
BLUERUSH MEDIA GROUP CORP.
MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 24, 2012

For The Three Months Ended October 31, 2012

This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of BlueRush Media Group Corp. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's audited consolidated financial statements and notes thereto as at and for the year ended July 31, 2012 and 2011. Accounting policies followed in the preparation of the annual consolidated financial statements are disclosed in note 2 of the Notes to the audited three consolidated financial statements as at and for the years then ended July 31, 2012 and 2011. See "Significant Accounting Policies" elsewhere in this MD&A.

The Company prepares and files its interim financial statements and MD&A in Canadian dollars and in accordance with International Financial Reporting Standards, ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com and at our website www.bluerush.ca.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to, the Company's expectations regarding its future working capital requirements, including its ability to satisfy such requirements, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use loss carryforwards, and fees to be incurred by foreign subsidiaries.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: obtaining the necessary financing for operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities

underlying our interests and portfolio investments, risks relating to oil and gas exploration activities generally, strength of the Canadian, U.S. and global economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's property interests are located and other risks included elsewhere in this MD&A under the heading "Risks" and in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

NATURE OF THE BUSINESS

BlueRush, through its wholly owned subsidiary, BlueRush Digital Media, is a digital marketing company which combines leading edge technology with award winning creative design. BlueRush helps companies design, develop and manage their end-to-end digital media strategy. BlueRush also creates innovative rich media and social media products and solutions that companies can leverage across all new media platforms including Internet, Web TV, Smartphones, Tablet Computers and Digital Signs. BlueRush Media Group Corp. is a publicly listed company on the TSX Venture Exchange trading under the symbol "BTV" and is headquartered at 75 Sherbourne Street in Toronto, Canada.

OVERALL PERFORMANCE

The Company had another very productive quarter beginning new projects and completing existing ones. The type of projects taken on has shifted in complexity compared to previous years however this has been part of our transition. A number of core aspects of our solution "Digital Reach" called smart Advisor for Broadridge Financial Solutions (NYSE:BR) were completed and tested enabling our partner to increase their marketing activities. During the quarter the company completed a number of mobile and tablet projects for a major insurance firm and one of Canada's largest banks. Projects that incorporated BlueRush "Responsive Design" whereby content is viewable and optimized for all devices formed a good portion of the work for this quarter along with design and development of complex financial calculators. The company also continued work in the healthcare sector for tablet type projects. It should also be noted that we are judiciously applying new rules with respect to the revenue recognition following the year-end audit that BlueRush went through. As such we continue to have deferred revenue and expenses with work in progress that will factor into upcoming quarters.

RESULTS OF OPERATIONS

Certain financial information for the Company as of October 31, 2012 and July 31, 2012 and for the three months ended October 31, 2012 is provided below:

	As of October 31, 2012	As of July 31, 2012
Total Assets	\$ 2,434,554	\$ 2,398,818
Total Financial Liabilities	82,587	248,889
Shareholders' Equity	1,830,540	1,594,744

	Three Months Ended	
	October 31, 2012	October 31, 2011
Revenue from Operations	\$ 1,189,888	\$ 1,310,631
Net earnings	193,482	54,767
per share - basic	0.006	0.002
per share - diluted	0.006	0.002

No dividends were declared by the Company during any of the periods indicated.

The consolidated financial statements are incorporated by reference herein and form an integral part of the MD&A. The consolidated financial statements include the accounts of BlueRush Media Group Corp. and its wholly owned subsidiary, BlueRush Digital Media Corp.

Net earnings are lower compared to the prior comparative period mainly because we increased our staff and consultants in the Digital Reach and mobile and tablet areas, which we anticipate to grow over the next 12 months.

For the mobile and tablet areas, BlueRush is obtaining newer and more complex projects. We have engaged a consultant that is assisting the Company with respect to these areas, and we are also using outside resources for some of the more complex projects. Over time we expect to hire staff to keep these activities internal, thereby reducing our costs.

Summary of Quarterly Results:

The following is a summary of the Company's quarterly results for the past two years:

	Three months ended (unaudited)			
	October 31, 2012	July 31, 2012	April 30, 2012	January 31, 2012
Total Revenue	\$ 1,189,888	\$ 860,703	\$ 1,278,816	\$ 1,126,247
Net earnings for the period	193,482	(592,148)	28,939	54,767
Net earnings per share - basic	0.006	(0.019)	0.001	0.001
Net earnings per share - diluted	0.006	(0.019)	0.001	0.001

	Three months ended (unaudited)			
	October 31, 2011	July 31, 2011	April 30, 2011	January 31, 2011
Total Revenue	\$ 1,310,631	\$ 1,123,915	\$ 1,346,455	\$ 1,348,162
Net earnings for the period	54,767	158,667	149,606	148,772
Net earnings per share - basic	0.002	0.004	0.005	0.005
Net earnings per share - diluted	0.002	0.004	0.004	0.005

CASH FLOWS

Three Months Ended October 31, 2012 and 2011

During the three months ended October 31, 2012, cash provided by operating activities was \$422,036 as compared to \$570,167 during the three months ended October 31, 2011. The decrease in cash provided by operating activities was mainly as a result of the complexity of projects taken on by BlueRush. More specifically, we are paying outside contractors to complete work whereby payment terms are short and getting paid by clients whereby payment terms are longer. The increase in net earnings was mainly attributable to completion of work in progress from projects that carried over from previous quarters.

During the three months ended October 31, 2012 the Company had one financing activity, which was the receipt of \$15,000 cash for options exercised.

During the three months ended October 31, 2012 the Company had one investing activity, which was the purchase of computer equipment for \$3,572.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	October 31, 2012		July 31, 2012	
Cash	\$	1,108,035	\$	674,571
Accounts receivable trade and other		850,251		1,413,876
Income taxes and investment tax credits recoverable		75,386		75,386
Total assets		2,434,554		2,398,818
Total liabilities		604,014		804,074
Total equity		1,830,540		1,594,744

As of October 31, 2012, the Company had current assets of \$2,349,259 and current liabilities of \$604,014, resulting in working capital surplus of \$1,745,245 as compared to July 31, 2012 working capital surplus of \$1,453,222.

The Company's cash and current assets will be sufficient to meet the Company's current financial obligations. The Company continues to have no significant long term debt. As of October 31, 2012, the Company has no off balance sheet commitments for cash resources. The Company has continued to maintain positive cash flow from operations during the period. In addition, BlueRush has a line of credit of \$500,000, which is unused as of October 31, 2012.

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises in Toronto and Montreal.

During the three months ended October 31 2012, the Company's management handled investor relation activities.

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 months ended October 31, 2012, 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 is an amount of \$93,461 (2011 - \$85,846) for compensation paid to key management personnel.
- b) Included in salaries and benefits is an amount of \$7,313 (2011 - \$7,438) for stock based compensation expense relating to the expensing of 225,000 options granted to directors in May 2012. The options vest in May 2013.

OFF-BALANCE SHEET ARRANGEMENTS

There are no significant off-balance sheet arrangements.

DESCRIPTION OF SECURITIES

Share Capital

The authorized share capital of BlueRush Media Group Corp. consists of an unlimited number of common shares, of which 32,518,000 common shares are issued and outstanding.

The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per common share at meetings of the shareholders and, upon liquidation, to share equally in such assets of BlueRush as are distributable to the holders of common shares. All common shares issued are fully paid and non-assessable.

Consolidated Capitalization

Designation of Security	Amount Authorized or to be Authorized	# of shares outstanding as of October 31 , 2012	# of shares outstanding as of July 31, 2012
Common Shares	Unlimited	32,518,000	32,368,000

During the three months ended October 31, 2012, the Company received cash proceeds of \$15,000 and issued 150,000 shares upon the exercise of options at \$0.10 per share.

Stock Option Plan

During the three months ended October 31, 2012, the Company did not have any grants or expirations of stock options. As noted above, 150,000 stock options were exercised in the period at \$0.10 per share. At the time of exercise, the price of the Company's shares was \$0.22 per share.

Share Purchase Warrants

During the three months ended October 31, 2012, the Company did not have any grants, exercises, or expirations of warrants.

FUTURE ACCOUNTING POLICIES

There have been no new accounting policy updates since the Company's audited financial statements were filed.

Additional Information

Additional information relating to BlueRush may be found on the Company's website at www.bluerush.ca or under the Company's profile on SEDAR at www.sedar.com.