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**BLUERUSH MEDIA GROUP CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Dated: June 29, 2012**  
**For The Three and Nine Months Ended April 30, 2012**

This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of BlueRush Media Group Corp. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's audited consolidated financial statements and notes thereto as at and for the year ended July 31, 2011 and 2010. 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, 2011 and 2010. See "Significant Accounting Policies" elsewhere in this MD&A.

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

**Caution Regarding Forward-Looking Information:**

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

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: obtaining the necessary financing for operations, our ability to generate taxable income from operations, fluctuations in the value of our portfolio investments due to market conditions and/or company-specific factors, fluctuations in prices of commodities underlying our interests and portfolio investments, risks relating to oil and gas exploration activities generally, strength of the Canadian, U.S. and global economies, foreign exchange fluctuations, political and economic conditions in the countries in which the Company's property interests are located and other risks included elsewhere in this MD&A under the heading "Risks" and in the Company's public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at [www.sedar.com](http://www.sedar.com).

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## NATURE OF THE BUSINESS

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

## OVERALL PERFORMANCE

The Company maintained and grew revenues from its core verticals; financial services and healthcare. Clients added new projects and made enhancements to previous work done by the Company. Noteworthy in the quarter was the launch of a "Product Allocation Tool" by US based Pacific Life designed and built by BlueRush. During the quarter, BlueRush was informed that it had won 16 awards from the IAC (Internet Advertising Competition) which was 2 awards more than the previous year.

As in the previous quarter profitability was offset by an increase in expenses related to two primary areas: 1) Mobile/Tablet and 2) A BlueRush product. More specifically the Company added resources for mobile related work as it grows this integral area. The Company is also enhancing a key product "Digital Reach," the Company's product aimed at enterprises for the storage, send and formatting of digital materials in any format. An announcement of a major partnership with Broadridge Financial Solutions, Inc. (NYSE:BR) on June 28<sup>th</sup>, 2012, introducing Smart Advisor, a next generation online communication delivery solution is a direct result of the efforts the company has made over the past year.

## RESULTS OF OPERATIONS

Certain financial information for the Company as of April 30, 2012 and July 31, 2011 and for the three and nine months ended April 30, 2012 and 2011 is provided below:

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	<b>As of</b>		<b>As of</b>
	<b>April 30, 2012</b>		<b>July 31, 2011</b>
Total Assets	\$ 2,439,629	\$	2,457,591
Total Financial Liabilities	246,769		360,595
Shareholders' Equity	2,058,280		1,941,976

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	Three Months Ended		Nine Months Ended	
	April 30, 2012	April 30, 2011	April 30, 2012	April 30, 2011
Revenue from Operations	\$ 1,278,816	\$ 1,346,455	\$ 3,715,694	\$ 3,744,818
Net earnings	28,939	149,606	106,477	419,414
per share - basic	0.001	0.005	0.003	0.013
per share - diluted	0.001	0.004	0.003	0.013

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

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

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

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

#### Summary of Quarterly Results:

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

	Three months ended (unaudited)			
	April 30, 2012	January 31, 2012	October 31, 2011	July 31, 2011
Total Revenue	\$ 1,278,816	\$ 1,126,247	\$ 1,310,631	\$ 1,123,915
Net earnings for the period	28,939	27,008	54,767	150,888
Net earnings per share - basic	0.001	0.001	0.002	0.005
Net earnings per share - diluted	0.001	0.001	0.002	0.004

	Three months ended (unaudited)			
	April 30, 2011	January 31, 2011	October 31, 2010	July 31, 2010
Total Revenue	\$ 847,862	\$ 1,348,162	\$ 1,050,201	\$ 997,657
Net earnings for the period	19,238	148,772	119,327	115,932
Net earnings per share - basic	0.001	0.005	0.004	0.003
Net earnings per share - diluted	0.001	0.005	0.004	0.003

## CASH FLOWS

### Nine Months Ended April 30, 2012 and 2011

During the nine months ended April 30, 2012, cash provided by operating activities was \$71,676 as compared to \$476,333 during the nine months ended April 30, 2011. The decrease in cash provided by operating activities was mainly as a result of a decrease in our net earnings compared to the nine months ended April 30, 2011. The decrease in net earnings was mainly attributable to increased staff and consultants in the Digital Reach and mobile and tablet areas, which we anticipate to grow during the 2012 fiscal year.

During the nine months ended April 30, 2012 there were no financing or investing activities.

## LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	April 30, 2012	July 31, 2011
Cash	\$ 769,070	\$ 697,394
Accounts receivable trade and other	1,326,993	1,489,953
Income taxes and investment tax credits recoverable	85,539	105,651
Total assets	2,439,629	2,457,591
Total liabilities	381,349	515,615
Total equity	2,058,280	1,941,976

As of April 30, 2012, the Company had current assets of \$2,393,749 and current liabilities of \$381,349, resulting in working capital surplus of \$2,012,400 as compared to July 31, 2011 working capital surplus of \$1,886,854.

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The Company's cash and current assets will be sufficient to meet the Company's current financial obligations. The Company continues to have no significant long term debt. As of April 30, 2012, the Company has no off balance sheet commitments for cash resources. The Company has continued to maintain positive cash flow from operations during the period. In addition, BlueRush has a line of credit of \$500,000, under which it has drawn \$202,265.

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises. BlueRush has entered into an arm's length commercial lease for office space in Toronto, Ontario located at 75 Sherbourne Avenue, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 5105.

During the three and nine months ended April 30 2012, the Company's management handled investor relation activities.

## **RELATED PARTY TRANSACTIONS**

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the nine months ended April 30, 2012, the Company granted 150,000 options (nine months ended April 30, 2011 - Nil options) to its directors.

Included in salaries and wages expense for the nine months ended April 30, 2012 is an amount of \$278,462 (nine months ended April 30, 2011 – \$248,308) for compensation paid to key management personnel.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no significant off-balance sheet arrangements.

## **DESCRIPTION OF SECURITIES**

### **Capital Stock**

The authorized share capital of BlueRush Media Group Corp. consists of an unlimited number of common shares, of which 32,318,000 common shares are issued and outstanding at the date hereof.

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.

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## Consolidated Capitalization

Designation of Security	Amount Authorized or to be Authorized	# of shares outstanding as of April 30 , 2012	# of shares outstanding as of July 31, 2011
Common Shares	Unlimited	32,318,000	32,318,000

BlueRush did not issue new shares nor eliminate any common shares during the period.

## Stock Option Plan

Pursuant to resolutions of the Board of Directors, a Stock Option Plan (the "Plan") has been established. The aggregate number of common shares reserved for issuance under the Plan will not exceed 10% of the total issued and outstanding common shares. The Plan is available to the Company's directors, officers, employees and consultants. Options granted pursuant to the Plan will have terms not to exceed five years, and are granted at an option price which will not be less than the fair market price at the time the options are granted. Options vest over a period not to exceed three years and have an expiry date of five years from date of grant.

Stock-based compensation expense of \$9,827 was recorded for the nine months ended April 30, 2012 relating to vested stock options granted to directors, officers, employees and consultants of the Company.

A summary of the status of the Company's stock options as of April 30, 2012 and changes during the nine month period then ended is presented below:

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	Number of Options	Weighted Average Exercise Price
Outstanding, at beginning of period	1,475,000	\$ 0.10
Granted	150,000	0.10
Exercised	-	-
Forfeited/cancelled/expired	(445,000)	0.10
Outstanding, at end of period	1,180,000	0.10
Exercisable, at end of period	1,030,000	\$ 0.10

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The Company had the following stock options outstanding as of April 30, 2012:

<b>Number of Options Outstanding</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
150,000 (i)	0.10	October 14, 2012
225,000	0.10	November 20, 2012
175,000	0.13	June 10, 2013
450,000	0.10	May 8, 2014
180,000	0.10	March 5, 2015
1,180,000		

(i) On October 13, 2011, the Company issued 150,000 stock options to a director for past services rendered. The options vested immediately, have a life of 1 year, and have an exercise price of \$0.10.

The weighted average fair value of the options granted in the nine months ended April 30, 2012 was estimated at \$0.06 by using the Black-Scholes option pricing model with the following weighted average assumptions:

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Risk-free interest rate	1%
Dividend yield	0%
Volatility	115%
Expected life	1 year

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The Company has assumed no forfeiture rate as adjustments for actual forfeitures are made in the year they occur. Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

### **SUBSEQUENT EVENT**

On May 10, 2012, the Company granted 2,050,000 options to employees, consultants, and directors of the Company in exchange for services to be rendered over the next two to three years.

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## TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In January 2006, the Canadian Accounting Standards Board (the “AcSB”) announced its decision to require all publically accountable enterprises to report IFRS for the years beginning on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that publically accountable enterprises will be required to use IFRS, as issued by the International Accounting Standards Board (“IASB”). The Company has adopted these new standards with a transition date of August 1, 2011. Under IFRS 1, *First-time Adoption of International Financial Reporting Standards*, the IFRS are applied retrospectively at the transaction date. The Company’s first consolidated financial statements to be reported under IFRS are for the three months ended October 31, 2011.

## FUTURE ACCOUNTING POLICIES

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

IAS 12, *Income taxes*, was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The Company is assessing the effect of the changes to IAS 12 on its financial results and financial position.

IAS 28, *Investments in Associates and Joint Ventures*, was amended in 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IAS 28 on its financial results and financial position.

IFRS 9, *Financial Instruments*, was issued in November 2009 and is the first step to replace current IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is assessing the effect of IFRS 9 on its financial results and financial position.

IFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of interim financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements*, and SIC-12, *Consolidation – Special Purpose Entities*, and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 10 on its financial results and financial position.

IFRS 12, *Disclosure of Interests in Other Entities*, applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 12 on its interim financial statement disclosures.

IFRS 13, *Fair Value Measurements*, defines fair value, sets out in a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or

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permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is assessing the effect of the changes to IFRS 13 on its financial results and financial position.

### **Additional Information**

Additional information relating to BlueRush may be found on the Company's website at [www.bluerush.ca](http://www.bluerush.ca) or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).