StorageVault Canada Inc.
(the "Corporation")

Form 51-102F1
Management's Discussion and Analysis
For the Three and Nine Months Ended September 30, 2008

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 nine month periods ended September 30, 2008 and the audited financial statements and notes to the financial statements for fiscal period ended December 31, 2007. 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. 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 November 19, 2008 and is in respect of the period from January 1, 2008 to September 30, 2008. 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, future income taxes and after adjustments for equity accounted entities and non-controlling interests. The Corporation believes that FFO can be a beneficial measure, when combined with primary GAAP measures, 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, deprecation 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.

Nature of Business

The Corporation was incorporated on May 31, 2007 pursuant to the Business Corporations Act of Alberta and was classified as a Capital Pool Company ("CPC") as defined in the TSXV Policy 2.4. Effective November 5, 2007, the Corporation completed its initial public offering wherein it issued 5,000,000 common shares at $0.20 for gross proceeds of $1,000,000. On November 12, 2007, the common shares of the Corporation were listed on the TSXV under the stock symbol SVI.P.

As a CPC, the principal business of the Corporation was the identification and evaluation of assets or a business, and once identified or evaluated, to negotiate an acquisition or participation with a view to completing a Qualifying Transaction in accordance with Policy 2.4 of the TSXV, subject to receipt of shareholder approval in certain circumstances, and acceptance by the TSXV.

On April 30, 2008, the Corporation completed its Qualifying Transaction with the acquisition of all of the assets and operations of T.C. Mini Storage Ltd, operating as Trans Can Mini-Stor. The acquisition was comprised of a property with 8 self storage buildings built between 1996 and 1998, containing 351 storage units, and 74 outdoor rental parking stalls, all situated on approximately 8.3 acres of land in Regina, SK. The purchase price, including transaction and other direct costs, was $2,682,717, paid for by the assumption of a first mortgage on the property of $1,750,631, with the balance paid in cash.

Effective May 5, 2008, the Corporation's common shares began trading on the TSXV as a Tier 2 company under the stock symbol SVI.

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, and to augment cash flows from the traditional storage operations. 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 mortgage financing, the assumption of debt, and the issuance of additional common shares or other securities.

Subsequent to September 30, 2008, on October 31, 2008, the Corporation completed a brokered private placement of 18,391,304 common shares at a price of $0.23 per share for gross proceeds of $4,230,000. The completion of the placement is subject to final approval from the TSXV and the securities issued are subject to a four month hold period.

On June 12, 2008, the Corporation announced that it has entered into a Letter of Intent to acquire a self-storage facility in Cambridge, ON for the purchase price of approximately $2.45 million. On September 15, 2008, the Corporation announced that it had entered into an arm's-length Acquisition Agreement of Purchase and Sale for this property under substantially the same terms as the Letter of Intent. Subsequent to September 30, 2008, on November 5, 2008, the Acquisition Agreement of Purchase and Sale was terminated as financing conditions available at the time were not suitable to the Corporation.

Subsequent to September 30, 2008, on October 14, 2008, the Corporation announced that it had entered into an arm's length Option to Purchase Agreement for a self storage facility in Winnipeg, MB for the purchase price of $7.15 million. In addition, the vendor is entitled to receive an additional $150,000 earn out payment in the event the self storage business achieves a pre-determined level of operating revenue. The Corporation's right to exercise the option begins on January 1, 2009 and continues until January 15, 2009. If the option is exercised the purchase price will be paid by a combination of cash, bank debt financing and vendor take back of $500,000 of the Corporation's common shares at a price of $0.23 per share.

Subsequent to September 30, 2008, on November 13, 2008, the Corporation announced that it had entered into a non-arm's length Acquisition Agreement of Purchase and Sale with Canadian PUPS Storage Inc. to acquire all of the assets of a portable storage business located in Regina, SK. The purchase price is $1.33 million and will be paid by a combination of cash, assumption of debt, and vendor take back of approximately $540,000 of the Corporation's common shares at a price of $0.23 per share.

Subsequent to September 30, 2008, on November 13, 2008, the Corporation announced that it had entered into a non-arm's length Master Franchise Agreement with Canadian PUPS Franchises Inc. which provides the Corporation the exclusive Canadian franchise rights for the development and operation of PUPS portable storage franchises throughout Canada. Pursuant to the Master Franchise Agreement, the Corporation will pay Canadian PUPS Franchises Inc. a one time cash fee of $20,000 and a continuing monthly royalty of 3.5% of the gross sales in relation to the Franchise Rights and PUPS. The Corporation is obligated to develop 20 franchises by December 31, 2012 or pay a one time non-development fee of $15,000 or each undeveloped franchise.

All of the above announced acquisitions are subject to a number of conditions, including but not limited to completion of due diligence and environmental investigations to the satisfaction of the Corporation in its sole discretion, financing, approval of the Board of Directors of the Corporation, approval of shareholders, if applicable, and approval of the TSXV in accordance with the applicable policies of the TSXV. At this preliminary stage, there can be no assurance that the conditions under the any or all of the Agreements will be satisfied, that the TSXV approval will be granted, or that the acquisitions will be successfully completed.

Selected Annual Financial Information

The Corporation was incorporated on May 31, 2007. A summary of selected financial information for the Corporation's only fiscal year end, being the period from incorporation to December 31, 2007 is as follows:

	Seven months ended December 31, 2007
Total Revenue	$ 6,027
Net Income (Loss)	
Total	$ (111,029)
Per Share, basic and diluted	$ (0.018)
Total Assets	$ 1,342,978
Long Term Financial Liabilities	$ Nil

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
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	**$205,126**	**($213,858)**	**($0.022)**	**($0.022)**	**N/A**	**N/A**	**-**
2007 – Q4	$6,027	($97,148)	($0.015)	($0.015)	$1,342,978	-	-
2007 – Q3	-	($13,881)	($0.003)	($0.003)	$493,719	-	-
2007 – Q2	-	-	-	-	-	-	-
2007 – Q1	-	-	-	-	-	-	-
Total 2007	**$6,027**	**($111,029)**	**($0.018)**	**($0.018)**	**N/A**	**N/A**	**-**

During the period, the Corporation declared no cash dividends.

Results of Operations

The Corporation acquired its first property, Trans Can Mini-Stor on April 30, 2008. Prior to this date, the Corporation had no operations other than the identification and evaluation of acquisitions as a CPC. A summary of the results of operations is a follows:

	Three months ended		Nine months ended	
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
Revenue	120,033	-	205,126	-
Expenses	148,225	13,881	418,984	13,881
Net income/(loss)	(28,192)	(13,881)	(213,858)	(13,881)
Funds from Operations				
Net income / (loss)	(28,192)	(13,881)	(213,858)	(13,881)
Add / (deduct)				
Depreciation and amortization	52,784	-	87,084	-
	24,592	(13,881)	(126,774)	(13,881)
Property Net Operating Income				
Revenue from property	119,205	-	191,185	-
Add / (deduct)				
Property operating costs	(24,390)	-	(37,244)	-
	94,815	-	153,941	-

Revenue from Income Producing Properties

Operating revenue from income producing properties for the three and nine months ended September 30, 2008 were $119,205 and $191,185, respectively. Because the Corporation made its only acquisition to date on April 30, 2008, being Trans Can Mini-Stor, the nine month period ending September 30, 2008 contains only 5 months of operating revenue.

Demand for storage space remained strong during the summer months. By September 30, 2008, occupancy at Trans Can Mini-Stor was at 95.2% (June 30, 2008 – 96.2%). Revenues and overall cash flow continue to match or exceed management's expectations for the property. There are currently no new self storage facilities under construction in the Regina area, meaning there will be no increase in competition for the foreseeable future.

By the end of September, 2008, the general economic conditions in Canada and abroad had deteriorated and expectations are that the downturn will last for a number of months. Management believes that this downturn will not have a significant effect on operations at Trans Can Mini-Stor for the foreseeable future for two reasons. First, the downturn did not affect the economies of Regina and Saskatchewan as severely as in other locales. Secondly, the self storage industry does not tend to correlate strongly with stock markets or many other economic indicators. In robust economic times, ample discretionary income tends to promote consumer spending. This drives the need for storage whether it is for temporary storage while upgrading homes, or longer term storage for excess belongings. Conversely, in times of economic downturn, consumers often downsize residences or business spaces, or they require storage as they transition to new homes, new occupations or new cities in which to find work. The greater determinants for the viability of self storage facilities tend to be accessible location, local population growth, proper facility maintenance, suitable financing terms, and the presence or absence of competitors in the same geographical area.

Interest income

Interest income for the three and nine months ended September 30, 2008 was $828 and $13,941, respectively. Interest income was larger in the first quarter of 2008 as the Corporation had a significant portion of the funds from its initial public offering invested in short term investments. These investments were collapsed prior to the acquisition of Trans Can Mini-Stor on April 30, 2008.

Property Net Operating Income (NOI)

NOI from Trans Can Mini-Stor for the three and nine months ended September 30, 2008 was $94,815 and $153,941, respectively. Management believes this figure to be significant as it distinguishes the ongoing operations of the Corporation from certain non-recurring costs relating to the Qualifying Transaction and other public company filing requirements. The majority of these non-recurring costs occurred in the first and second quarters of 2008.

Trans Can Mini-Stor has certain competitive advantages compared to its competition in the Regina area. As it is situated in a Rural Municipality, just outside of the city of Regina boundaries, it enjoys significantly lower property taxes than facilities within the city. Yet it is within close proximity to large residential areas within a 10 kilometer radius. The Trans Can Mini-Stor acquisition also came with additional undeveloped land. In the third quarter of 2008, the Corporation leveled and fenced approximately 1.2 acres of land that were previously undeveloped. This extra space will be used for additional outdoor storage of recreational vehicles and autos. It also provides space for the Corporation to commence the operation of a portable storage business as anticipated in its business plans.

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

S, G & A expenses for the three and nine months ended September 30, 2008 was $46,226 and $253,211, respectively. In the first and second quarters of the fiscal year, the majority of these costs related to the completion of the Corporation's Qualifying Transaction including legal fees relating to completion of the filing statement, audit and accounting fees relating to financial reports included in the filing statement, and sponsorship fees relating to due diligence investigation incurred by a sponsor as required by the TSXV. For the nine months ended September 30, 2008, total Qualifying Transaction costs, exclusive of indirectly related professional fees and TSXV costs, were $134,031. Qualifying Transaction costs are non-recurring.

Other significant S, G & A costs for the three and nine months ended September 30, 2008 were Professional fees, $21,677 and $37,379, respectively; TSXV listing and filing fees, $nil and $15,795, respectively; and Travel expenses, $4,107 and $18,540, respectively.

Liquidity and Capital Resources

As at September 30, 2008, the Corporation had $176,546 of cash and short term investments compared to $1,310,663 at December 31, 2007. The decrease is due primarily to the expenditure of approximately $932,000 relating to the portion of the Trans Can Mini-Stor acquisition that was not financed with debt. Qualifying Transaction costs and other corporate S, G & A costs also decreased cash balances, although these were offset by profit generated during the Corporation's first five months of operations at Trans Can Mini-Stor.

The Corporation's principle sources of liquidity are its ability to generate cash flow from operations, arranging new debt financing, and offering shares to the public.

For the three and nine months ended September 30, 2008, cash flow from operating activities, before net changes in working capital items, were positive $24,592 and negative $126,774 respectively. For the nine month period, the use of cash in operations arose as the Corporation incurred administrative expenses leading up to the completion of a Qualifying Transaction, while having no operations from which to generate cash. In the three months ended September 30, 2008, the Corporation had fewer expenses relating to corporate administration, and had five full months of revenue generating operations to offset expenditures.

The Corporation is not in default or arrears on any of its debt obligations. There is no long term debt maturing in 2008. As at September 30, 2008, the Corporation had total mortgage debt outstanding of $1,716,843 at an interest rate of 5.72%. The following chart summarizes the Corporation's financial commitments for mortgage principal and interest payments for the next five years:

	Principal	Interest	Total
2008 (October to December)	$ 8,958	$24,698	$ 33,656
2009	$37,137	$97,487	$134,624
2010	$39,318	$95,306	$134,624
2011	$41,627	$92,997	$134,624
2012	$44,071	$90,553	$134,624

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.

Industry Outlook

In Regina, the outlook for self storage remains favorable. Rental rates are competitive but do allow for an adequate return. The population continues to grow and there is no apparent excess of self storage space in the market. On a national scale, the self storage industry is seeing some change. Despite forecasts of a looming recession in Canada, existing self storage operators who are properly capitalized should be able to weather an economic downturn. However, the tightening of credit by Canadian lending institutions may have a ripple effect on the size and pace of sales of self storage facilities in the real estate market. If in the future Canadian financial institutions are not willing to provide the same loan-to-value ratios as in the past, or if interest rates remain at their current high levels, either the pace of sales and acquisitions will slow, or the purchase price that buyers are willing to accept will have to decrease. While it may be more difficult to acquire existing self storage facilities, the challenging financing climate will likely dampen the development of new storage facilities in most cities. Existing market participants should therefore enjoy a period without a significant increase in competition.

Contractual Obligations and Off-Balance Sheet Arrangements

The Corporation commenced construction of a 3,600 square foot storage building at Trans Can Mini-Stor in the third quarter of 2008. As at September 30, 2008, $12,527 remained outstanding on the contract and is due when construction is complete. Completion is anticipated by the end of November, 2008. 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 $48,000.
- 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 nine months ended September 30, 2008 the Corporation paid management fees of $12,000 and $33,250, respectively, to Detteson as part of its management agreement.

During the three and nine months ended September 30, 2008 the Corporation reimbursed travel and related expenses of $9,818 and $26,934, respectively, to Detteson. These expenses, which were reimbursed at cost, were undertaken exclusively for the benefit of the Corporation.

Other related party transactions

During the three and nine months ended September 30, 2008 the Corporation paid administrative fees of $nil and $6,400, respectively, to Canadian PUPS Storage Inc. (Canadian PUPS). Canadian PUPS is a corporation controlled by Alan A. Simpson and Glenn E. Fradette, who are directors and officers of the Corporation. The administration services agreement provided for the payment by the Corporation of $1,600 per month to Canadian PUPS for expenses relating to, among other things, rent payable in connection with the Corporation's use of office space, postage, office supplies and other reasonable out-of-pocket expenses incurred by Canadian PUPS in pursuing the Corporation's objectives. The payment of these amounts ceased with the completion of the Corporation's Qualifying Transaction on April 30, 2008.

During the three and nine months ended September 30, 2008 the Corporation paid loan guarantee fees of $2,178 and $3,630, respectively, to Alan A. Simpson and loan guarantee fees of $2,178 and $3,630, 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.

During the three and nine months ended September 30, 2008 the Corporation paid fees for the maintenance of shareholder records of $1,848 and $4,696, respectively, to a company of which one director and executive officer is also a director of the Corporation.

Included in accounts payable at June 30, 2008 was $854 (December 31, 2007 – $nil) payable to a company of which one director and executive officer is also a director of the Corporation.

Transactions with related parties have been recorded at the exchange amount, unless noted otherwise.

Outstanding Share Data

Subsequent to September 30, 2008, the Corporation completed a brokered private placement of 18,391,304 common shares at a price of $0.23 per share for gross proceeds of $4,230,000. The completion of the placement is subject to final approval from the TSXV and the securities issued are subject to a four month hold period. In association with the private placement, the Corporation issued 678,696 common shares as an agency fee, and 678,696 Agent's warrants each convertible into one common share of the Corporation at a price of $0.23 per 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
Common Shares:				
Seed capital (1)			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	
			29,070,000	
Convertible Securities:				
Director's options	November 5, 2012	$0.20	1,000,000	1,000,000
Agent's options	November 12, 2009	$0.20	400,000	400,000
Agent's warrants	October 31, 2010	$0.23	678,696	678,696
			2,078,696	2,078,696
Total			31,148,696	2,078,696

(1) subject to escrow agreement dated August 27,2007

The Corporation's shares were listed on the TSXV on November 12, 2007

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

Internal Controls, Disclosure Controls and Procedures

Disclosure controls and procedures of the Corporation are designed to provide reasonable assurance that all material information with respect to the Corporation is made known to senior management of the Corporation, so that timely decisions can be made regarding public disclosure. The Corporation maintains appropriate information systems, procedures and controls to ensure that new information coming to the market is complete, timely and reliable.

All control systems have inherent limitations, and evaluation of a control system cannot provide absolute assurance that all control issues have been detected, including risks of misstatement due to error or fraud. Internal controls over financial reporting of the Corporation are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements of the Corporation for external purposes in accordance with Canadian generally accepted accounting principles.