BLUERUSH MEDIA GROUP CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2014 AND 2013
(Presented in Canadian Dollars)
(Unaudited)

BLUERUSH MEDIA GROUP CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2014 AND 2013

CONTENTS

(Unaudited)

BLUERUSH MEDIA GROUP CORP.

NOTICE TO READER

Responsibility for Financial Statements

The accompanying unaudited condensed consolidated interim financial statements ("the financial statements") of BlueRush Media Group Corp. as at and for the three and nine months ended April 30, 2014 and 2013 have been prepared by the Company's management in accordance with International Financial Reporting Standards applicable to the financial statements (see note 2 to the financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Auditors' Involvement

Collins Barrow Toronto LLP, the external auditors of the Company, have not audited or performed review procedures applicable to auditor review of these financial statements as at and for the three and nine months ended April 30, 2014 and 2013 nor have they conducted any procedures with respect to the supplementary financial schedules herein.

BLUERUSH MEDIA GROUP CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF
(Presented in Canadian Dollars)

	Note	April 30, 2014 (Unaudited)	July 31, 2013 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents		$ 946,518	$ 1,030,506
Accounts receivable	4	477,621	1,016,346
Prepaid and other assets		55,683	37,284
Income taxes and investment tax credits recoverable		356,746	276,422
Unbilled revenue		319,014	168,855
Work in process		176,380	159,379
Total Current Assets		2,331,962	2,688,792
Long Term Assets			
Equipment	5	52,170	60,187
Intangibles	6	173,052	-
Total Long Term Assets		225,222	60,187
Total Assets		$ 2,557,184	$ 2,748,979
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	8	$ 289,610	$ 262,012
Deferred revenue		84,057	446,314
Deferred tax liability		2,114	2,114
Total Current Liabilities		375,781	710,440
Commitments	9		
Equity			
Share capital	10	774,883	763,633
Contributed surplus	10	329,988	333,738
Accumulated other comprehensive income		14,680	-
Retained earnings		1,061,852	941,168
Total Equity		2,181,403	2,038,539
Total Liabilities and Equity		$ 2,557,184	$ 2,748,979

Approved on Behalf of the Board

Signed - *"Larry Lubin"* - Director

Signed - *"Len Smofsky"* - Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLUERUSH MEDIA GROUP CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED
(Presented in Canadian Dollars)
(Unaudited)

	Note	April 30, 2014	April 30, 2013
REVENUE		$ 817,524	$ 1,157,052
EXPENSES			
Salaries and benefits		491,670	740,919
Consulting fees		190,901	311,422
General and administrative		170,399	161,766
Production costs		45,231	36,480
Professional fees		19,116	22,330
Interest and bank charges		14,445	-
Amortization		4,458	4,492
Total Expenses		936,220	1,277,409
LOSS BEFORE TAXES		(118,696)	(120,357)
Current income taxes (recovery)		(19,369)	(23,044)
NET LOSS		(99,327)	(97,313)
UNREALIZED GAIN ON FOREIGN EXCHANGE		14,680	-
COMPREHENSIVE LOSS		(84,647)	(97,313)
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - BASIC		$ (0.003)	$ (0.003)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC		32,593,000	32,494,287
LOSS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - DILUTED		$ (0.003)	$ (0.003)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED		32,593,000	32,494,287

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLUERUSH MEDIA GROUP CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED
(Presented in Canadian Dollars)
(Unaudited)

	Note	April 30, 2014	April 30, 2013
REVENUE		$ 3,473,096	$ 3,716,203
EXPENSES			
Salaries and benefits		1,833,293	1,779,586
Consulting fees		687,343	974,355
General and administrative	11	529,448	477,517
Production costs	11	183,484	196,667
Professional fees		55,471	56,333
Interest and bank charges		20,286	5,144
Amortization		11,217	13,896
Total Expenses		3,320,542	3,503,498
EARNINGS BEFORE TAXES		152,554	212,705
Current income taxes		31,872	3,509
Deferred income taxes		-	74,449
NET EARNINGS		120,682	134,747
UNREALIZED GAIN ON FOREIGN EXCHANGE		14,680	-
COMPREHENSIVE INCOME		135,362	134,747
EARNINGS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - BASIC		$ 0.004	$ 0.004
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC		32,542,816	32,494,287
EARNINGS PER WEIGHTED NUMBER OF SHARES OUTSTANDING - DILUTED		$ 0.003	$ 0.004
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED		35,587,816	35,856,346

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLUERUSH MEDIA GROUP CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED APRIL 30, 2014 AND 2013
(Presented in Canadian Dollars)
(Unaudited)

	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity
Balance - July 31, 2012	32,368,000	$ 742,633	$ 260,675	$ -	$ 591,436	$ 1,594,744
Shares issued on options exercised	150,000	21,000	(6,000)	-	-	15,000
Net earnings	-	-	-	-	134,747	134,747
Stock-based compensation	-	-	81,942	-	-	81,942
Balance - April 30, 2013	32,518,000	$ 763,633	$ 336,617	$ -	$ 726,183	$ 1,826,433
Balance - July 31, 2013	32,518,000	763,633	333,738	-	941,170	2,038,541
Shares issued on options exercised	75,000	11,250	(3,750)	-	-	7,500
Net earnings	-	-	-	-	120,682	120,682
Unrealized gain on foreign exchange	-	-	-	14,680	-	14,680
Balance - April 30, 2014	32,593,000	$ 774,883	$ 329,988	$ 14,680	$ 1,061,852	$ 2,181,403

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BLUERUSH MEDIA GROUP CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED
(Presented in Canadian Dollars)
(Unaudited)

	April 30, 2014	April 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 120,682	$ 134,747
Items not requiring an outlay of cash:		
Amortization	11,217	13,896
Stock-based compensation	-	81,942
Unrealized gain on foreign exchange	14,680	-
Deferred income taxes	-	74,449
Changes in non-cash working capital:		
Accounts receivable	538,725	348,497
Prepaid and other assets	(18,399)	(5,525)
Work in process	(17,001)	(280,261)
Unbilled revenue	(150,159)	25,650
Income taxes and investment tax credits recoverable	(80,324)	3,509
Accounts payable and accrued liabilities	27,596	(102,607)
Deferred revenue	(362,253)	(67,258)
	84,764	227,039
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued on options exercised	7,500	15,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures to develop internally generated intangible assets	(173,052)	-
Purchase of equipment	(3,200)	(11,653)
	(176,252)	(11,653)
NET (DECREASE) INCREASE IN CASH	(83,988)	230,386
CASH, BEGINNING OF PERIOD	1,030,506	674,571
CASH, END OF PERIOD	$ 946,518	$ 904,957
SUPPLEMENTAL CASH FLOW INFORMATION		
INTEREST PAID	$ 20,286	$ 5,144
INCOME TAXES PAID	$ 80,381	$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF BUSINESS

BlueRush Media Group Corp. ("BlueRush" or the "Company") is a digital marketing company which combines leading edge technology with award winning creative television production. The Company was incorporated on April 6, 2004 in the Province of Ontario. BlueRush is listed on the TSX Venture Exchange under the symbol "BTV" and is headquartered at 75 Sherbourne Street in Toronto, Canada.

2. BASIS OF PREPARATION

These consolidated financial statements include the accounts of BlueRush and its wholly-owned subsidiary, BlueRush Digital Media Corp. All intercompany accounts and transactions have been eliminated on consolidation.

Statement of Compliance

These unaudited condensed consolidated interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The disclosures contained in these financial statements do not contain all requirements for annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2013. These financial statements follow the same policies and methods of application as the audited consolidated financial statements for the year ended July 31, 2013, except those as described in note 3.

These financial statements were authorized by the Board of Directors on June 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

Intangible Assets

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;

(c) its ability to use or sell the intangible asset;

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as soon as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

Adoption of New and Amended Standards and Interpretations

(a) IFRS 10, Consolidated Financial Statements ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces Standing Interpretations Committee ("SIC") 12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements (“IAS 27”). This standard is effective for annual periods beginning on or after January 1, 2013. The Company has adopted this standard for its fiscal year ending July 31, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

(b) IFRS 11, Joint Arrangements (“IFRS 11”)

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. This standard is effective for annual periods beginning on or after January 1, 2013. The Company has adopted this standard for its fiscal year ending July 31, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New and Amended Standards and Interpretations (Continued)

(c) IFRS 12, Disclosure of Interests in Other Entities (“IFRS 12”)

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013. The Company has adopted this standard for its fiscal year ending July 31, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

(d) IFRS 13, Fair Value Measurement (“IFRS 13”)

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013. The Company has adopted this standard for its fiscal year ending July 31, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

(e) IFRS 7, Financial Instruments: Disclosures and IAS 32, Financial Instruments: Presentation

Financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The amendments to IAS 32, issued in December 2011, clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New and Amended Standards and Interpretations (Continued)

(f) IAS 36, Impairment of Assets ("IAS 36")

The amendments to IAS 36, issued in May 2013, require:

- Disclosure of the recoverable amount of impaired assets; and
- Additional disclosures about the measurement of the recoverable amount when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

(g) IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39")

The amendments to IAS 39, issued in June 2013, clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations, does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014. There are no material changes to the Company's financial statements from the adoption of this standard.

Accounting Standards Not Yet Effective

The following are IFRS changes that have been issued by the IASB, which may affect the Company, but are not yet effective:

(a) IFRS 2, Share-Based Payment ("IFRS 2")

The amendments to IFRS 2, issued in December 2013 clarify the definition of “vesting conditions”, and separately define a “performance condition” and a “service condition”. A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Not Yet Effective (Continued)

(b) IFRS 3, Business Combinations ("IFRS 3")

The amendments to IFRS 3, issued in December 2013, clarify the accounting for contingent consideration in a business combination. At each reporting period, an entity measures contingent consideration classified as an asset or a financial liability at fair value, with changes in fair value recognized in profit or loss. The amendments are effective for business combinations for which the acquisition date is on or after July 1, 2014.

(c) IFRS 8, Operating Segments

The amendments to IFRS 8, issued in December 2013, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

(d) IAS 16, Property, Plant and Equipment ("IAS") and IAS 38 Intangible Assets ("IAS 38")

The amendments to IAS 16 and IAS 38, issued in December 2013, clarify how an entity calculates the gross carrying amount and accumulated depreciation when a revaluation is performed. The amendments are effective for annual periods beginning on or after July 1, 2014.

(e) IAS 24, Related Party Disclosures ("IAS 24")

The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014.

The Company is in the process of assessing the impact that the new and amended standards will have on its financial statements and has not adopted any of the new requirements.

(Presented in Canadian Dollars)

4. ACCOUNTS RECEIVABLE

An analysis of the credit quality of the Company's trade receivables is as follows:

	April 30, 2014 (Unaudited)	July 31, 2013 (Audited)
Current	$ 399,178	$ 463,476
Past due less than 90 days	73,914	509,497
Past due greater than 90 days	4,529	43,373
Less: Allowance for doubtful accounts	-	-
	$ 477,621	$ 1,016,346

BlueRush is exposed to credit risk on its trade accounts receivable. Credit risk is minimized by ensuring the credit worthiness of the entities with which it carries on business. The Company's clients predominantly consist of financial institutions and large public companies, many of whom are repeat clients and have long term relationships with the Company. Management regularly reviews the credit terms and collectability of accounts and in the three and nine months ended April 30, 2014 has recorded bad debts expense of $36,900 and $59,380, respectively (for the three and nine months ended April 30, 2013 - $Nil and $Nil, respectively).

5. EQUIPMENT

The components of equipment are as follows as of April 30, 2014:

Cost	Furniture and Fixtures	Computer Equipment	Total
Opening balance - August 1, 2013	$ 69,681	$ 95,665	$ 165,346
Additions	-	3,200	3,200
Disposals	-	-	-
Closing balance - April 30, 2014	$ 69,681	$ 98,865	$ 168,546

Accumulated Amortization	Furniture and Fixtures	Computer Equipment	Total
Opening balance - August 1, 2013	$ 47,004	$ 58,155	$ 105,159
Amortization	3,234	7,983	11,217
Closing balance - April 30, 2014	$ 50,238	$ 66,138	$ 116,376

(Presented in Canadian Dollars)

5. EQUIPMENT (Continued)

Carrying Value	Furniture and Fixtures	Computer Equipment	Total
Balance - August 1, 2013	$ 22,677	$ 37,510	$ 60,187
Balance - April 30, 2014	$ 19,443	$ 32,727	$ 52,170

6. INTANGIBLE ASSETS

The components of internally generated intangible assets are as follows as of April 30, 2014:

Cost	
Opening balance - August 1, 2013	$ -
Additions	173,052
Disposals	-
Closing balance - April 30, 2014	$ 173,052

Accumulated Amortization	
Opening balance - August 1, 2013	$ -
Amortization	-
Closing balance - April 30, 2014	$ -

Carrying Value	
Balance - August 1, 2013	$ -
Balance - April 30, 2014	$ 173,052

The above internally developed intangibles assets are not yet in service therefore the amortization period has not commenced.

(Presented in Canadian Dollars)

7. BANK INDEBTEDNESS

In order to meet daily cash flow requirements, the Company utilizes a revolving line of credit in the form of an overdraft on its chequing account at the Canadian Imperial Bank of Commerce ("CIBC"). In March 2014, the Company entered into a new credit arrangement with CIBC where the line of credit was increased to a maximum of $1,000,000 or the aggregate of 75% of accounts receivable under 90 days and 40% of work in process and unbilled disbursements (to a maximum of $500,000). The line of credit is repayable on demand, is secured by a general security agreement covering all the assets of the parent and subsidiary corporations, and is interest-bearing at the CIBC prime rate plus 1.50%. As of April 30, 2014, the Company has $546,635 in use and $551,144 available under the line of credit.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	April 30, 2014 (Unaudited)	July 31, 2013 (Unaudited)
Trade accounts payable	$ 169,655	$ 110,744
Accrued liabilities	42,213	90,000
Accrued vacation pay and other employee benefits	77,742	61,266
	$ 289,610	$ 262,010

9. COMMITMENTS

The Company has the following lease commitments for premises:

2014 (three months)	$ 54,527
2015	104,852
2016	94,556
2017	94,556
2018	94,556
Thereafter	102,436
	$ 545,483

(Presented in Canadian Dollars)

10.SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued and Outstanding

	Number of Common Shares		Amount
Balance - August 1, 2013	32,518,000	$	763,633
Options exercised (i)	75,000		11,250
Balance - April 30, 2014	32,593,000	$	774,883

(i) On January 28, 2014, the Company received cash proceeds of $7,500 and issued 75,000 shares upon the exercise of options at $0.10 per share. The estimated fair value of these options granted on May 8, 2009 in the amount of $3,750 was removed from contributed surplus and allocated to share capital.

Stock Option Plan

The Company has outstanding options which each can be exercised and exchanged for one common share. A summary of the status of the Company's stock options as at April 30, 2014 and changes during the nine months then ended is presented below:

	Number of Options		Weighted Average Exercise Price
Outstanding - beginning of period	2,620,000	$	0.14
Granted	-		-
Exercised	(75,000)		0.10
Forfeited/cancelled/expired	-		-
Outstanding - end of period	2,545,000	$	0.14
Exercisable - end of period	2,545,000	$	0.14

The weighted average remaining contractual life of stock options as of April 30, 2014 is 6.51 years (July 31, 2013 - 7.08 years).

(Presented in Canadian Dollars)

10.SHARE CAPITAL (Continued)

Stock Option Plan (Continued)

The Company had the following stock options outstanding as of April 30, 2014:

Number of Options Outstanding	Exercise Price $	Expiry Date
375,000	0.10	May 8, 2014
120,000	0.10	March 5, 2015
2,050,000	0.15	May 10, 2022
2,545,000		

Share Purchase Warrants

The Company has outstanding warrants which each can be exercised and exchanged for one common share. For the nine months ending April 30, 2014 a summary of the status of outstanding warrants during the period is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding - beginning of period	500,000	$ 0.10
Granted	-	-
Exercised	-	-
Forfeited/cancelled/expired	-	-
Outstanding - end of period	500,000	$ 0.10

The Company had the following warrants outstanding as at April 30, 2014:

Number of Warrants Outstanding	Exercise Price $	Expiry Date
250,000	0.10	May 23, 2015
250,000	0.10	August 23, 2015
500,000		

(Presented in Canadian Dollars)

11. EXPENSES BY NATURE

General and Administrative Expenses

The components of general and administrative expenses for the nine months ended April 30, 2014 are as follows:

	2014	2013
Rent and occupancy costs	$ 214,859	$ 187,911
Travel	89,162	90,071
Advertising and promotion	26,815	48,315
Telecommunications	31,180	36,613
Other expenses	167,432	114,607
	$ 529,448	$ 477,517

Production Costs

The components of production costs for the nine months ended April 30, 2014 are as follows:

	2014	2013
Hosting	$ 95,515	$ 75,048
Camera and teleprompter	29,599	49,076
Talent	22,516	55,484
Other production costs	35,854	106,852
	$ 183,484	$ 286,460

12. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Company's related party transactions for the three and nine months ended April 30, 2014, were as follows:

a) Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. Included in salaries and benefits expense for the three and nine months ended April 30, 2014 is $106,731 and $313,551, respectively (for the three and nine months ended April 30, 2013 - $135,837 and $420,587, respectively) for compensation paid to key management personnel.

12.RELATED PARTY TRANSACTIONS (Continued)

b) Included in salaries and benefits expense for the three and nine months ended April 30, 2014 is $Nil and $Nil, respectively (for the three and nine months ended April 30, 2013 - $7,313 and $21,938, respectively) for stock based compensation expense relating to the expensing of 225,000 options granted to directors in May 2012. The options vested in May 2013.

13.COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

14.SUBSEQUENT EVENTS

On May 8, 2014, 375,000 stock options with an exercise price of $0.10 expired.