

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

This management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operations of BlueRush Inc. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's unaudited interim consolidated financial statements and notes thereto for the three-month ("Q3 2020") and nine-month ("YTD 2020") period ended April 30, 2020, as compared with the three-month ("Q3 2019") and nine-month ("YTD 2019") period ended April 30, 2019. Accounting policies followed in the preparation of the interim consolidated financial statements are disclosed in note 3 of the notes to the interim unaudited consolidated financial statements for the three-month and nine-month period ended April 30, 2020 and 2019.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS").

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 and its wholly owned subsidiary, BlueRush Digital Media Corp.

All financial information is reported in Canadian dollars ("CAD"), unless indicated otherwise.

This MD&A was approved for issue by the board of directors of the Company on June 18, 2020.

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 carry forwards, and fees to be incurred by foreign subsidiaries, sales momentum from IndiVideo continuing in future quarters, and contract liabilities being recognized over the coming quarters.

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: the timing of substantial or fully completed IndiVideo projects that have been contracted as at April 30, 2020; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; a novel business model; dependence on key suppliers and local partners; competition; the outcome and cost of any litigation; general economic, market and business conditions, as well as those risk factors discussed or referred to in disclosure documents filed by the Company with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this MD&A is made as of the date of this MD&A and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law. The Company's results and forward-looking information and calculations may be affected by fluctuations in exchange rates.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

NATURE OF THE BUSINESS

BlueRush Inc., through its wholly owned subsidiary, BlueRush Digital Media Corp., develops and markets IndiVideo™, a disruptive interactive personalized video platform that drives return on investment (“ROI”) throughout the entire customer lifecycle, from increased conversions to more engaging statements and customer care. The platform cost-effectively scales, aligning cost and performance. The platform enables BlueRush clients to capture knowledge and data from their customers’ video interactions, creating new and compelling data-driven customer insights. IndiVideo is proven to boost marketing and sales performance, generate compelling ROI and create greater customer satisfaction and loyalty.

BlueRush is publicly listed on the TSX Venture Exchange under the symbol "BTV" and is headquartered at 75 Sherbourne Street, Suite 112, in Toronto, Ontario. The Company also has a bilingual office in Montreal, Quebec.

OVERALL PERFORMANCE

BlueRush Highlights for the Three-Month and Nine-Month Period Ended April 30, 2020:

- BlueRush continues to successfully transition towards the recurring revenue model, increasing its subscription and support revenue by 173% to \$359,652, compared to \$131,838 for Q3 2019;
- SaaS gross profit significantly advanced in Q3 2020 by 459% to \$259,780, from \$46,487, in Q3 2019;
- Gross margins in the SaaS business increased to 72%, compared to 35% in Q3 2019, a result primarily driven by the technological advantage of the IndiVideo platform;
- The Company's overall revenues increased by 86% to \$1,059,314, compared to \$569,085 for Q3 2019;
- Services remains a key component of the Company's overall revenue, delivering \$697,411, compared to \$430,503 for Q3 2019, a 62% increase;
- Subsequent to the quarter, BlueRush announced a proposed non-brokered private placement financing to raise gross proceeds of up to \$1,500,000 through the issuance of unsecured convertible debentures;
- Net loss from continuing operations was \$534,736 compared to \$872,076 in Q3 2019, driven by an increase in revenue and other income.

TRENDS IN OUR BUSINESS

Across all industry verticals there has been a shift towards creating a personalized, interactive and digital customer experience. Research shows that consumers demand and expect a more personalized experience with 89% of businesses competing primarily on the basis of customer experience, which is up from just 36% in 2010.

Given the increase in personalization required, the power of digital marketing in today’s industries is growing.

- 84% of consumers say the experience a company provides is as important as its products and services. (Salesforce, 2019)
- 85% of consumers would like to see more video from companies. (Hubspot, 2019)
- 84% of consumers have been convinced to buy products or services by watching videos. (Wyzowl, 2019)
- 91% of Canadians believe technologies have made banking more convenient, with 88% saying their bank has improved service through technology. (CBA, 2019)

BlueRush offers solutions that provide customers with relevant, personalized video content in real time, and at all stages of the customer journey. Our solutions are designed increase engagement through all digital channels, leverage advisor productivity and add personalization throughout the customer journey.

Customer Engagement

Many industries are struggling to stay relevant, while also navigating uncertainties to deal with customer engagement due to shrinking attention spans along with an abundance of information. BlueRush's Interactive Personalized Video Platform, IndiVideo, driven by deep customer insights, is a powerful format that not only leverages the power of personalization, but also interaction and video to increase engagement throughout the customer journey. IndiVideo combines video storytelling with data-driven personalization to create engagement and lift conversions in some cases by more than 40%. Additionally, BlueRush has proven the following significant results:

- Clickthrough rates improve by 14% and conversion rates by 10% when a personalized email is used.
- Using video on a landing page can increase conversions by 80%.
- Personalized video emails achieve up to 10 times the engagement levels over a standard email.

With IndiVideo, brands can offer a memorable experience, simplify complex products and ensure immediate relevancy to create and sustain engagement.

- IndiVideo earns superior customer engagement, with 70% of customers staying to watch the entire 90-second personalized video experience.
- 90% of customers who receive an IndiVideo report greater satisfaction with, and a better understanding of their company's products and services.
- Over 30% of IndiVideo viewers click the video Call to Action to convert.

FinTech

Leading financial institutions have increased their fintech investment activity to strengthen their customer experience and stay competitive in a market plagued by customer churn. In 2019, global fintech investment was \$137.4B USD, and has doubled every year prior to 2018 highlighting the enormous strength of the global fintech market (KPMG, 2019). The fintech market is huge and growing, with innovation efforts showing no signs of slowing. A large part of this market is focused on the advancements in customer technology as user data is more accessible than ever. IndiVideo offers financial institutions access to exponentially more customer insights and analytics that can be leveraged for future use.

- Fintech is growing on a global scale with deals outside of core markets (US, UK, and China) accounting for 39% of deals. (CB Insights, 2019)
- Banks spent an estimated \$215B on IT worldwide in 2019, including hardware, software, and internal and external services. (PWC, 2019)
- In 2018, the US was the top market for deals with 659 fintech related investments worth \$11.89B funding. (CB Insights, 2019)

BlueRush, with its extensive financial services industry experience, was recognized as a standout in the fintech community throughout the fiscal year 2019. Due to COVID-19, there have not been regularly scheduled conferences, which has prohibited BlueRush from showcasing our software in fiscal year 2020.

- Finovate Europe 2019 – BlueRush named in IDC report on Finovate Europe 2019, titled: "Hottest Banking and FinTech Trends from Finovate Europe 2019 – Vendors to Watch"
- Finovate Spring 2019 – BlueRush was selected for the coveted "Best in Show" award for our interactive video solution, IndiVideo. We were excited to be included on a list of solutions that are "in a class of their own".
- An IndiVideo developed for a South American financial institution by BlueRush and its Chilean partner, Kunder, was named "Best Financial Services Online Video" in the 2019 Internet Advertising Competition Awards.

Video Market

IndiVideo is a highly scalable, personalized video platform that is being used by a growing list of blue-chip companies. Case studies continue to grow and the use cases for this platform continue to expand. The vast majority of the Company's opportunities with IndiVideo continue to be greenfield, which suggests that BlueRush is at the forefront of this market opportunity. Industry data points on the future growth outlook for the online video market include:

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

- eMarketer forecasts that U.S. digital video advertising spend will grow from \$36.01B USD in 2019 to \$58.39B USD in 2023. (eMarketer, 2019)
- According to Wyzowl, 66% of people prefer to watch a video to learn about a product or service rather than read text. (Wyzowl, 2020)
- Evergage research indicates that:
 - 98% of marketers agree that personalization advances customer relationships and 97% of marketers plan to maintain or increase investment in personalization in the coming year. (Evergage 2019).
 - 68% of marketers who are leveraging personalization are using rule-based targeting only, while 40% are using either machine-learning/algorithmic targeting only or a combination of both approaches. (Evergage 2019)
- According to International Data Corporation (“IDC”), *“The video format has surpassed all other major marketing formats, especially among the young, and consumers often choose it when seeking advice or help online. For banks, this is a good opportunity to increase customer proximity and proactively send personalized video offers based on individual behavioral patterns. Financial advice like loan consolidation could be individually explained at scale while maintaining a human touch. For new customers, personalized video is a good format to ease the on-boarding process for complex products like a mortgage. It can work equally well as an educational or promotional tool in the corporate bank when adding new trade finance, corporate treasury or other clients.”* (IDC 2019)

These market trends present an opportunity for BlueRush’s IndiVideo product that could result in unprecedented growth. The results of the direct sales use cases will allow IndiVideo to enter new market opportunities and sales channels.

Customer Communication Management

Invoices and customer correspondence delivered via traditional mail are costly and do not provide an opportunity to truly engage customers. Customer communications management (“CCM”) is a communications strategy that improves customer interactions by providing targeted communications across a variety of channels. Today’s customers demand communications that are relevant, personalized and customized. The global CCM market is expected to grow 16.88% through 2024 (ResearchAndMarkets.com, 2018) and it is anticipated that the market for CCM technology is set to reach \$1.2B by 2026 (Acute Market Reports, 2018). There is increased demand and subsequent pressure for companies to provide comprehensive CCM digital solutions throughout the entire customer journey. Business processes that have historically relied on paper, are turning towards CCM solutions to engage consumers. IndiVideo offers an innovative omnichannel strategy compared to traditional static customer communications documents; often taking the form of video bills and statements.

In particular, personalized video billing is a more effective and compelling means to communicate with customers. This format focuses on personally relevant bill and statement data for each individual viewer. By excluding extraneous information and focusing on relevant details, personalized video lessens the likelihood of bill shock and confusion. IndiVideo is a game-changing customer communications solution which enables improved customer care and is proven to generate ROI. With IndiVideo, 90% of recipients report greater satisfaction with – and a better understanding of – their company’s products and services. Personalized video bills or statements offer more frequent opportunities to communicate with customers, to cross-sell and up-sell, and to inspire brand loyalty. Furthermore, customer churn is reduced and there is less need to contact customer call centers.

STRATEGY

Two and a half years ago BlueRush raised capital from our lead investor, Round13 Capital, as well as members of the senior management team, to transform and enhance customer engagement using the IndiVideo platform. Since then, the entire organization has been pivoting the business from selling one-time services (building online tools and calculators) to a recurring revenue model (selling the IndiVideo solution) while mainly targeting financial institutions.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

During YTD 2020, we continued to refine our focus by selling the DigitalReach™ platform and Broadridge's Smart Advisor® application to Broadridge Financial Solutions, Inc. (NYSE: BR), allowing BlueRush to pursue all relevant avenues and opportunities with the IndiVideo platform. We continued the development of the IndiVideo platform moving closer to self-serve, further integrated with our key partner Microsoft, and drove incremental Software as a Service ("SaaS") contracts to some of the largest financial institutions in the world. These advances reflect the trends we are seeing in the market.

During YTD 2020, we expanded our research & development ("R&D") and sales & marketing teams, all of whom are primarily focused on the IndiVideo platform. This enabled us to focus and scale BlueRush with a clear focus on becoming the leader in interactive personalized video solutions for financial institutions and CCM organizations. We also continue to build the IndiVideo self-serve functionality that will present new verticals and markets once introduced later in 2020.

We intend to aggressively pursue these growth opportunities by following through on key elements of our strategy:

Customer Communication Management

One of the primary drivers of future success stems from our ability to integrate with CCM partners across the globe, all of which are moving away from printed bills and statements to more engaging experiences, which will include video messaging. IndiVideo has a technology advantage over its competitors because our solution is based on sending code, which renders the video on a user's device (desktop, laptop, tablet, smartphone, etc.) only when the message is opened, using the computing power of the user's device. Our competitors offer a solution which requires the delivery of standard MP4 video files, which are very large and hence difficult and more expensive to deliver in high volume.

BlueRush envisions a world where a significant portion of monthly bills and statements sent to customers through direct mail or electronically, will include an IndiVideo message to augment customer engagement. Whether that is an opportunity for a financial institution to reduce customer churn, clarify frequently asked questions, cross-sell or up-sell a service, or simply a means to communicate regularly with customers, IndiVideo will improve engagement. Furthermore, companies using the IndiVideo platform will also be able to understand who is watching the video, for how long they watch, what device they are engaging with and ultimately what actions they perform thereafter.

In YTD 2020, BlueRush proudly announced a strategic partnership with InfoSlips, a digital document producer and distributor. InfoSlips designs, composites, and distributes documents that deliver rich, interactive, and engaging experiences to customers. InfoSlips has a diverse and growing client base that includes leading financial services firms in South Africa and large global companies such as Microsoft, Deloitte, Discover, Duke Energy, and Mercedes-Benz Financial Services. This partnership will allow InfoSlips to use IndiVideo to strengthen its digital document offerings with personalized interactive video.

During Q3 2020, BlueRush announced that the IndiVideo platform had been approved for the USPS 2020 Emerging & Advanced Technology Promotion and the USPS 2020 Informed Delivery Promotion. These two incentives offer a 2% postage rebate on all print mail that is supported by approved technologies. This further drives our CCM strategy as we continue to work with vendors looking to digitize their solutions.

Strategic Partnerships

For over two years, BlueRush has been developing and refining our partnership with Microsoft. Throughout fiscal year 2019 and into YTD 2020, the Company further enhanced its relationship to leverage their partner network, artificial intelligence teams and industry knowledge. We have successfully achieved co-sell status with Microsoft based on BlueRush's transition to the Azure Cloud platform, which has provided BlueRush significant sales and marketing leverage globally. BlueRush believes strongly that Microsoft has the most robust partner program of any cloud provider, as well as the most scalable and secure cloud infrastructure.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

BlueRush also continues to rely on our strong partner in Santiago, Chile, Kunder SpA (“Kunder”), a provider of technology solutions for financial institutions in Latin America. This continued success in South America is a direct result of the success of the first project for AFP Habitat S.A. (“AFP Habitat”), a leading South American financial institution, whereby over two million pensioners see their monthly pension statements delivered as IndiVideos. This implementation resulted in more than 90% satisfaction. Over 70% of pensioners now watch their entire monthly videos and most impressively, 65% of viewers either contributed more to their pension or opened a new account with AFP Habitat. Throughout YTD 2020, BlueRush continued to work with our distribution partner, Nikia DX, a curator of disruptive innovations specializing in digital customer engagement solutions for enterprise customers. Nikia is positioned to promote BlueRush’s IndiVideo platform to its extensive client network, including leading insurance, financial services and utility companies.

Looking ahead, BlueRush will continue to focus on existing relationships and customers while seeking new strategic partnerships to further expand its customer base or assist in further developing the IndiVideo technology.

Grow Subscription and Recurring Revenue

Going forward, BlueRush will continue to emphasize its recurring, or SaaS-based, revenue model when selling IndiVideo. Our primary markets will continue to be financial institutions and CCM organizations, targeted through direct and partner sales channels. Based on our sales pipeline, along with major product advancements, BlueRush anticipates SaaS will continue to gain significant traction with financial institutions and CCM companies as these industries seek to engage with their customers in a more profound fashion on a regular basis.

Throughout YTD 2020 IndiVideo has demonstrated the ability to drive compelling and measurable results for BlueRush customers. These satisfied customers have now provided testimonials which have proven very effective in attracting new customers. The video market as a whole is one of the fastest growing segments of online media, while personalized video is being adopted by some of the biggest companies in North America. These industry trends further support our transition to recurring revenue.

Improve Margins to Drive Business Value

A cornerstone of our strategy is exploiting the technological advantage we have over our competition by rendering the personalized interactive videos on the device, rather than having to send large MP4 files. Given that IndiVideo delivers code rather than a video file, our technology continues to be very light in nature and allows BlueRush to obtain greater than 80% margins when operating at full-scale. We will continue to invest in the underlying IndiVideo platform, driving towards a self-serve model while continuing to improve the authoring plug-in to reduce production times.

World-class Leadership Team and Board of Directors

During Q3 2020, BlueRush added a new Chief Revenue Officer (“CRO”), Andrew Osmak. Andrew brings a wealth of experience to BlueRush, having worked in various capacities over the past 25 years. This includes business and development across start-ups and mature businesses, including his last post as CEO where he successfully generated an exit.

Fiscal 2019 saw the addition of both Paul G. Smith and Michael Beckerman to the board of directors, which significantly enhanced BlueRush’s depth to our core organization. Paul G. Smith brings extensive public and private experience and is currently the Chairman and CEO of Frontline Broadband Inc., a Toronto-based provider of telecommunications and IT services. Michael Beckerman is a seasoned business executive with a track record of leading strong sales, marketing and operational performance and is currently the CEO and President of MKTG Canada, a global lifestyle marketing agency. Our board oversees a world-class leadership team poised to integrate our IndiVideo product and associated services at all stages of the customer journey for fintech and CCM customers.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

Sale of DigitalReach and Smart Advisor

In keeping with the Company's targeted strategy, BlueRush sold the DigitalReach platform and Broadridge's Smart Advisor application to Broadridge Financial Solutions, Inc. for \$2,300,000 on September 4, 2019. In compliance with IFRS, the operations of DigitalReach and Smart Advisor have been removed from continuing operations for YTD 2019 and YTD 2020, and are presented as discontinued operations in the consolidated statement of net loss and comprehensive loss. Due to the sale, BlueRush recognized a gain on sale of \$2,216,205.

RESULTS OF OPERATIONS

Selected information for the Company as at April 30, 2020 and July 31, 2019, and for the three and nine-months ended April 30, 2020 and 2019 is as follows, which should be read in conjunction with the financial statements of the Company. In YTD 2020, BlueRush sold the DigitalReach platform and Broadridge's Smart Advisor application to Broadridge Financial Solutions, Inc. leading to a change in financial presentation for YTD 2019. In compliance with IFRS, the results of DigitalReach and Smart Advisor have been disclosed separately in note 20 of the condensed consolidated interim financial statements for the three and nine-months ended April 30, 2020 and 2019:

	As at Apr. 30, 2020		As at July 31, 2019	
Total Assets	\$	1,839,944	\$	1,990,841
Non-current financial liabilities		2,426,225		1,931,461
Shareholders' Equity		(3,241,135)		(2,885,796)

Comparing the quarter-over-quarter Q3 2020 to Q3 2019, BlueRush generated revenue from continuing operations of \$1,059,314 versus \$569,085, cost of sales of \$452,486 versus \$276,424, aggregate expenses of \$1,355,716 versus \$1,169,684, loss from discontinued operations of \$25,727 versus income of \$80,599 and deferred tax recovery of \$6,245, versus \$4,947, resulting in net comprehensive loss of \$560,463 versus \$791,477, or \$0.01 and \$0.01 per share respectively.

	Three Months Ended		Nine Months Ended	
	Apr. 30, 2020	Apr. 30, 2019	Apr. 30, 2020	Apr. 30, 2019
Revenue				
Subscriptions and support	\$ 359,652	\$ 131,838	\$ 910,909	\$ 293,284
Services	697,411	430,503	2,065,188	1,443,324
Interest	2,251	6,744	16,083	18,236
Other income	207,907	-	207,907	-
	1,267,221	569,085	3,200,087	1,754,844
Cost of Sales				
Subscriptions and support	99,872	85,351	287,980	182,271
Services	352,614	191,073	1,141,625	771,092
	452,486	276,424	1,429,605	953,363
Gross profit	814,735	292,661	1,770,482	801,481
Net comprehensive loss	\$ 560,463	\$ 791,477	\$ 586,326	\$ 3,013,137
per share – basic and diluted	0.01	0.01	0.01	0.04

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

Comparing the year-over-year YTD 2020 to YTD 2019, BlueRush generated revenue from continuing operations of \$2,992,180 versus \$1,754,844, cost of sales of \$1,429,605 versus \$953,363, aggregate expenses of \$4,578,448 versus \$3,844,906, income from discontinued operations of \$2,203,186 versus \$18,626, resulting in net comprehensive loss of \$586,326 versus \$3,013,137, or \$0.01 and \$0.04 per share respectively.

For Q3 2020 and YTD 2020 BlueRush incurred an overall increase in revenue of approximately 86%, or \$490,229, and 71%, or \$1,237,336, compared to Q3 2019 and YTD 2019, respectively. Both divisions of the Company saw increases in revenues. For Q3 2020 and YTD 2020 the traditional services revenue increased by 62% or \$266,908, and 43% or \$621,864, while the focused revenue stream of subscription and support increased by 173%, or \$227,814, and 211%, or \$617,625, respectively. These revenue increases indicate that not only has BlueRush continued to maintain the trajectory to increase recurring revenue, but that our customers continue to recognize our ability to successfully deliver on services projects. We do not anticipate that the growth in the traditional services revenue will continue in coming quarters as we continue to focus our efforts on growing the subscription and support revenue stream. Services experienced 62% growth compared to Q3 2019 primarily as a result of a large deal announced in Q1 2020, "BlueRush Announces Contract of up to US\$810,000 with a Large U.S. Financial Services Provider for Software Services Including IndiVideo". BlueRush expects that its SaaS revenue will continue to increase as IndiVideo gains more traction in the market, and as committed monthly recurring revenue ("MRR") translates into recognizable revenue. Sales efforts in the Company's traditional services area are now focused on those clients that the Company anticipates will generate a projected minimum amount of business that achieve a specified target margin. In fiscal 2019, BlueRush announced that the IndiVideo platform had surpassed \$100,000 in committed MRR. This MRR will become recognized revenue as the Company continues to deliver on the IndiVideo projects sold.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Various levels of government and the Bank of Canada have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The efficacy of the government and the Bank of Canada's intervention to support business has come in various forms including Canada Emergency Wage Subsidy (CEWS) as a temporary measure. The CEWS program provides government assistance in the form of wage subsidy for qualifying businesses faced with specified levels of revenue decline designed to either retain workforce on payroll or to re-hire furloughed employees.

The CEWS program is applicable from March 15 to August 29, 2020 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program.

The Company has elected to compare the revenue during the availability period to the average of January and February 2020 revenues and are being calculated on accrual basis and included on a gross basis. Per program guidance, the Company determined it qualifies for the subsidy of \$207,907, deemed as other income, during the eligibility period using pre-crisis baseline remuneration.

Wage Subsidy (Monthly)		
March 2020	\$	75,171
April 2020		132,736
Total		207,907

The assistance received from CEWS will reduce the amount of remuneration expenses eligible for other federal tax credits calculated on the same remuneration, such as Scientific Research & Experimental Development (SR&ED) investment tax credits for the Company. The Company continues to monitor proposed legislative changes to determine their effects on the Company at such time.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

For Q3 2020 and YTD 2020 the Company's total expenses, excluding cost of sales, increased by 16% approximately \$186,032, and 19%, or \$733,542, from Q3 2019 and YTD 2019, respectively. The main reason for the increase was due to building a more robust sales team, as well as increasing the Company's marketing costs as it transitions to a SaaS based business, while also investing in research and development to build out the IndiVideo platform.

For Q3 2020 and YTD 2020, the Company's general and administrative expenses decreased approximately 22%, or \$81,894, and 17%, or \$221,960 compared to Q3 2019 and YTD 2019, respectively. While BlueRush has undertaken several strategic initiatives throughout YTD 2020, including reducing consulting and professional fees, the introduction of IFRS 16 saw the associated lease costs charged to depreciation rather than general and administrative. The Company continuously monitors the general and administrative spend for the use of consultants and advisors to reduce and control overall costs, along with a concerted effort to identify general overhead cost-saving opportunities.

For Q3 2020 and YTD 2020, research and development costs increased by approximately 336%, or \$299,028, and 233%, or \$819,676 from Q3 2019 and YTD 2019, respectively. The Company is committed to building out the IndiVideo platform, moving towards a self-serve function that will dramatically increase the scalability of the product.

As at July 31, 2019 there was a \$248,777 receivable recorded for Scientific Research and Development ("SRED"). During the YTD 2020, \$80,914 was received in connection with the fiscal 2018 SRED credit. The remaining balance of \$167,863 is related to the fiscal 2019 SRED claim, which the Company expects to receive in the coming quarters. The SRED tax credits have been recorded as ITCs on the Company's consolidated statement of financial position and represented the refundable portion of tax credits receivable. These claims are subject to audit by Canada Revenue Agency and any adjustments that result could affect investment tax credits recorded in the consolidated financial statements. The Company was also approved for the CEWS. The approval resulted in \$207,907 in 'Other income' that is included in the Company's ITC.

During fiscal 2019, the Company was approved for three other government funding programs. One of which is the Export Program, which offers refundable financial contributions to Quebec companies to help them carry out their international projects. In fiscal 2019, the Company was approved for up to \$29,322 in funding by way of reimbursement for eligible expenses, and in YTD 2020 the Company received \$14,461, which was netted against the research & development expenses. The second of the three funding programs was CanExport which also reimburses the Company for eligible expenses. In YTD 2020, this amounted to \$10,573 which was netted against the sales and marketing expenses. During YTD 2020, the Company also qualified for, and received, \$12,500 in marketing spend from Microsoft, which has been netted against the sales and marketing expenses.

At the end of fiscal 2019, the Company had available \$7,016,308 of federal and Ontario income tax losses and \$7,222,335 Quebec income tax losses to offset certain future taxable income, as well as \$1,203,483 federal and Ontario non-refundable ITCs available to reduce future taxes payable.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

Summary of Quarterly Results:

The following is a summary of the Company's past eight quarters which were prepared in accordance with International Accounting Standard ("IAS") 34 and presented in Canadian dollars, which should be read in conjunction with the financial statements of the Company:

	Three months ended (unaudited)			
	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019 ⁱ
Total operating revenue	\$ 1,059,314	\$ 1,132,009	\$ 800,857	\$ 632,343
Net income (loss) and comprehensive income (loss)	(560,463)	(1,043,616)	1,017,747	(827,788)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.01)	(0.01)	0.01	(0.01)

	Three months ended (unaudited)			
	April 30, 2019 ⁱ	January 31, 2019 ⁱ	October 31, 2018 ⁱ	July 31, 2018
Total Revenue	\$ 569,085	\$ 590,975	\$ 594,782	\$ 583,121
Net income (loss) and comprehensive income (loss)	(791,477)	(1,361,561)	(860,104)	(1,079,091)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.01)	(0.02)	(0.01)	(0.03)

i) Fiscal 2019 quarters revenues have been restated to remove the operations of DigitalReach and Smart Advisor, considered discontinued operations

For the Three and Nine-Months Ended April 30, 2020 and 2019

For the three and nine-months ended April 30, 2020, BlueRush generated revenue of \$1,059,314 and \$2,992,180, a net loss from continuing operations of \$534,736 and \$2,789,512, and net loss and comprehensive loss of \$560,463 and \$586,326 with the inclusion of the gain on sale, or loss of \$0.01 and \$0.01 per share, respectively. This compares with revenue of \$569,085 and \$1,754,844 and net comprehensive loss of \$791,477 and \$3,013,137, or \$0.01 and \$0.04 per share, for the three and nine-months ended April 30, 2019. This increase in revenue was primarily due to an increase in IndiVideo subscription and support revenue where the Company has been placing its focus, as well as a major Services agreement obtained in Q1 2020. The increase in expenditures primarily related to increasing sales and marketing teams and research and development teams.

CASH FLOWS

For the Nine-Months Ended April 30, 2020 and 2019

During the nine-months ended April 30, 2020, the Company utilized \$2,791,515 in net cash from its operating activities as compared to \$1,608,011 utilized during the YTD 2019. The increase in cash used in operating activities was primarily driven by the increased investments in sales and marketing as well as R&D.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

During the nine-months ended April 30, 2020, net cash used in financing activities was \$195,179 as compared to net cash provided by financing activities of \$2,085,081 in YTD 2019. The change year-over-year is primarily as a result of the issuance of the convertible debenture that, net of transaction fees incurred to April 30, 2019, amounted to \$1,966,014.

During the nine-months ended April 30, 2020, net cash provided by investing activities was \$2,275,303, which was primarily driven by the proceeds of the sale of DigitalReach and Smart Advisor, net of transaction costs, for \$2,266,737. For the nine-months ended April 30, 2019, the Company's net cash used in investing activities was \$59,894, primarily related to the purchasing of two GICs.

For the nine-months ended April 30, 2020, the Company had an overall net decrease in cash of \$711,391 compared to an increase of \$417,176 for the nine-months ended April 30, 2019. The variance was primarily attributable to the Company selling the DigitalReach platform and Smart Advisor application in YTD 2020 versus obtaining the proceeds from the issuance of the convertible debenture in YTD 2019.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	April 30, 2020	July 31, 2019
Working capital (deficit)	\$ (1,276,567)	\$ (1,252,410)
Cash	176,442	887,833
Accounts receivable	561,445	455,312
Investment tax credits refundable	324,280	248,777
Total assets	1,839,944	1,990,841
Total liabilities	5,081,079	4,876,637
Total equity	(3,241,135)	(2,885,796)

Working Capital

As at April 30, 2020, the Company had a working capital deficit of \$1,276,567 as compared to working capital deficit of \$1,252,410 as at July 31, 2019. Although the Company achieved the sale of the DigitalReach platform and Smart Advisor application for \$2.3 million, the Company's ability to continue as a going concern is ultimately dependent upon the ability to achieve sustainable positive cash flow from operations. To the extent that the Company does not generate sufficient cash flow from operations, financing for working capital requirements would transpire through equity and/or debt financings.

Sources and Uses of Cash

In June and July 2015, the Company received a term loan from Investissement Quebec ("IQ") in the amount of \$1,000,000 to fund working capital requirements. The term loan is interest bearing at prime rate plus 3.15% per annum. Interest only payments were required until June 2016 (12 months); thereafter monthly principal payments of \$16,665 plus interest were paid until January 2020. During the nine months ended April 30, 2020, the Company both renegotiated the payment terms of the remaining balance of \$283,319 (\$383,321 as at July 31, 2019) while also receiving a moratorium on all outstanding principal for 6 months due to COVID-19 beginning March 2020. Monthly principal payments of \$3,000 plus interest are due from September 2020 to January 2021. Following this, the Company's monthly principal payments will be \$12,000 plus interest from February 2021 to June 2021, thereafter \$20,000 plus interest until November 2021 with the final payment of \$105,319 due in December 2021. The loan is

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

secured by a universal mortgage on all present and future assets, including a first ranking on tax credits. Two current directors/officers of the Company have personally guaranteed a total of \$50,000 of the loan. As at April 30, 2020 the remaining principal was \$280,319, compared to \$383,321 as at July 31, 2019.

In July 2015, the Company received a term loan from the Business Development Bank of Canada ("BDC") in the amount of \$250,000 to fund working capital needs. The term loan is interest-bearing at BDC's Floating Base Rate plus 2.5% per annum. The first monthly principal payment of \$4,560 plus interest was paid in July 2016, thereafter monthly principal payments of \$4,160 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of \$120,640. In March 2020, the Company again renegotiated the payment terms of the remaining balance of \$107,640. Monthly principal payments of \$1,000 plus interest are due from September 2020 to January 2021, thereafter monthly principal payments of \$9,300 plus interest are due until November 2021, with the final payment of \$9,640 due in December 2021. Two current directors / officers of the Company have personally guaranteed 64% of the outstanding balance of the loan, and the Company has guaranteed the full amount of the outstanding commitment of the loan. In October 2016, the Company received an additional \$100,000, less transactions costs of \$2,000, with the same terms and conditions stated above except the first monthly principal payment of \$2,060 plus interest was paid in September 2017, thereafter monthly principal payments of \$1,660 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of \$71,380. In March 2020, the Company again renegotiated the payment terms of the remaining balance of \$63,280. Monthly principal payments of \$2,100 plus interest are due from September 2020 to January 2023, with the final payment of \$2,380 due in February 2023.

On October 19, 2017, the Company closed a non-brokered private placement and issued:

- 19,999,992 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of \$0.05 for a period of 24 months from the date of issuance.
- 4,444,441 units at a price of \$0.0675 per unit for gross proceeds of \$300,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of \$0.0675 for a period of 24 months from the date of issuance.

During the YTD 2020, warrant holders exercised 2,059,169 warrants at \$0.05 and 585,140 warrants at \$0.0675 for total gross proceeds of \$142,455. During the YTD 2019, warrant holders exercised 1,239,534 warrants at \$0.05 for total proceeds of \$61,977. In YTD 2020, the remaining unexercised warrants from the private placement in October 2017 expired totaling 1,919,044 warrants at \$0.05 and 1,196,580 warrants at \$0.0675 for a total of \$176,721, impacting share capital and contributed surplus by \$73,804.

In September 2018, the Company received approval for new bridge loans from IQ of up to \$337,900 by way of two separate loans (\$172,400 and \$165,500). The loans were used to fund working capital requirements and are secured against the expected refundable portion of the Company's fiscal 2018 (\$172,400) and 2019 (\$165,500) SRED claims. The loans bear interest at prime rate plus 2.25% per annum, where prime rate is the rate used by the majority of six Canadian Chartered banks as chosen by IQ. During YTD 2020, \$53,880 was obtained from IQ in connection with the fiscal 2019 loan, while the Company also repaid the fiscal 2018 loan of \$118,520 once the refundable SRED claim for that fiscal year was obtained from the government. As at April 30, 2020, the Company had \$165,500 outstanding, representing the fiscal 2019 SRED claim.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

In October 2018 the Company announced and closed a non-brokered private placement of convertible debentures (the "Notes") to raise proceeds of up to \$2,000,000. The Notes accrue interest at a rate of 10% per annum and will mature on October 31, 2023. Accrued interest for year one will be paid on the maturity date with interest on the Notes being payable quarterly starting in year two. In the event the volume-weighted average trading price of the common shares of the Company is greater than \$0.25 per share for 20 consecutive trading days anytime following October 31, 2019, the Company shall have the option to invite holders of debentures to convert the then outstanding principal of the debentures into common shares at \$0.105 per share. In the event a holder does not elect to convert, the conversion price shall increase to \$0.15. The principal of the debenture may be converted at any time at the holder's option into common shares at the conversion price at such time. On the maturity date, the principal of the debentures may be converted in whole or in part at the Company's option into common shares at the conversion price at such time. The proceeds were primarily used to support research and development as well as sales and marketing, while also supporting the general working capital requirements while the Company continues to transition to a full SaaS model. YTD 2020, the Company has made cash interest payments to the underlying Notes holders amounting to \$81,011. In April 2020, the Company obtained an interest deferral from one of the convertible debenture holders. The Company will therefore defer the interest payments due to this holder for April, July and October 2020 to maturity of the Note, totaling \$56,148.

In May 2020, the Company announced a proposed non-brokered private placement financing to raise gross proceeds of up to \$1,500,000 through the issuance of unsecured convertible debentures (the "May 2023 Debentures"). The May 2023 Debentures have the following terms:

- Mature on May 31, 2023
- Bear interest at 10% per annum and will be paid annually. Subject to the TSX Venture Exchange approval, at the holders request, the Company shall pay the interest in kind by way of Common Shares based on the volume-weighted average trading price of the Common Shares for the ten (10) days prior to when the interest payment is due.
- The May 2023 Debentures shall be convertible into Common Shares at the option of the holder at \$0.06 per share during the first 12 months of the term and at \$0.10 per share in the final 24 months of the term.

The Company's capital expenditures have historically been low and there are no significant capital expenditures planned within the next fiscal year, other than for general purchases of computer equipment and furniture.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises. BlueRush leases office space in Toronto, Ontario located at 75 Sherbourne Street, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 3116. Lease commitments are outlined in BlueRush's unaudited condensed consolidated interim financial statements. On August 1, 2019, BlueRush adopted IFRS 16, Leases as described below and notes 3, 6 and 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. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's related party transactions for the three and nine-months ended April 30, 2020 and 2019 were all paid to key management personnel and were as follows:

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

Type of Expense	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019	Nine Months Ended April 30, 2020	Nine Months Ended April 30, 2019
Salaries and benefits	\$ 237,321	\$ 245,750	\$ 911,221	\$ 852,376
Share-based payments/(recovery) (i)	(17,961)	49,585	37,708	194,364
	\$ 219,360	\$ 295,335	\$ 948,929	\$ 1,046,740

i) Stock based compensation for officers/directors is comprised of the vested value of stock options expensed during the quarter/YTD.

OFF-BALANCE SHEET ARRANGEMENTS

BlueRush has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

TRANSACTIONS AND PROPOSED TRANSACTIONS

During YTD 2020, the Company sold the DigitalReach platform and Broadridge's Smart Advisor application to Broadridge Financial Solutions, Inc. for \$2,300,000. In compliance with IFRS the results of DigitalReach and Smart Advisor have been shown as discontinued operations in note 20 of the condensed consolidated interim financial statements for the three and nine-months ended April 30, 2020 and 2019. The respective intangible assets were reclassified as available-for-sale on August 21, 2019 and then subsequently the carrying value was deducted from the net sale proceeds on September 4, 2019. The operations of DigitalReach and Smart Advisor have been removed from continuing operations for YTD 2020 and YTD 2019 and are presented as discontinued operations in the consolidated statement of net loss and comprehensive income (loss). BlueRush recognized a gain on sale of \$2,216,205 based on cash proceeds of \$2,300,000, transaction fees of \$33,263 and reduction of the carrying value of the intangible assets of \$50,532.

	Nine Months Ended April 30, 2020	
Cash proceeds	\$	2,300,000
Transaction costs		(33,263)
Net sale proceeds		2,266,737
Net assets sold		(50,532)
Gain on sale	\$	2,216,205

The strategic transaction enables the Company to heighten the focus on the core IndiVideo platform and provides the organization with greater financial flexibility to support sales, marketing and product development. The sale of the DigitalReach platform and Smart Advisor application to an industry leader like Broadridge demonstrates the organization's ability to develop value-enhancing technology solutions to meet the evolving customer service needs of leading financial service companies.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

Selected information for the Company and the DigitalReach and Smart Advisor discontinued operations for the three and nine-months ended April 30, 2020 and 2019 are as follows:

	Three Months Ended April 30, 2020	Three Months Ended April 30, 2019	Nine Months Ended April 30, 2020	Nine Months Ended April 30, 2019
Revenues				
Subscriptions and support	\$ -	\$ 224,436	\$ 83,801	\$ 649,293
Services	1,200	175,451	1,200	301,289
	1,200	399,887	85,001	950,852
Cost of Sales				
Subscriptions and support	-	18,322	3,346	51,179
Services	-	98,837	8,664	325,420
	-	117,159	12,010	376,599
Gross profit	1,200	282,728	72,991	573,983
Expenses				
Research and development	-	188,091	35,016	514,677
General and administrative	26,927	-	46,222	-
Sales and marketing	-	6,570	2,283	18,276
Amortization of intangible assets	-	7,468	2,489	22,404
Total expenses	26,927	202,129	86,010	555,357
Income (loss) from operations	\$ (25,727)	\$ 80,599	\$ (13,019)	\$ 18,626
Gain on sale	-	-	2,216,205	-
Net income (loss) from discontinued operations	\$ (25,727)	\$ 80,599	\$ 2,203,186	\$ 18,626

CRITICAL ACCOUNTING ESTIMATES

Preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Although these estimates and assumptions are based on management's best knowledge of current events, actual results may be different.

Certain estimates depend on subjective or complex judgments about matters that may be uncertain and changes in these estimates could materially impact the financial statements. The key sources of estimation uncertainty at statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below:

Revenue Recognition

The Company's contracts with customers often include promises to transfer multiple services. In determining how revenue should be recognized, a five-step process is used, which requires judgment and estimates. These judgments and estimates include identifying performance obligations in the contract, determining whether the performance obligations are distinct, determining the stand-alone selling price for each distinct performance obligation, determining the timing of revenue recognition for distinct performance obligations and estimating the amount of variable consideration to include in the transaction price.

In assessing whether the Company's promises to transfer services to the customer are separately identifiable, the objective is to determine whether the nature of the promise, within the context of the contract, is to transfer each of

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

those services individually or, instead, to transfer a combined item or items to which the promised services are inputs. To the extent that the promised services are highly interrelated, those services are considered not distinct and accounted for as single, combined performance obligation. Judgment is required to determine whether the services transferred to a customer are considered distinct and accounted for separately, or not distinct and accounted for together with the related subscription for licensing, customer analytics and support recognized over time.

Expected Credit Losses ("ECLs")

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs. The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Investment Tax Credits Recoverable and Deferred Tax Assets

Investment tax credits are claimed on the Company's research and development activities and are based on a percentage of employee wages. Management is required to make judgments of the amount of investment tax credits that the Company will be able to claim. In order to make this estimate, management utilizes a specialist consultant to prepare the appropriate claim forms. These judgments will affect the reported amounts of investment tax credits refundable, intangible assets and salaries and wages expense. Management also exercises judgment in the utilization of non-refundable ITCs recorded as an asset which have not yet been applied to reduce taxes payable and in determining the portion of ITCs the Company expects will be received within one year of the statement of financial position date. The Company estimates the probability that taxable profits will be available to offset against deductible temporary differences which give rise to deferred tax assets and the utilization of non-refundable ITCs. The ultimate realization of the deferred tax assets and non-refundable ITCs is dependent on the generation of future taxable income during the year in which the temporary differences and non-refundable ITCs are deductible.

Impairment of Intangibles

Intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount or if the intangibles are not yet in use. The recoverable amount is determined with reference to the fair value of the intangibles less costs of disposal or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where recoverable amount is determined to be less than the carrying amount, an impairment loss may arise. Management exercises significant judgment and assumptions when determining the recoverable amount of intangibles.

Share-Based Payments and Warrants

Share-Based payments and warrants are calculated utilizing the Black-Scholes option pricing model to determine the value of options and warrants as of their grant date. Management is required to estimate the volatility of the price of its shares, the amount of future dividends that will be paid, the market's risk-free interest rate, the expected life of the options and warrants, and the expected forfeiture rate for options. These estimates will affect the reported amount of share-based payments and warrants in contributed surplus.

Convertible Debentures

Convertible debentures are compound financial instruments which components are accounted for separately as financial liabilities or equity instruments. The financial liability, which represents the obligation to pay coupon interest

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires management judgment. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Going concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes would materially impact the validity of such an assessment.

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and, as of the date hereof, has 78,366,242 common shares issued and outstanding, incentive stock options outstanding and exercisable for up to 7,089,015 common shares, warrants outstanding exercisable for up to 370,000 common shares, and the Notes which are exercisable for up to 19,047,619 common shares, assuming conversion at \$0.105.

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.

On April 10, 2020, the Company granted 3,918,312 stock options to an employee of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of \$0.05. 326,526 options vest on July 10, 2020 and thereafter the remaining options vest monthly over a period of 33 months. The options expire in five years from the date of grant.

On November 8, 2019, the Company granted 425,000 options to employees. Each stock option is exercisable into common shares of the Company at an exercise price of \$0.08. One third of the options vest on November 8, 2020 and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

FINANCIAL INSTRUMENTS

Credit Risk

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 as at the period end April 30, 2020 the Company has recorded a provision for ECLs of \$8,113 (July 31, 2019 - \$3,929).

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

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

	ECL %	Apr. 30, 2020	July 31, 2019
Current	0.5%	\$ 340,268	\$ 178,995
Over 30 days past due	1.0%	49,344	250,624
Over 60 days past due	2.5%	142,254	22,639
Over 90 days past due	5.0%	32,657	8,091
Over 120 days past due	10.0%	5,035	(1,108)
Less: Provision for ECLs		(8,113)	(3,929)
		\$ 561,445	\$ 455,312

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing. The Company has disclosed in Note 2 to these condensed consolidated interim financial statements the existence of circumstances which would raise doubt about its ability to continue as a going concern.

The Company is exposed to liquidity risk on accounts payable to its suppliers, which arise in the normal course of operations and are due in less than one year, its term loans and convertible debentures, which are repayable in various monthly & quarterly installments as discussed in note 11 & 13. The Company manages liquidity risk by continuously monitoring actual and forecasted cash flows and budgets on all contracts, while maintaining adequate working capital on hand to meet its future obligations. As of April 30, 2020, the Company had cash on hand of \$176,442 and accounts receivable of \$561,445 to meet working capital requirements.

As at April 30, 2020, the Company's current liabilities exceed current assets by \$1,276,567 (as of July 31, 2019, current liabilities exceed current assets by \$1,252,410). Of this amount, \$1,169,904, (\$1,493,227 - July 31, 2019) relates to contract liabilities (Note 10), which is expected to be settled through the performance of service in the normal course. The current liabilities also include \$165,500 short term debt (Note 9) and current portion of term loans of \$100,700 (Note 11).

The Company has no current commitments for capital expenditures as of the date hereof. Trade and other payables are due within the next 12 months. Convertible debentures that were issued on October 31, 2018 have an interest only payment due quarterly with next payment on July 31, 2020 until their maturity date (Note 13).

Market Risk

The Company is exposed to risks from changes in foreign exchange rates and interest rates that affect its financial liabilities, financial assets and future transactions.

In December 2019, a novel strain of coronavirus ("COVID-19") emerged in Wuhan, China. Since then, it has spread to several other countries and infections have been reported around the world. Canada confirmed its first case of COVID-19 on January 25, 2020 and its first death related to COVID-19 on March 9, 2020. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. While the Company has seen an increase in demand due to the inherent benefits of our IndiVideo technology, the continued spread of COVID-19 nationally and globally could have an adverse impact on our business, operations and financial results, as well as a deterioration of general economic conditions including a possible

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on our business, operations or financial results; however, the impact could be material. We do not expect any credit losses on any amounts due from customers as we continue to engage in business with banks, insurers and pension fund management firms that are expected to retain a high credit worthiness. The Company is actively pursuing the financial relief packages and funding opportunities recently announced by the Federal government with respect to the COVID-19 pandemic.

Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the company. The functional currency of the Company is Canadian dollar (CAD). The currencies in which transactions are primarily denominated are Canadian or US dollars (USD).

In respect of monetary assets and liabilities denominated in foreign currencies, the Company policy is to ensure that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short-term imbalances and business needs.

As at April 30, 2020, net cash, accounts receivable and payable of \$240,902 shown in USD. For the nine-month period ended April 30, 2020, the Company recognized a gain on foreign exchange of \$32,450 (nine-months ended April 30, 2019 - gain of \$11,759) as a result of volatility of the USD.

Exposure to Currency Risk

		April 30, 2020	July 31, 2019
Cash	USD \$	98,471	\$ 438,524
Trade receivables		178,213	127,140
Trade payables		(35,782)	(24,570)
Net statement of financial position exposure	USD \$	240,902	541,094
Average USD to CAD exchange rate	\$	1.34	\$ 1.32
Spot rate USD to CAD exchange rate	\$	1.39	\$ 1.31

Interest Rate Risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates on its credit facility and term loans.

Fair Value

As at April 30, 2020, the carrying value and fair value amounts of the Company's financial instruments are approximately the same. Unless otherwise indicated, the Company does not believe there would be any material movements as a result of changes in interest rates or foreign exchange rates.

Financial instruments measured at fair value on the statement of financial position are categorized into levels of the fair value hierarchy. The Company only has one financial instrument measured at fair value, cash, which is categorized into Level 1.

ADOPTION OF AMENDED STANDARDS AND INTERPRETATIONS

The Company adopted the following amended standards on August 1, 2019:

(a) IFRS 16, Leases (“IFRS 16”)

In January 2016, the IASB issued IFRS 16 which supersedes IAS 17 Leases, as well as several interpretations of leases. IFRS 16 eliminates the classification of leases by a lessee between operating and finance leases and introduces a single, on-balance sheet accounting model for lessees. As a result, the Company has recognized right-of-use (“ROU”) assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The details of this change in accounting policy are disclosed below.

Leases

The Company recognizes an ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgment to determine the lease term for lease contracts which include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and ROU assets recognized.

Leases with a term less than twelve months or of low value are expensed as incurred.

Transition and adoption

The Company adopted IFRS 16 in its unaudited condensed consolidated interim financial statements for the period beginning August 1, 2019, using the modified retrospective approach under which the cumulative effect of initial application is recognized in retained earnings at August 1, 2019. Accordingly, the prior period financial information has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

The Company has available the following practical expedients as permitted under the new IFRS 16 standard:

- i) Leases with a remaining lease term of fewer than twelve months can be classified as short-term leases.
- ii) Leases of low dollar value continue to be expensed as incurred.

As a result of initially applying IFRS 16, the Company has no short-term or low dollar value leases as of August 1, 2019. In relation to the leases that were previously classified as operating leases, related to the Company’s lease of its office spaces in Toronto and Montreal. The Company recognized lease liabilities of \$378,316 as at August 1, 2019, which

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 19, 2020

For the Three and Nine-Month Period Ended April 30, 2020

were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. The associated ROU assets were measured at the lease liability amount on August 1, 2019 resulting in no adjustment to the opening balance of retained earnings.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are no further IFRS changes that have been issued by the IASB that may affect the Company, but not yet effective.

ADDITIONAL INFORMATION

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