BLUERUSH MEDIA GROUP CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
Dated: November 27, 2015
For the Year Ended July 31, 2015

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, 2015 and 2014. Accounting policies followed in the preparation of the annual consolidated financial statements are disclosed in note 2 of the Notes to the audited consolidated financial statements as at and for the years then ended July 31, 2015 and 2014.

References to "We", "Our", "BlueRush", or "the Company" mean BlueRush Media Group Corp. and subsidiary, unless the context requires otherwise.

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 Media Group Corp. and its wholly owned subsidiary, BlueRush Digital Media Corp.

All financial information is reported in Canadian dollars.

This MD&A was approved for issue by the Board of Directors on November 27, 2015.

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 Corp., 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

For the year ended July 31, 2015 BlueRush achieved revenues of $3,925,362 compared to $4,043,947 for the year ended July 31, 2014. We are pleased to report that the Company realized net earnings of $505,301 compared to a loss of $182,123 in the previous year.

The return to profitability was mainly achieved due to implementing cost cutting measures that had been put into effect over fifteen months ago and have now become apparent as reflected in this year's results. These cost cutting measures were designed to ensure that our costs aligned properly with our contracted revenues to ensure the Company would be profitable on traditional service projects that achieved a target margin, while also being able to continue work on the product suite that represents a key building block for the future of the business.

As such, the Company continued its product development for Digital Reach™, SmartAdvisor™, Individeo™ and Interactive Conversation. We are pleased to report that each of these products gained traction with clients including the following:

- ❖ Digital Reach successfully introduced a pilot program with one of Canada's top five banks. That bank will now complete a national rollout of Digital Reach in early 2016.
- ❖ SmartAdvisor (through our strategic partner) will be adopted by a large and growing number of Canada's major financial firms with a start date of May 31st, 2016 to meet new Canadian regulatory requirements. The Company's strategic partner for SmartAdvisor™ has been very active on marketing this product and has delivered many proposals for its adoption. We continue to be encouraged by the potential for this product and developing a product business based on new regulations that will require brokerage and advisory firms to deliver regulatory documents electronically and have full tracking to prove such documents were sent.
- ❖ Individeo, our proprietary personalized video platform will be piloted by three financial firms. Our new technologies we have recently developed for Individeo will provide BluerRush with a competitive advantage over our competitors.
- ❖ The pilot for MCAW or the Managing Cancer at Work™ program developed by BluerRush for Johns Hopkins has been extended for another year. We are also extremely pleased that MCAW recently won the prestigious Gold Award at the Digital Health awards. The program is currently being piloted at Johns Hopkins and Pitney Bowes (Stamford Connecticut). It will be sold as an employee benefit, targeting every North American company with over 100 employees. It will be available as a web-based platform, or with the option of a Johns Hopkins one-on-one nurse navigation service.
- ❖ Interactive Conversation is a means by which websites provide more humanlike interfaces quickly directing viewers to the content that's right for them.

BlueRush also contracted a number of service or design and development projects throughout the year. Among these projects included complex financial calculators, infographics, online games, responsive websites and videos for various purposes.

OVERALL PERFORMANCE (Continued)

On the marketing side, the Company has adopted marketing automation with HubSpot using it for its own marketing activities and becoming a partner in reselling products to clients as well as pursuing contracts for content creation. Our CEO, Larry Lubin has been speaking at several major industry conferences in the USA and Canada and will continue to do so in 2016.

The Company was also awarded 10 awards from the IAC "Internet Advertising Competition" for its submissions bringing its total awards won since 2010 to 82.

Overall we are pleased with our progress over the past year. Our traditional service business is more focused and a number of our new products have launched. The Company has expanded sales and marketing activities and will continue to do so over the next year. With the traction we are experiencing on our new products and improvement in our sales and marketing activities, we will seek to maximize both revenues and profitability with a larger percentage of revenues derived from licensing our products which are recurring. Also with a focus on the services side of our business in FinTech (i.e. Financial technology) and traction in our product offerings each with tremendous market size, we are encouraged by and excited about the Company's future.

The information on our website www.BlueRush.com reflects the new changes in the Company's direction. The Company will also commit to regular updates to its site and social media activities.

RESULTS OF OPERATIONS

Selected annual information for the Company for its most recently completed financial years as at and for the years ended July 31, 2015 and 2014, is as follows:

	As of July 31, 2015	As of July 31, 2014
Total Assets	$ 4,321,587	$ 3,468,504
Total Financial Liabilities	1,522,255	1,203,018
Deferred Revenue	347,575	395,007
Shareholders' Equity	2,375,780	1,870,479

	For the Years Ended		
	July 31, 2015	July 31, 2014	July 31, 2013
Revenue from Operations	$ 3,925,362	$ 4,043,947	$ 5,295,092
Net earnings (loss)	505,301	(182,123)	349,732
per share - basic	0.016	(0.006)	0.011
per share - diluted	0.016	(0.006)	0.011

RESULTS OF OPERATIONS (Continued)

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

For the year ended July 31, 2015, BlueRush recorded revenues of $3,925,362 and aggregate expenses of $3,329,337. The Company realized net earnings of $505,301 or $0.016 per share. This compares with revenues of $4,043,947 and net loss of $182,123 or $0.006 per share for the year ended July 31, 2014.

We incurred a slight overall decrease in revenue of approximately 3% since the prior year, excluding deferred revenue of $347,575 which is revenue billed on incomplete projects at year end. Our overall traditional service revenues have decreased by approximately 8.5% or $324,128 while our licensing revenues from our products have increased 416% or $199,479, which evidences our new focus on product and licensing revenues versus our traditional service revenues. We expect that our licensing revenues will continue to increase as our products discussed above gain more traction in the market. Sales efforts in our traditional services area are now focused on those clients that will generate a projected minimum amount of business that achieve a specified target margin.

A number of our new products became available for use during the year ended July 31, 2015. MCAW became available for use in January 2015 with the launch of the pilot with Pitney Bowes employees. Digital Reach was available for use in May 2015, and shortly thereafter contracted a large financial institution to utilize this product. Since these products became available for use, we discontinued capitalizing the costs and began amortizing these costs over their expected useful life to the Company.

The Company's annual decrease in expenditures from fiscal 2014 was approximately 21% which were mainly related to a general decrease in staff, consultants and overhead in an effort to reduce overall costs. As well a claim was recorded for Scientific Research and Development ("SRED") Tax Credits of $310,309 which reduced salaries expense by $210,753 and reduced intangible assets by $99,556. The SRED tax credits have been recorded as investment tax credits recoverable on our consolidated statement of financial position. These claims are subject to audit by Canada Revenue Agency ("CRA") and any adjustments that results could affect investment tax credits recorded in the consolidated financial statements.

The Company has also applied for new Ontario Interactive digital media tax credits for the fiscal 2012 and 2013 years, which amount to $37,534 and $109,937, respectively. Since the Company has no history of receiving these claims they will not be recognized until they have been approved by the Canada Revenue Agency. The Company is currently in the process of filing claims under this program for the 2014 and 2015 fiscal years.

Salaries and benefits (before accounting for SRED and salaries capitalized to intangibles) decreased by approximately 3% from the prior year, and decreased by 18% overall. We have been carefully monitoring the amount of staff and use of outside contractors to correspond with our projects in progress in an effort to reduce and control overall costs. As a result, our consulting costs also decreased by approximately 35% since the prior year.

Corporate income taxes for the year ended July 31, 2015 was $90,724 and $14,453 for the year ended July 31, 2014. Our combined corporate tax rate is approximately 26%.

RESULTS OF OPERATIONS (Continued)

Summary of Quarterly Results:

The following is a summary of certain of the Company's quarterly results:

	Three months ended (unaudited)			
	July 31, 2015	**April 30, 2015**	**January 31, 2015**	**October 31, 2014**
Total Revenue	$ 976,324	$ 760,178	$ 1,003,460	1,185,400
Net earnings (loss) for the period	329,655	(98,309)	121,021	152,934
Net earnings (loss) per share - basic	0.01	(0.003)	0.004	0.005
Net earnings (loss) per share - diluted	0.01	(0.003)	0.004	0.005

	Three months ended (unaudited)			
	July 31, 2014	**April 30, 2014**	**January 31, 2014**	**October 31, 2013**
Total Revenue	$ 570,851	$ 817,524	$ 1,276,118	$ 1,379,454
Net (loss) earnings for the period	(302,806)	(99,327)	17,440	202,570
Net (loss) earnings per share - basic	(0.01)	(0.003)	0.001	0.006
Net (loss) earnings per share - diluted	(0.01)	(0.003)	0.000	0.006

Three Months Ended July 31, 2015 and 2014

For the three months ended July 31, 2015, BlueRush incurred revenue of $976,324 and net earnings of $329,655 or $0.01 per share. This compares with revenue of $570,851 and net loss of $302,806 or $0.01 per share for the three months ended July 31, 2014. This increase in revenue was mainly the recovery of lost business in the prior year from a a major client in the financial services industry. Also a number of projects were completed during the three months ended July 31, 2015 compared to the same quarter in the prior year, in combination with our new cost cutting measures we realized a net gain in this quarter versus the prior year.

CASH FLOWS

Years Ended July 31, 2015 and 2014

During the year ended July 31, 2015, the Company generated $265,101 in net cash from its operating activities as compared to $17,642 during the year ended July 31, 2014. The increase in cash from operating activities was mainly because of our decrease in expenses and increase in overall net earnings.

CASH FLOWS (Continued)

During the year ended July 31, 2015, net cash provided by financing activities was $416,890 as compared to net cash provided by financing activities of $807,500 in fiscal 2014. 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 needs. 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. With these proceeds, the term loan received in the prior year from the Canadian Imperial Bank of Commerce of $800,000 was fully repaid.

During the year ended July 31, 2015 net cash used in investing activities was $274,729 mainly from net expenditures and recoveries incurred for internally generated intangible assets (Digital Reach, SmartAdvisor, Individeo and Managing Cancer at Work). The Company also purchased $1,188 of computer equipment compared to purchases of $3,200 for the year ended July 31, 2014.

For the year ended July 31, 2015 the Company had an overall net increase in cash of $497,443 as compared to a net increase in cash of $593,601 for the year ended July 31, 2014. Our overall net increase in cash overall was mainly related to proceeds received from our new term loans and an increase in net earnings.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights		**July 31, 2015**		**July 31, 2014**
Cash	$	2,121,550	$	1,624,107
Accounts receivable		860,105		733,129
Income taxes and investment tax credits recoverable		885,040		729,405
Total assets		4,321,587		3,468,504
Total liabilities		1,945,807		1,598,025
Total equity		2,375,780		1,870,479

As at July 31, 2015, the Company had current assets of $3,424,085 and current liabilities of $674,164, resulting in working capital of $2,749,921 as compared to working capital of $1,150,694 as at July 31, 2014. The Company's cash position continues to be strong and the Company's cash and current assets would be sufficient to meet the Company's current financial obligations.

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 needs. The term loan is interest bearing at prime rate plus 3.15% per annum. Interest only payments are required until June 2016 (12 months); thereafter monthly principal payments of $16,665 plus interest are due until May 2021 (59 months), with the final payment of $16,765 due June 2021.

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 is due July 2016, thereafter monthly principal payments of $4,160 plus interest are due until June 2021 (59 months).

LIQUIDITY AND CAPITAL RESOURCES (Continued)

The Company intends to use the proceeds of the above terms loans to fund its marketing and sales force for its new products and to also fund new developments in current and future products.

BlueRush also has available a revolving line of credit in the form of an overdraft on its chequing account with CIBC 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 credit facility is interest bearing at the CIBC prime rate plus 1.50% per annum. As of July 31, 2015, the Company has $Nil (2014 - $152,078) in use and $990,838 (2014 - 847,922) available under the line of credit.

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 Avenue, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 5105. Lease commitments are outlined in BlueRush's audited consolidated financial statements.

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 further development of internally generated intangible assets and general purchases of computer equipment and furniture.

During the year ended July 31, 2015, 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.

Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. For the year ended July 31, 2015, salaries and fees paid to key management personnel amount to $404,077 (2014 - $417,455), of this amount $50,000 (2014 - $46,667) is recorded in professional fees.

OFF-BALANCE SHEET ARRANGEMENTS

There are no significant off-balance sheet arrangements.

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.

CRITICAL ACCOUNTING ESTIMATES (Continued)

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

Revenue from contracts is recognized based on the proportion of total project contract costs incurred for work performed at the statement of financial position date compared to the estimated total project contract costs to complete the project. Management is required to make judgmental estimates on the total project contract costs to complete. These judgments will affect the amount of revenue recognized as well as the reported amounts of unbilled revenue and deferred revenue.

Allowance for Doubtful Accounts

Accounts receivable are reviewed for collectability on a monthly basis. Management is required to estimate whether a receivable balance is collectable based on their relationship with the client and knowledge of the client's financial position. These estimates will affect the reported amounts of accounts receivable and bad debts expense.

Investment Tax Credits Recoverable

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 recoverable and salaries and wages expense. Management also exercises judgment in determining the recoverability of ITCs recorded as an asset which have not yet been applied to reduce taxes payable and in determining the portion that the Company expects will be realized within one year of the statement of financial position date.

Capitalization of Development Costs

Management exercises judgment when establishing whether the criteria under IAS 38, Intangible Assets, for development costs have been met, specifically the technical feasibility of the products in development and the ability to generate probable economic future benefits.

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.

Stock-Based Compensation

Stock-based compensation is calculated utilizing the Black-Scholes option pricing model to determine the value of options 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 the expected forfeiture rate. These estimates will affect the reported amount of stock-based compensation expense and contributed surplus.

SHARE CAPITAL

The Company has authorized an unlimited number of common shares and has 32,593,000 (2014 - 32,593,000) common shares issued and outstanding at the date thereof.

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 February 10, 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 OPTIONS

The Company grants stock options to eligible directors, officers, key employees and consultants under its stock option plan to enable them to purchase common shares of the Company. Under the terms of the plan, the number of common shares which may be issued pursuant to the exercise of options granted under the plan may not exceed 20% (2014 - 20%) of the number of common shares outstanding at the time of grant.

The exercise price of an option granted under the plan cannot be less than the closing price of the common shares on the last day on which the common shares trade prior to the grant date of the option. An individual can receive grants of no more than 5% of the outstanding shares of the Company on a yearly basis and options are exercisable over a period not exceeding ten years. Options vest according to the contract terms which range over a period of two to three years.

A summary of the status of the Company's stock options as at July 31, 2015 and changes during the years then ended is presented below:

	Number of Options		Weighted Average Exercise Price
Outstanding - beginning of year	2,170,000	$	0.15
Granted	-		-
Exercised	-		-
Expired	(120,000)		0.10
Outstanding - end of year	2,050,000		0.15
Exercisable - end of year	2,050,000		0.15

The Company had the following stock options outstanding as of July 31, 2015:

Number of Options Outstanding	Exercise Price $	Expiry Date
2,050,000	0.15	May 10, 2022

SHARE PURCHASE WARRANTS

A summary of the status of the Company's warrants as at July 31, 2015 and changes during the years then ended is presented below:

	Number of Warrants		Weighted Average Exercise Price
Outstanding - beginning of year	500,000	$	0.10
Granted	-		-
Exercised	-		-
Expired	(250,000)		0.10
Outstanding - end of year	250,000		0.10

The Company had the following stock options outstanding as of July 31, 2015:

Number of Options Outstanding	Exercise Price $	Expiry Date
250,000	0.10	August 23, 2015

Subsequent to the year end, the remaining 250,000 warrants were unexercised and expired on August 23, 2015.

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.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. 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, on its bank overdraft which is due on demand and its term loans which are repayable in 60 monthly instalments of approximately $16,665 and $4,160 beginning in July 2016. 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 July 31, 2015, the Company had cash on hand of $2,121,550, accounts receivable of $860,105 and $990,838 available on its line of credit to meet working capital requirements.

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.

FINANCIAL INSTRUMENTS (Continued)

Currency Risk

Foreign currency risk arises from fluctuations in foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. Consequently, some assets, liabilities, revenues and purchases are exposed to foreign exchange fluctuations. As at July 31, 2015, cash and accounts receivable of $539,314 and $46,535 (2014 - $312,948 and $18,600), respectively, are shown in US dollars and converted into Canadian dollars. For the year ended July 31, 2015, the Company recognized a gain on foreign exchange of $89,960 (2014 - $14,901) as a result of the appreciation of the US dollar.

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 Hierarchy

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. The fair value of Level 1 financial instruments is based on quoted market prices.

MANAGEMENT OF CAPITAL

The Company considers share capital, contributed surplus, and retained earnings as capital and manages its capital to meet its funding requirements for ongoing operations. There have been no changes in the Company's objectives towards managing its capital in the year.

The Company includes the following in its capital:

		July 31, 2015		**July 31, 2014**
Share capital	$	774,883	$	774,883
Contributed surplus		336,551		336,551
Retained earnings		1,264,346		759,045
	$	2,375,780	$	1,870,479

The Company's objectives when managing capital are:

(a) To ensure that the Company maintains the level of capital necessary to meet the requirements of its suppliers and its ongoing operations;

(b) To give shareholders sustained growth in value by increasing shareholders' equity; and

(c) To maintain a flexible capital structure which optimises the cost of capital at acceptable levels of risk.

MANAGEMENT OF CAPITAL (Continued)

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

(a) Providing services to its customers that are profitable to the Company;

(b) Utilizing a line of credit provided by its bank; and

(c) Raising capital through equity or debt financings.

The Company is not subject to any capital requirements imposed by a regulator. There were no changes in the Company's approach to capital management during the year. To date, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's management is responsible for the management of capital and monitors the Company's use of capital. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at July 31, 2015.

Adoption of New and Amended Standards and Interpretations

(a) IFRS 8, Operating Segments ("IFRS 8")

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. The Company has adopted this standard for its fiscal year ending July 31, 2015. There are no material changes to the Company's consolidated financial statements from the adoption of this standard.

(b) IAS 16, Property, Plant and Equipment ("IAS 16") 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 were effective as of the beginning the current fiscal year. There are no material changes to the Company's consolidated financial statements from the adoption of this standard

(c) 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 were effective as of the beginning the current fiscal year. There are no material changes to the Company's consolidated 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) IAS 1 – Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted.

(b) IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9, Financial Instruments was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2018, with early adoption permitted.

(c) IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after 1 January 2018, with early adoption permitted.

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.

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.