portfolio.

The combined NOI margin in 2010 Q2 was a 58.49% compared to 63.7% in Q2 of 2009. The decrease is related to the startup of PUPS in Saskatoon and the continued lease-up of PUPS in Winnipeg. The startup of a PUPS operations incurs costs for items like rent, advertising and salaries which are not commensurate with revenues in the early months of operations. As these PUPS locations continue to mature, the NOI margin is expected to improve.

Interest income

Interest income for the three and six months ended June 30, 2010 was \$979 and \$1,297, respectively, compared to \$197 and \$3,983, respectively, for the same periods last year. Interest income was generated by the temporary investment of cash raised from equity issuances in the periods between raising the cash and investing it into operating properties. In 2010, the Corporation held minimal cash balances, instead opting to use the cash for capital expansion wherever possible.

Corporate selling, general and administrative (S, G & A) costs

S, G & A expenses for three and six months ended June 30, 2010 were \$73,467 and \$165,965, respectively, compared to \$77,087 and \$210,157, respectively for the same periods last year. While S, G and A costs were relatively consistent between Q2 of 2010 and Q2 of 2009, they did decrease by \$44,192 or 26.6% for the first half of 2010 compared to 2009 with the largest decrease arising from the professional fees category as noted below.

The three largest S, G & A items in the six months ended June 30, 2010 were as follows:

- Management fees paid to Detteson Management Inc. of \$61,837 (June 30, 2009 - \$59,750). See discussion of "Related Party Transactions" below
- Professional fees of \$15,421 (June 30, 2009 - \$76,664). The difference is attributable primarily to the costs surrounding the acquisition of the PUPS operations in Regina and Kenaston Self Storage in Winnipeg in early 2009. Such costs were not repeated in 2010.
- Investor Communications of \$11,099 (June 30, 2009 - \$19,004). This category includes costs for shareholder registry maintenance, press releases, Annual General Meeting (AGM) costs and escrow management. The 2009 total was higher as it included greater costs surrounding the Corporation's first AGM held in that year.

Summary of Quarterly Results (unaudited)

Period	Net Revenue	Net Income / (Loss)	Net Income / (Loss) per share	Fully diluted Net Income / (Loss) per share	Total Assets	Total Long Term Liabilities	Dividends
2010- Q2	\$635,826	(\$47,877)	(\$0.001)	(\$0.001)	\$14,975,503	\$8,537,957	\$10,911
2010- Q1	\$453,086	(\$199,476)	(\$0.006)	(\$0.006)	\$13,585,199	\$6,569,584	-
Total 2010	\$1,088,912	(\$247,353)	(\$0.007)	(\$0.007)	N/A	N/A	-
2009- Q4	\$509,444	(\$81,359)	(\$0.002)	(\$0.002)	\$12,063,399	\$6,209,775	-
2009- Q3	\$526,999	(\$80,369)	(\$0.002)	(\$0.002)	\$11,944,446	\$6,009,463	-
2009- Q2	\$464,668	(\$430,280)	(\$0.013)	(\$0.013)	\$12,091,233	\$6,075,881	-
2009- Q1	\$254,600	(\$174,535)	(\$0.005)	(\$0.005)	\$11,839,487	\$5,737,813	-
Total 2009	\$1,755,711	(\$766,543)	(\$0.023)	(\$0.023)	N/A	N/A	-
2008- Q4	\$127,580	(\$38,340)	(\$0.002)	(\$0.002)	\$7,787,023	\$2,004,657	-
2008- Q3	\$120,033	(\$28,192)	(\$0.003)	(\$0.003)	\$2,892,717	\$1,680,232	-
2008- Q2	\$76,285	(\$106,349)	(\$0.011)	(\$0.011)	\$2,949,893	\$1,693,060	-
2008- Q1	\$8,808	(\$79,317)	(\$0.008)	(\$0.008)	\$1,269,873	-	-
Total 2008	\$332,706	(\$252,198)	(\$0.019)	(\$0.019)	N/A	N/A	-

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2010, the Corporation had \$1,032,309 of cash and short term investments compared to \$311,885 at December 31, 2008. The primary reason for the increase in cash is the issuance of preferred shares in March 2010 less the cash used to acquire B & B in May 2010, as noted in the section above titled "Highlights for the Three and Six Months Ended June 30, 2010". Of the remaining proceeds of the preferred share issuance, \$600,000 is presently invested in a short term certificate. It is expected that this cash will be used for further investment into fixed and portable storage capital before the end of 2010.

As at June 30, 2010, the Corporation has \$2,000,000 of liquidity available to it through preferred share financing. On March 17, 2010 the Corporation announced that two investment funds managed by PFM Capital Inc. of Regina, SK committed to make a \$4,000,000 preferred share investment in the Corporation. The first tranche of \$2,000,000 of preferred share financing was drawn down by Corporation on the closing date of March 17, 2010. The Corporation has committed to drawing down the second tranche of \$2,000,000 within one year of the closing date.

The Corporation's principal sources of liquidity are its ability to generate cash flow from operations, arranging new debt financing, and offering shares to the public. With the cash flow being generated from operations (see "Highlights for the Three and Six Months Ended June 30, 2010" above), management has been able to fund a portion of its capital acquisition from operating cash flows. This has lessened the need for external financing.

The Corporation is not in default or arrears on any of its debt obligations. There is no long term debt maturing in 2010. As at June 30, 2010, the Corporation had total mortgage debt outstanding of \$6,694,671 at interest rates ranging from 5.72% to 6.45%. The Corporation also had term debt totaling \$172,685 and unsecured convertible debentures totaling \$320,000 at June 30, 2010 with interest rates ranging from 6.15% to 9.50% and maturities ranging from January 2011 to May 2014. The following chart summarizes the Corporation's financial commitments for debt principal and interest payments for the next five years:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	(balance of the year)	\$168,949	\$238,639	\$407,588
2011		\$341,368	\$430,532	\$771,900
2012		\$318,274	\$409,281	\$727,555
2013		\$292,166	\$390,525	\$682,691
2014		\$630,847	\$356,643	\$987,490

Management believes that the Corporation has sufficient working capital to meet its future commitments. The Corporation may have capital requirements in excess of its currently available resources. In the event the Corporation's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Corporation may be required to seek additional financing. There can be no assurance that the Corporation will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Corporation in the future.

Funds from Operations (FFO)

FFO is a non-GAAP measure. It allows management and investors to evaluate the financial results of an entity without taking into consideration the impact of amortization which may vary between real estate investments based on when the assets were acquired. Also excluded are stock based compensation costs and future income tax expenses (recoveries), if any.

The FFO for the three and six months ended June 30, 2010 was \$190,458 and \$237,356, respectively. On a year to date basis, this \$107,204 or 82.4% higher in 2010 compared to 2009 as the new operations in Winnipeg and Saskatoon added to overall cash flow. The Corporation has generated positive Funds From Operations for the past five fiscal quarters. This validates the business model which includes matching proven cash flow positive self storage properties with organically grown portable storage operations. The self storage facilities bring long term, stable cash flow to the Corporation, while the portable storage diversifies product offering and provides long term growth opportunity.

A summary of FFO by fiscal quarter is as follows:

	<u>2010 Fiscal Year</u>					<u>2009 Fiscal Year</u>				
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
Net Income/(Loss)	(199,476)	(47,877)	-	-	(247,353)	(174,535)	(430,280)	(80,369)	(81,359)	(766,543)
Add:										
Amortization	246,374	231,290	-	-	477,664	172,543	218,466	235,142	215,767	841,918
Stock based comp.	-	-	-	-	-	-	343,958	-	-	343,958
Future income taxes	-	-	-	-	-	-	-	-	-	-
FFO	<u>46,898</u>	<u>183,413</u>	<u>-</u>	<u>-</u>	<u>230,311</u>	<u>(1,992)</u>	<u>132,144</u>	<u>154,773</u>	<u>134,408</u>	<u>419,333</u>

Contractual Obligations and Off-Balance Sheet Arrangements

The Corporation is not party to any industry contracts or arrangements other than the contractual arrangement noted in "Related Party Transactions" below. There are no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Management Agreement

The Corporation has entered into a management agreement (the "Agreement") with Detteson Management Inc. ("Detteson") which is owned and controlled by Alan Simpson, President and Chief Executive Officer of the Corporation, and Glenn Fradette, Chief Financial Officer of the Corporation. Pursuant to the Agreement, Detteson provides the management individuals to serve as officers of the Corporation as well as asset management, administrative and other services to the Corporation. The remuneration to be paid to Detteson under the Agreement consists of:

- an annual advisory fee equal to 0.225% per annum of the Gross Book Value of the Corporation's assets (0.150% if assets exceed \$150,000,000), payable monthly, and prorated to take into account any acquisitions or dispositions during any month. Gross Book Value is defined as the book value of consolidated assets plus accumulated depreciation on buildings and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Corporation, subject to a minimum annual advisory fee of \$100,000 (\$48,000 prior to September 1, 2009).
- An acquisition fee equal to 0.5% of the cost of any property acquired or disposed including, without limitation, real estate commissions, finder's fees and any acquisition costs (excluding the fees payable to Detteson pursuant to this provision) and all out-of-pocket costs including legal fees and disbursements, registration and filing fees, land transfer and sales taxes, all calculated in accordance with Canadian generally accepted accounting principles and applied on a consistent basis.

The Corporation also reimburses Detteson for all expenses incurred in connection with the operation of the Corporation, including third party costs, which are reasonably incurred by Detteson on behalf of the Corporation.

During the three and six months ended June 30, 2010 the Corporation paid management fees of \$36,837 and \$61,837, respectively, (June 30, 2009 - \$12,000 and \$59,750, respectively) to Detteson.

During the three and six months ended June 30, 2010, the Corporation reimbursed travel and related expenses of \$6,399 and \$28,410, respectively, (June 30, 2009 - \$28,658 and \$40,768, respectively) to Detteson. These expenses, which were reimbursed at cost, were undertaken exclusively for the benefit of the Corporation.

During the three and six months ended June 30, 2010, the Corporation paid loan guarantee fees of \$2,100 and \$4,200, respectively, (June 30, 2009 - \$2,148 and \$4,296, respectively) to Alan A. Simpson and loan guarantee fees of \$2,100 and \$4,200, respectively, (June 30, 2009 - \$2,148 and \$4,296, respectively) to Glenn E. Fradette, both of whom are directors and officers of the Corporation. As a condition of the assumption of the mortgage on T. C. Mini Storage Ltd., both Alan A. Simpson and Glenn E. Fradette were required to provide personal guarantees for the entire outstanding principal balance of the mortgage. The loan guarantee fees are compensation for the provision of these guarantees, and are paid on a monthly basis at the rate of 0.5% of the outstanding mortgage principal, per person.

The Corporation holds a Master Franchise from Canadian PUPS Franchises Inc. (CPFI) which provides the Corporation with the exclusive Canadian franchise rights for the development and operation of PUPS portable storage franchises throughout Canada. CPFI is a corporation controlled by Alan A. Simpson and Glenn E. Fradette, who are directors and officers of the Corporation. Pursuant to the Master Franchise Agreement, the Corporation is obligated to develop 20 franchises by December 1, 2012 or pay a one time non-development fee of \$15,000 for each undeveloped franchise. The Corporation also pays a continuing monthly royalty of 3.5% of the gross sales in relation to the Franchise Rights and PUPS and purchases storage containers and certain PUPS related equipment from CPFI. During the three and six months ended June 30, 2010, the Corporation paid \$10,862 and \$16,462, respectively, (June 30, 2009 - \$4,451 and \$7,476, respectively) for royalties and \$215,712 and \$378,172, respectively, (June 30, 2009 - \$201,584 and \$273,404, respectively) for storage containers and other equipment under the Master Franchise Agreement.

During the three and six months ended June 30, 2010, the Corporation paid fees for maintenance of shareholder records of \$4,837 and \$6,984, respectively, (June 30, 2009 - \$4,064 and \$7,092, respectively) to a Transfer and Trust company of which one director and executive officer is also a director of the Corporation.

During the year ended December 31, 2009, the Corporation issued convertible, unsecured debentures in the amount of \$210,000 to officers, directors and spouses of directors of the Corporation. During the three and six months ended June 30, 2010, interest paid on the debentures to officers, directors and spouses of directors of the Corporation was \$4,988 and \$9,975, respectively, (June 30, 2009 - \$nil and \$nil, respectively).

Included in accounts payable, relating to the previously noted transactions, at June 30, 2010 was \$3,442 (December 31, 2009 - \$66,156) payable to CPFI.

OUTSTANDING SHARE DATA

On March 17, 2010, the Corporation completed a preferred share subscription agreement wherein it would issue up to 4,000,000 Series I convertible, retractable preferred shares for total gross proceeds of \$4,000,000. On that same date, 2,000,000 Series I preferred shares were issued for gross proceeds of \$2,000,000. The Corporation also committed to issue the remaining 2,000,000 Series I preferred shares on or before March 17, 2011. The Series I preferred shares may be converted at any time within 3 years of the date of issuance in common shares of the Corporation at a rate of \$0.30 per common share.

A summary of the outstanding shares and convertible securities as at the date of this MD&A is as follows:

	Expiry Date	Exercise Price	Securities Outstanding	Common Shares on Exercise
<u>Common Shares:</u>				
Seed capital (subject to escrow agreement - August 27, 2007)			5,000,000	
Initial public offering – November 5, 2007			5,000,000	
Private placement – October 31, 2008			18,391,304	
Agency fee – October 31, 2008			678,696	
Issued to vendor – Canadian PUPS acquisition			2,466,798	
Issued to vendor – Kenaston acquisition			<u>2,173,913</u>	
Outstanding Common Shares			<u>33,710,711</u>	
<u>Preferred Shares:</u>				
Series I	March 17, 2013	\$0.30	2,000,000	6,666,667
Stock Dividend	March 17, 2013	\$0.30	<u>12,500</u>	<u>41,667</u>
Outstanding Preferred Shares*			<u>2,012,500</u>	6,708,334
<u>Options and Warrants:</u>				
Director's options	November 5, 2012	\$0.20	1,000,000	1,000,000
Agent's warrants	October 31, 2010	\$0.23	678,696	678,696
Director's options	May 6, 2014	\$0.23	<u>2,200,000</u>	<u>2,200,000</u>
Outstanding options and warrants			<u>3,878,696</u>	3,878,696
<u>Convertible Debt</u>				
Unsecured debentures	May 13, 2014	\$0.32	-	1,000,000
			<u>11,587,030</u>	

* The Corporation is required to issue a second tranche of \$2,000,000 of preferred shares on or before March 17, 2011.

RISKS AND UNCERTAINTIES

The following is a brief review of some of the potential risks and the potential impacts these risks and uncertainties may have on the operations of the Corporation:

Real Estate Industry

Real estate investments are subject to varying degrees of risk depending on the nature of each property. Such investments are affected by general economic conditions, local real estate markets, supply and demand for rental space, competition from others with similar developments, the perceived “attractiveness” of a given property, and various other factors.

There is no certainty that financing will be available upon the maturity of any existing mortgage at terms that are as favorable as the expiring mortgage, or at all. If the Corporation is ever unable to refinance an existing indebtedness on favorable terms, the Corporation may need to dispose of one or more properties upon disadvantageous terms. Prevailing interest rates, limited availability of credit or other factors at the time of refinancing could increase interest expense and ultimately the return to investors.

Economic Conditions

The storage industry in Canada can be cyclical. Due to the climate, demand for self storage is generally weaker in the winter months. Self storage is less susceptible to changes in the local economy, as storage space is often needed during times of both growth and recession. However, downturns in a local economy could negatively affect self storage rentals due to the decrease in consumer discretionary spending. A significant portion of self storage tenants use self storage during periods of moving from one residence to another, or when a residence is being renovated. In times of economic downturn, the level of activity in housing sales and housing renovation could decrease, thereby decreasing self storage rental demand.

Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their financial obligations to the Corporation. The risk of incurring bad debts often arises if self storage tenants relocate and cannot be found to enforce payment, or if self storage tenants abandon their possessions. The extent of bad debts can be mitigated by quickly following up on any unpaid amounts shortly after the due date, enforcing late fees, denying access to any tenants with delinquent accounts, and ultimately seizing the possessions of the tenant. Additionally the Corporation typically rents to numerous tenants, each of which constitutes significantly less than 5% of the Corporation’s monthly revenue. This diversification in the tenant base reduces credit risk from any given tenant.

Competition

The Corporation competes with other individuals, corporations and institutions which currently own, or are anticipating owning a similar property in a given region. Competitive forces could have a negative effect on rental rates or certain costs such as advertising.

Competition also exists when the Corporation attempts to grow through acquisitions of storage facilities. Some investors may have greater financial resources than those of the Corporation. An increase in the availability of investment funds in the general market, and a subsequent increase demand for self storage facilities would have a tendency to increase the price for future acquisitions of self storage facilities and reduce the yields thereon. In addition, the Corporation may require additional financing to complete future real estate acquisitions which may not be available on terms acceptable to the Corporation.

Environmental Risks

Environmental risk is inherent in the ownership of property. Various municipal, provincial and federal regulations can result in penalties or potential liability for remediation should hazardous materials enter the environment. The presence of hazardous substances could also impair the Corporation's ability to sell the property, or it might expose the Corporation to civil law suits. To mitigate such risk, the Corporation will obtain a recent Phase I environmental report for all material acquisitions. It also prohibits the storage of hazardous substances as a condition of the rental contract signed by tenants.

CHANGES IN ACCOUNTING POLICIES

Recent accounting pronouncements not yet applied:

International Financial Reporting Standards:

In January 2006, the Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. On February 13, 2008, the AcSB confirmed that effective for interim and annual financial statements related to fiscal years beginning on or after January 1, 2011, International Financial Reporting Standards ("IFRS") will replace Canada's current Generally Accepted Accounting Principles ("Canadian GAAP") for all publicly accountable profit-oriented enterprises.

The Corporation has developed a conversion plan to complete the transition to IFRS by January 1, 2011, including the preparation of required comparative information relating to 2010. The conversion project consists of three phases:

Phase 1 Preliminary Impact Assessment – This phase involves the high-level identification and assessment of the differences between IFRS and Canadian GAAP that will impact the Corporation.

Phase 2 Detailed Evaluation – This phase involves performing a detailed impact assessment of the differences between IFRS and Canadian GAAP, reviewing and approving accounting policy choices, undertaking IFRS training, identifying impact on systems and business processes, quantifying IFRS conversion adjustments and drafting IFRS compliant consolidated financial statements.

Phase 3 Implementation – This phase involves embedding changes to systems, processes and internal controls, drafting the transitional opening balance sheet and preparing pro-forma IFRS compliant consolidated interim and annual financial statements for the 2011 fiscal year including comparatives.

The Corporation has completed Phase 1 and is currently in Phase 2 of the project. Phase 2 is now scheduled to be completed in Q3 of 2010 at which point Phase 3 will commence.

As a result of the preliminary impact assessment, the impact of IFRS adoption is expected to be the greatest in the following areas:

First-time adoption of IFRS ("IFRS 1")

IFRS 1 provides the framework for the first-time adoption of IFRS and outlines that, in general, an entity shall apply the principles under IFRS retrospectively and that adjustments arising on conversion to IFRS shall be directly recognized in retained earnings. However, IFRS 1 also provides a number of optional exemptions from retrospective application of certain IFRS requirements as well as mandatory exceptions which prohibit retrospective application of standards. There are currently fifteen elective exemptions and four mandatory exceptions that need to be considered.

The Corporation currently expects to apply elective exemptions such that it will not restate the accounting of past business combinations. The remaining elective exemptions are thought to have limited or no applicability to the Corporation; however, further analysis is still required.

Property, plant and equipment

IFRS and Canadian GAAP contain the same basic principles for property, plant and equipment; however, there are some differences. Specifically, IFRS requires property, plant and equipment to be broken down into significant components and amortizing each one separately. In addition, unlike Canadian GAAP, IFRS permits property, plant and equipment to be measured at fair value or amortized cost. In this regard, the Corporation expects to continue to reflect property, plant and equipment at amortized cost.

Impairment of assets

Canadian GAAP impairment testing involves two steps, the first of which compares the asset carrying value with undiscounted future cash flows to determine whether impairment exists. If the carrying value exceeds the amount recoverable on an undiscounted basis, then the cash flows are discounted to calculate the amount of the impairment and the carrying value is written down to estimated fair value.

IAS 36 Impairment of Assets ("IAS 36") uses a one-step approach for both testing for and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows). This may result in more frequent write-downs where carrying values of assets were previously accepted under Canadian GAAP on an undiscounted cash flow basis, but could not be supported on a discounted cash flow basis. Furthermore, IAS 36 requires the reversal of an impairment loss for an asset other than goodwill (under the cost method by no more than what the depreciated amount of the asset would have been had the impairment not occurred) where there is an indication that circumstances have changed and that the impairment loss no longer exists or may have decreased. This is not allowed under Canadian GAAP.

Business Combinations

Both IFRS and Canadian GAAP require the acquisition method of accounting for all business combinations. However, differences exist between the two frameworks in other areas. The most significant difference is that transaction costs are expensed immediately under IFRS whereas under Canadian GAAP such costs are included in the cost of the asset acquired. The Corporation early adopted section 1582 Business Combinations under Canadian GAAP and as such there will be limited change upon adoption of IFRS 3.

Income taxes

IAS 12 Income Taxes is similar to Canadian GAAP in that the Corporation has to recognize deferred (future) taxes on temporary differences between the carrying value of assets and liabilities and there tax basis. The adoption of IFRS may have a significant impact on the Corporation's tax accounting in the period of adoption and in subsequent periods for new temporary differences arising on the conversion to IFRS as a result of changes in carrying values of assets, differences in depreciation expense, residual values, capitalization of borrowing and direct costs and impairment charges and reversals.

In the period leading up to the changeover, the AcSB will continue to issue accounting standards that are converged with IFRS, thus mitigating the impact of adopting IFRS at the changeover date. The International Accounting Standards Board will also continue to issue new accounting standards during the conversion period, and as a result, the final impact on the Corporation's financial statements will only be measured once all the IFRS applicable at the conversion date are known.

The impact on information technology and controls over financial reporting and disclosure is not expected to be significant.