

StorageVault Canada Inc.

(the "Corporation")

Form 51-102F1

Management's Discussion and Analysis For the Three and Nine Months Ended September 30, 2011

This management's discussion and analysis (MD&A) should be read in conjunction with the Corporation's unaudited interim financial statements and notes to the financial statements for the three and nine months ended September 30, 2011 and the audited financial statements and notes to the financial statements for the year ended December 31, 2010. 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.

The Corporation's unaudited interim financial statements for the three and nine months ended September 30, 2011 and 2010 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to note 16 of the financial statements for a reconciliation of IFRS to previous years' Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

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 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" and "Liquidity and Capital Resources" sections; 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:

- capital market conditions
- liquidity in the credit markets and/or changes in interest rates which may affect timing and availability of external financing on acceptable terms
- general business and economic uncertainties
- changes in the level of competition
- delay or failure to receive board or regulatory approvals
- changes in legislation including environmental legislation affecting the Corporation
- adverse weather conditions
- 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 23, 2011 and is in respect of the period from July 1, 2011 to September 30, 2011. The discussion in the MD&A focuses on this period.

NON-IFRS FINANCIAL MEASURES

The Corporation uses non-IFRS 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 IFRS do not have a standardized meaning and may not be comparable to similar measures used by other companies. Such non-IFRS 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 IFRS. The Corporation believes that FFO can be a beneficial measure, when combined with primary IFRS 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 storage facilities in five Canadian cities:

- Trans Can Mini Stor (“Trans Can”) and PUPS – Portable Units for Portable Storage in Regina, SK
- Kenaston Self-Storage (“Kenaston”) and PUPS – Portable Units for Portable Storage in Winnipeg MB
- PUPS – Portable Units for Portable Storage in Saskatoon SK
- B&B Mini Storage (“B&B”) and PUPS – Portable Units for Portable Storage in Cambridge, ON
- Parksville Mini Storage (“Parksville”) and PUPS – Portable Units for Portable Storage in Parksville/Nanaimo BC

The PUPS – Portable Units for Portable Storage (“PUPS”) operations in Cambridge and Parksville were launched in the spring of 2011. These locations are in lease-up stage and have not yet achieved break-even status. A typical PUPS operation will take 24 to 36 months to reach maturity.

In addition to the above, the Corporation manages five self-storage locations and two PUPS – Portable Units for Portable Storage locations in Ontario on behalf of a third party owner.

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., the Corporation also provides portable storage services. The PUPS –Portable Units for Portable Storage 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 both residential and commercial customers that:

- would not normally use a traditional fixed storage facility because they haven’t the means to transport their possessions.
- are moving between locations and require temporary storage, but do not want to move their possessions to a fixed storage unit, only to move them again 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 necessary to operate 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 facility 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.

As the network of PUPS locations grows, the Corporation can add intercity moves using PUPS containers to its range of services. Aimed at a do-it-yourself customer, the Corporation supplies a PUPS container in the customer's existing city. Once it is filled, it is moved via long-haul trucking to the customer's new city. This door-to-door service can provide the customer the option to move their possessions great distances at significant cost savings compared to traditional moving companies.

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 Nine Months ended September 30, 2011

Selected financial highlights for the Corporation:

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Total Revenue	994,018	751,997	2,833,211	1,840,911
Year over Year change \$	242,021		992,300	
Year over Year change %	32.2%		53.9%	
Net Income (Loss)	2,518	873	(245,305)	(237,189)
Year over Year change \$	1,645		(8,116)	
Year over Year change %	-188.4%		-3.4%	
Funds from Operations				
From operating properties	425,468	303,298	931,742	710,917
From non-operating activities	(178,970)	(102,781)	(454,284)	(280,087)
Total	<u>246,498</u>	<u>200,517</u>	<u>477,458</u>	<u>430,830</u>
Year over Year change \$	45,981		46,628	
Year over Year change %	22.9%		10.8%	

New operations acquired or launched subsequent to the third quarter of 2010 were Parksville Mini Storage, Parksville PUPS and Cambridge PUPS (the "New Sites"). All other sites operated by the Corporation (the "Existing Sites") were operated in the third quarter of both 2011 and 2010.

Revenue for the nine months ending September 30, 2011 was \$992,300 or 53.9% higher than the same period last year. New Sites contributed \$260,951 of revenue toward this growth. Growth in revenue from Existing Sites was \$377,602 year over year with almost half of this total generated by strong growth in the PUPS operations in Regina and Saskatoon. An increasingly significant source of revenue for the Corporation is the sale of equipment used in franchised PUPS locations or areas not currently serviced by PUPS. Equipment sales will vary each quarter as equipment orders tend to be large but intermittent. Whereas the first nine months of 2010 saw only \$8,165 of corporate revenue, the first nine months of 2011 tallied \$361,909 for an increase of \$353,744.

The Net Income (Loss) of the Corporation was virtually unchanged over the two comparative periods above. In general, operations in Regina, Winnipeg and Saskatoon all showed improvement in 2011 compared to 2010. These gains were tempered by startup costs incurred in the recently launched PUPS locations in Cambridge and Parksville.

Funds from Operations figures are used by management to assess financial results without the effects of amortization based on historical costs. The FFO from self-storage and PUPS operations increased by \$45,981 or 22.9% to \$246,498 in Q3 of 2011 compared to Q3 of 2010. New Sites caused a decrease in year over year FFO in the amount of \$23,885 as they incurred normal start-up costs that exceeded early revenues. Existing sites generated an increase of \$146,055 in the Q3 FFO through increased sales and management fees. The remainder of the year over year change was due to changes in corporate expense accounts, including cost of sales on the equipment revenues noted above. For the nine months ended September 30, the 2011 FFO was \$46,628 or 10.8% higher than 2010 FFO, for the same reasons that caused the Q3 variance.

Portfolio

As at September 30, 2011, the Corporation owned and operated the following fixed storage facilities and PUPS portable storage operations:

	<u>Acquired</u>	<u>Units</u>	<u>Rentable Square Feet</u>
FIXED STORAGE			
Trans Can Mini Stor, Regina, SK	May 1, 2008	342	38,691
Kenaston Self Storage, Winnipeg, MB	March 2, 2009	538	45,200
B & B Mini Storage, Cambridge, ON	May 10, 2010	189	25,850
Parksville Mini Storage, Parksville, BC	November 1, 2010	<u>142</u>	<u>21,820</u>
Total		1,211	131,561
PORTABLE STORAGE			
Trans Can Mini Stor, Regina, SK	December 31, 2008	335	30,667
Kenaston Self Storage, Winnipeg, MB		198	18,280
Saskatoon, SK		174	16,653
B & B Mini Storage, Cambridge, ON		135	11,697
Parksville Mini Storage, Parksville, BC		<u>76</u>	<u>7,147</u>
Total		918	84,444

SVI also manages, on behalf of a third party owner, five self-storage facilities consisting of 2,136 units (243,072 rentable square feet) and two PUPS franchises consisting of 305 PUPS units (28,826 rentable square feet) in exchange for management fees equal to 5% of gross revenues.

Outlook

When considering existing sites, the financial results of the Corporation are dictated to a large extent by the level of occupancy in those facilities. One of management's primary and continuing focuses is to attract and retain tenants and keep occupancy at acceptable levels.

The level of occupancy of a given facility is generally dependent on the local economy near that facility. Most self-storage tenants will not travel more than 10 or 20 kilometers to rent a storage unit. PUPS customers may live farther from the PUPS facility, but because of delivery costs, most are within 100 kilometers of the PUPS facility. In addition to location, the physical condition of the facility, the rental rates compared to local competitors, and level of service from on-site staff all factor into the facility's ability to attract and retain tenants.

A number of factors in the larger economy can also impact self-storage rentals. Like many businesses, self-storage can feel the effects of changes in employment and levels of disposable income in the economy. Storage facilities in locations where new and used housing sales are strong, or money is available for renovations to homes and businesses, tend to experience higher levels of occupancy than those where the economy is not as robust. However, self-storage operators in many regions of Canada have noticed that while occupancies generally declined after the economic recession and credit crisis of 2008, they did not fall at a rate comparable to the loss in revenues of other businesses. It seems that even in declining economies people still need a place to store their possessions.

In Saskatchewan and Manitoba, the economy has not fared as poorly as other regions of Canada subsequent to the "meltdown". In these provinces self-storage rentals have shown gradual growth in the past three years, to the point that occupancies are near the highs that were experienced in the robust economy in 2007 and early 2008. PUPS operations have also experience year over year growth as the PUPS product becomes more widely known in the local markets. Management believes that with continued regular maintenance of the facilities, periodic focused advertising and strategic pricing, these locations will continue to see modest improvements in occupancies in the coming months.

The Canadian economy as a whole continues its recovery, but it is slow and tenuous. Management expects occupancies at existing facilities in Ontario and British Columbia to remain flat through much of 2011 and into 2012 as their economies were hit harder than Saskatchewan or Manitoba. However, both the housing market and the job market in any given locale are strong determinants of demand. Should either of these rebound, we can expect to see growth in existing store occupancy. In the near term, management will focus on improving occupancy by focusing sales techniques, implementing rate adjustments where feasible, and improving the general appearance of facilities by targeted maintenance projects. Targeted pricing strategies will also be employed to increase market penetration.

One positive result of the recession and the tightening of credit from banks and other lenders, from the perspective of a self-storage operator, was the slowdown in new builds. Without low cost debt financing, very few developers have attempted to build new self-storage facilities in Canada in the last two years. There were virtually no new competitors in the markets served by the Corporation in 2010 and early 2011. In the summer of 2011, a new self-storage competitor opened in a town just outside of Regina, and a new portable storage operator has moved into Winnipeg and is slated to open in Regina later this year (although this competitor offers a slightly different portable storage service utilizing reclaimed ocean shipping containers). New competitors tend to speed lease-up by offering move-in discounts to new customers. Management has historically provided select discounts - usually in the winter months when customers tend to avoid moving possessions or renovating homes. The Corporation may have to provide other discounts in these select markets to match competitive forces and retain its customer base. The effect on overall revenues is not expected to be significant, but it may be enough to slow the rate in growth of revenues that has been experienced in the past two years.

A major focus for the Corporation in 2011 will be the growth of PUPS operations. Each new PUPS location typically requires 2 to 3 years to reach a mature size of 250 to 300 PUPS containers. Regina achieved this level in 2009. Both Saskatoon and Winnipeg have completed two full years of operations. We expect these sites will add another 80 to 100 PUPS each to their rental fleets in 2012, thereby augmenting revenue and net operating income. PUPS operations began in Parksville and Cambridge in early 2011. Local advertising and customer service representative training are expected to help both of these sites take occupancy to between 80 to 130 units in the summer of 2012.

Subsequent Events

On November 2, 2011 the Corporation announced that it entered into an Acquisition Agreement of Purchase and Sale to acquire from an arm's length vendor a self-storage facility located in Calgary, Alberta. The aggregate purchase price is \$3,000,000 (subject to customary adjustments). The Acquisition Agreement is subject to a number of conditions, including but not limited to: (i) the completion of due diligence and environmental investigations with respect to the property that must be satisfactory to the Corporation in its sole discretion; (ii) satisfactory financing; (iii) approval by the board of directors of the Corporation to be given or withheld in its sole discretion; and (iv) if applicable, approval of the shareholders of the Corporation. If all conditions under the Acquisition Agreement are satisfied, the acquisition is scheduled to close on January 31, 2012, or such earlier or later date as is mutually agreeable. The self-storage facility has over 400 rental units with approximately 35,000 square feet of rentable self-storage space together with outdoor spaces for storage of vehicles. The total size of the site is approximately 1.50 acres. The Corporation intends to develop and operate a PUPS portable storage business in Calgary in conjunction with the acquisition of the self-storage facility

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, 2010, 2009 and 2008 is as follows.

	<u>Fiscal Year Ended December 31, 2010</u>	<u>Fiscal Year Ended December 31, 2009</u> <i>(see note 1 below)</i>	<u>Fiscal Year Ended December 31, 2008</u> <i>(see note 1 below)</i>
Total Revenue	\$2,543,663	\$1,755,711	\$332,706
Net Income / (Loss)			
Total	(\$ 402,319)	(\$ 781,402)	(\$ 265,050)
Per share, basic and diluted	(\$ 0.012)	(\$ 0.023)	(\$ 0.020)
Total Assets	\$ 18,275,294	\$ 12,093,333	\$ 7,787,203
Long Term Financial Liabilities	\$ 11,556,138	\$ 6,267,420	\$ 2,017,509
Dividends declared-common shares	nil	nil	nil
Dividends declared-preferred shares*	\$36,915	nil	nil

*Pursuant to International Accounting Standard 32 – Financial Instruments: Presentation, issuers of financial instruments that contain both a liability and equity element must classify the instrument's component parts separately. Due to a conversion privilege, the Preferred Shares issued by the Corporation in 2010 have both a liability and an equity component. Payments related to the liability component have been classified as interest expense. Payments related to the equity component have been classified as dividends (above). The gross amount of Preferred Shares outstanding at December 31, 2010 was \$4,046,068. The amount of payments in the fiscal year ended December 31, 2010 related to the liability component was \$55,221.

Note 1 – For the Corporation, the IFRS transition date was January 1, 2010. Figures for this period have been revised, as compared to previous periods, to appropriately reflect all required IFRS retrospective adjustments

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 recurring and non-recurring 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:

	2011 Fiscal Year ('000 omitted)					2010 Fiscal Year ('000 omitted)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Fixed Storage										
Property Revenue**	498	496	521		1,515	328	399	456	488	1,671
Operating Costs	181	170	177		528	118	140	159	183	600
NOI	317	326	344	-	987	210	259	297	305	1,071
NOI Margin	63.7%	65.7%	66.0%		65.1%	64.0%	64.9%	65.1%	62.5%	64.1%
PUPS Portable Storage										
Property Revenue	161	344	452		957	125	236	289	213	863
Operating Costs	162	234	249		645	102	121	148	155	526
NOI	(1)	110	203	-	312	23	115	141	58	337
NOI Margin	-0.6%	32.0%	44.9%		32.6%	18.4%	48.7%	48.8%	27.2%	39.0%
Combined										
Property Revenue	659	840	973	-	2,472	453	635	745	701	2,534
Operating Costs	343	404	426	-	1,173	220	261	307	338	1,126
NOI	316	436	547	-	1,299	233	374	438	363	1,407
NOI Margin	48.0%	51.9%	56.2%		52.5%	51.4%	58.9%	58.8%	51.8%	55.5%

** including management fees from the Conundrum management agreement

Revenue from Income Producing Properties

Total revenue from fixed storage properties and fixed storage property management for the three months ended September 30, 2011 was \$521,305 compared to \$456,315 for the same period last year. The largest part of the increase of \$64,990 or 14.2% can be attributed to the addition Parksville (\$52,621) during the calendar year. For the nine months ended September 30, 2011, revenue from fixed storage was \$1,514,796 which was an increase of \$331,865 (28.1%) over the \$1,182,931 earned in the same period last year. Again, the Parksville location (\$170,748) was the largest contributor to the growth, with the Cambridge site adding \$85,532 of incremental revenue (as it was not owned for the entire 2010 period) and management fees adding \$68,760. Operating costs for fixed storage have increased commensurate with the changes in revenue noted above. The NOI margin for the third quarter of 2011 was 66.0%, a slight improvement from the 65.1% experienced in the third quarter of 2010.

The revenue from PUPS operations was \$451,970 in Q3 2011, an increase of \$162,681 (56.2%) over the \$289,285 earned from PUPS in Q1 2010. The year to date increase was \$306,691 (47.2%) to \$956,506. This growth is reflective of the maturing of the PUPS operations in Regina, and the progression of operations in Saskatoon and Winnipeg. These three existing sites added \$104,294 of new revenue to Q3 2011 compared to 2010, and \$216,485 of new revenue for the first nine months of 2011 compared to 2010. The remaining growth was from the New Sites in Parksville and Cambridge. 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. Both Saskatoon and Winnipeg locations 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 September 30, 2011, the Corporation had 918 containers in its fleet – an increase of 55.9% over the 589 on hand at September 30, 2010.

A summary of unit occupancy rates at the end of each fiscal quarter for the self-storage location is as follows:

	2011 Fiscal Year				2010 Fiscal Year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fixed Storage								
Trans Can Mini Stor, Regina, SK	78.1%	86.3%	84.5%		79.5%	84.3%	77.0%	71.6%
Kenaston Self Storage, Winnipeg, MB	85.5%	90.3%	87.7%		86.7%	96.9%	93.4%	85.8%
B&B Mini Storage, Cambridge, ON	78.3%	91.5%	91.5%		*	96.2%	81.0%	76.1%
Parksville Mini Storage, Parksville, BC	71.1%	69.5%	73.9%		*	*	*	75.9%

* property not owned by the Corporation at this time

Occupancy rates in Trans Can declined to 71.6% at the end of 2010. A change in personnel and a re-focus on operations have resulted in a rebound to 84.5% by September 30, 2011. Kenaston and B&B have improved occupancy levels after a particularly cold and difficult winter in early 2011. Unit occupancies in Parksville slipped to 69.5% in Q2 and have since move up slightly to 73.9% in Q3 of 2011. The Parksville location is experiencing aggressive local competition. New on-site management was installed in Parksville in Q2 2011 and emphasis is being placed on regaining self-storage occupancy. The Corporation has used temporary price discounts in Q3 to regain market share.

Occupancy percentages alone do not tell the whole story when it comes to PUPS. This is because number of PUPS containers available for rent changes (increases) over time as the locations grow toward maturity. An alternative to occupancy rate comparisons for PUPS is simply a comparison of the number of units rented at a given date. As can be seen by the following table, the number of rented PUPS increased from 481 at the end of Q3 2010 to 700 by the end of Q3 2011. While the Regina market approached a stable level, the other locations are continuing the lease-up process.

	2011 Fiscal Year				2010 Fiscal Year			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PUPS Units Rented								
Trans Can Mini Stor, Regina, SK	192	295	313	-	195	258	275	188
Kenaston Self Storage, Winnipeg, MB	82	137	125	-	58	111	111	65
Saskatoon, SK	50	110	148	-	17	79	95	51
B&B Mini Storage, Cambridge, ON	20	62	90	-	-	-	-	-
Parksville Mini Storage, Parksville, BC	-	19	24	-	-	-	-	-
Total	344	623	700	-	270	448	481	304

Property Net Operating Income (NOI)

Fixed storage NOI from properties for the three months ended September 30, 2011 was \$344,140 compared to \$297,777 for the previous year. For the nine months ended September 30, 2011, the increase was \$220,569 from \$766,414 to \$986,983. The increase is due to the New Sites and growth in management fee revenue.

The PUPS NOI grew from \$140,782 in Q3 of 2010 to \$202,544 in Q3 2011. The increase was \$61,762 (43.9%). For the New Sites, there was a year over year decrease in NOI of \$18,925. This was offset by total increases of \$80,687 in the Existing Sites in Regina, Saskatoon and Winnipeg. The startup of a PUPS operation incurs costs for items like rent, advertising and salaries which are not commensurate with revenues in the early months of operations. As these PUPS New Sites continue to mature, the NOI margin is expected to improve.

Interest income

Interest income for the three and nine months ended September 30, 2011 was \$1,341 and \$4,940, respectively, compared to \$548 and \$1,846, 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 or capital additions. In 2011, 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 nine months ended September 30, 2011 were \$147,960 and \$418,849, respectively, compared to \$119,914 and \$295,240, respectively for the same periods last year. As a percentage of storage related revenue, S, G, & A costs were 15.2% in Q3 2011 compared to 16.1% in Q3 2010. The largest drivers of these costs are salaries, and new facility acquisitions which incur a number of professional fees that cannot be capitalized.

The three largest S, G & A items in the nine months ended September 30, 2011 were as follows:

- Management fees paid to Detteson Management Inc. of \$103,333 (September 30, 2010 - \$86,837). See discussion of "Related Party Transactions" below.
- Professional fees of \$88,495 (September 30, 2010 - \$55,692). In the first nine months of 2011, the Corporation incurred accounting and audit related fees of 29,925 compared to \$24,005 in the first nine months of 2010. The increase is attributable to extra work required to transition the financial reporting to IFRS. Legal fees and other were \$58,570 in 2011 compared to \$31,687 in 2010. In 2010, the Corporation actually incurred more legal and other fees (including environmental assessments and valuation appraisals) in connection with acquisitions of properties in Cambridge and Parksville. However, as part of these acquisitions, the vendors assumed some of the costs, thereby lessening the overall cash outlay incurred by the Corporation.
- Salaries of \$93,489 (September 30, 2010 - \$42,737). This category reflects the hiring of a Supervisor of Operations and an Accounting Technician in July, 2010. Both were necessary as the number of cities where the Corporation operated increased with the acquisitions of Cambridge and Parksville/Nanaimo, and the assumption of the management contract for the Ontario sites.

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	Cash Dividends
2011- Q3	\$994,018	\$2,518	(\$0.000)	(\$0.000)	\$17,855,378	\$11,462,491	\$17,299
2011- Q2	\$1,157,721	(\$54,248)	(\$0.002)	(\$0.002)	\$18,003,654	\$11,568,848	\$17,279
2011- Q1	\$681,472	(\$193,575)	(\$0.006)	(\$0.006)	\$18,059,838	\$11,542,791	\$17,067
Total 2011	\$2,833,211	(\$245,305)	(\$0.007)	(\$0.007)	N/A	N/A	\$51,645
2010- Q4	\$702,752	(\$165,131)	(\$0.005)	(\$0.005)	\$18,275,294	\$11,556,138	\$15,025
2010- Q3	\$751,997	\$873	(\$0.000)	(\$0.000)	\$14,936,156	\$8,521,647	\$10,979
2010- Q2	\$635,826	(\$47,521)	(\$0.001)	(\$0.001)	\$15,017,047	\$8,597,921	\$10,911
2010- Q1	\$453,088	(\$190,540)	(\$0.006)	(\$0.006)	\$13,620,938	\$7,132,785	-
Total 2010	\$2,543,663	(\$402,319)	(\$0.012)	(\$0.012)	N/A	N/A	\$36,915
2009- Q4*	\$509,444	(\$70,750)	(\$0.002)	(\$0.002)	\$12,093,333	\$6,267,420	-
2009- Q3*	\$526,999	(\$70,749)	(\$0.002)	(\$0.002)	\$11,966,897	\$6,070,239	-
2009- Q2*	\$464,668	(\$431,437)	(\$0.013)	(\$0.013)	\$12,106,200	\$6,138,792	-
2009- Q1*	\$254,600	(\$208,466)	(\$0.006)	(\$0.006)	\$11,846,971	\$5,792,082	-
Total 2009*	\$1,755,711	(\$781,402)	(\$0.023)	(\$0.023)	N/A	N/A	-

* For the Corporation, the IFRS transition date was January 1, 2010. Figures for this period have been revised, as compared to previous periods, to appropriately reflect all required IFRS retrospective adjustments

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2011, the Corporation had \$711,369 of cash and short term investments compared to \$1,259,495 at December 31, 2010. The decrease resulted from the acquisition of capital assets – trucks, forklifts and PUPS containers – for the new sites in Cambridge and Parksville/Nanaimo as well as additional PUPS that were ordered for existing PUPS sites in Winnipeg and Saskatoon.

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 Nine Months Ended September 30, 2011" above), management has been able to fund recent 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 mortgage debt maturing in 2011. As at September 30, 2011, the Corporation had total mortgage debt outstanding of \$7,988,402 at interest rates ranging from 5.00% to 6.45% and maturities ranging from July 2013 to August 2016. The Corporation also had term debt totaling \$221,187 and unsecured convertible debentures totaling \$320,000 at September 30, 2011 with interest rates ranging from 5.30% to 9.50% and maturities ranging from November 2011 to May 2014. The following chart summarizes the Corporation's financial commitments for mortgage and long term debt principal and interest payments for the next five years:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$104,792	\$135,310	\$ 240,102
2012	\$423,517	\$495,370	\$ 918,887
2013	\$423,893	\$470,237	\$ 894,130
2014	\$708,257	\$430,647	\$1,138,904
2015	\$390,772	\$392,129	\$ 782,901

Normal Course Issuer Bid - On April 21, 2011, the Corporation announced that it received regulatory approval from the TSX Venture Exchange to make a Normal Course Issuer Bid to purchase for cancellation, during the 12-month period commencing April 25, 2011, up to 1,685,536 of its common shares, representing 5% of the common shares outstanding as at April 19, 2011. The program will end on April 24, 2012 unless the maximum amount of common shares is purchased before then or the Corporation provides earlier notice of termination. As of September 30, 2011 the Corporation had purchased through the Exchange 229,500 shares at an average price of \$0.2403 per share and a total of 219,500 shares had been cancelled.

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-IFRS 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 nine months ended September 30, 2011 was \$246,498 and 477,458, respectively. The Corporation continues to generate positive Funds From Operations, thereby validating 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:

	2011 Fiscal Year					2010 Fiscal Year				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Income/(Loss)	(193,575)	(54,248)	2,518	-	(245,305)	(190,540)	(47,521)	873	(165,131)	(402,319)
Add:										
Amortization	235,902	242,881	243,980	-	722,763	237,438	230,934	199,646	254,282	922,300
Stock based comp.	-	-	-	-	-	-	-	-	-	-
Future inc. taxes	-	-	-	-	-	-	-	-	-	-
FFO	42,327	188,633	246,498	-	477,458	46,898	183,413	200,519	89,151	519,981

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:

- A base management fee of \$168,000 per year commencing May 1, 2011, subject to an annual increase of 3% on May 1 of each subsequent year.
- An annual performance fee of 4% of Net Operating Income if the Corporation attains 85% or greater of its annual board-approved budgeted Net Operating Income for that fiscal year.

Prior to May 1, 2011, the remuneration to be paid to Detteson under the Agreement consisted 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, subject to a minimum annual advisory fee of \$100,000 (\$48,000 prior to September 1, 2009). Additionally, remuneration included 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, 2011, the Corporation paid management fees of \$53,333 and \$103,333, respectively (September 30, 2010 - \$25,000 and \$86,837, respectively) to Detteson.

During the three and nine months ended September 30, 2011, the Corporation reimbursed travel and related expenses of \$6,663 and \$7,592, respectively (September 30, 2010 - \$1,235 and \$29,646, respectively) to Detteson. These expenses, which were reimbursed at cost, were undertaken exclusively for the benefit of the Corporation.

During the three and nine months ended September 30, 2011, the Corporation paid loan guarantee fees of \$2,178 and \$6,966 respectively (September 30, 2010 - \$2,100 and \$6,300, respectively) to Alan A. Simpson and loan guarantee fees of \$2,178 and \$6,966 respectively (September 30, 2010 - \$2,100 and \$6,300, 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 onetime 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 nine months ended September 30, 2011, the Corporation paid \$18,555 and \$36,323, respectively (September 30, 2010 - \$10,111 and \$22,717, respectively) for royalties and \$166,534 and \$1,030,788, respectively (September 30, 2010 - \$322,919 and \$701,090, respectively) for storage containers and other equipment under the Master Franchise Agreement.

During the year ended December 31, 2009, the Corporation issued \$320,000 of convertible, unsecured debentures of which \$210,000 was issued to officers, directors and spouses of directors of the Corporation. During the three and nine months ended September 30, 2011, interest paid on the debentures to officers, directors and spouses of directors of the Corporation was \$4,988 and \$14,963, respectively (September 30, 2010 - \$4,988 and \$14,963, respectively).

Included in accounts payable, relating to the previously noted transactions, at September 30, 2011 was \$5,289 (September 30, 2010 - \$49,906) payable to CPFI.

OUTSTANDING SHARE DATA

On March 17, 2010, the Corporation completed a preferred share financing 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. On October 15, 2010 the remaining 2,000,000 Series I preferred shares were issued for gross proceeds of \$2,000,000. 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			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			2,173,913	
Cancelled under Normal Course Issuer Bid			<u>(219,500)</u>	
Outstanding Common Shares			<u>33,491,211</u>	
<u>Preferred Shares:</u>				
Series I- tranche 1	March 17, 2013	\$0.30	2,000,000	6,666,667
Series I- tranche 2	October 15, 2013	\$0.30	2,000,000	6,666,667
Stock Dividends		\$0.30	<u>122,406</u>	<u>408,020</u>
Outstanding Preferred Shares			<u>4,122,406</u>	13,741,354
<u>Options and Warrants:</u>				
Director's options	November 5, 2012	\$0.20	1,000,000	1,000,000
Director's options	May 6, 2014	\$0.23	<u>2,200,000</u>	<u>2,200,000</u>
Outstanding options and warrants			<u>3,200,000</u>	3,200,000
<u>Convertible Debt</u>				
Unsecured debentures	May 13, 2014	\$0.32	-	1,000,000
				<u>17,941,357</u>

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 decrease 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 in 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:

As of January 1, 2013, the Corporation will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board's ("IASB") project to replace IAS 39 "Financial Instruments – Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories – amortized cost and fair value. The adoption of this standard is not expected to have a material impact on the financial statements of the Corporation.

In October 2009, the IASB published IFRS 7, "Financial Instruments: Disclosures – Transfer of financial assets (Amendment)". The amendment is effective for annual periods beginning on or after July 1, 2011. This amendment will result in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment will have no impact to the Corporation after initial application.

IFRS 10, Consolidated Financial Statements has been issued and is effective for periods beginning on or after January 1, 2013. This standard will replace all of the existing guidance on control and consolidation in IAS 27, Consolidated and separated financial statements and SIC12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control so the same criteria are applied to all entities to determine control and includes detailed guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The Corporation does not expect the impact of the standard to be significant.

IFRS 11, Joint Arrangement has been issued and is effective for periods beginning on or after January 1, 2013. The new rules are aimed at providing investors with greater clarity about a participant's involvement in a joint arrangement. The key change in relation to the participant's contractual rights and obligations arising from their joint arrangements will determine the accounting under IFRS 11 rather than the arrangement's legal form. The Company does not expect the impact of the standard to be significant.

IFRS 12, Disclosure of interest in other entities has been issued and is effective for periods beginning on or after January 1, 2013. IFRS 12 sets out the required disclosures for entities reporting under the two new standards IFRS 10 and IFRS 11 *Joint arrangements*. The new rules also replace the disclosure requirements currently found in IAS 28 *Investments in associates*. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The Corporation does not expect the impact of the standard to be significant.

On May 12, 2011, the IASB issued IFRS 13, Fair value measurements, which establishes a single source of guidance for fair value measurement under IFRSs. IFRS 13 defines fair value, provides guidance on its determination and introduces consistent requirements on when fair value measurement is required; it prescribes how fair value is to be measured if another Standard requires it. IFRS 13 is effective for the Corporation on January 1, 2013. Early adoption is permitted and the standard is required to be applied prospectively. The Corporation uses fair value measurements in the preparation of its financial statements and consequently will be subject to the new requirements.