BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended July 31, 2019

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 audited consolidated financial statements and notes thereto for the year ended July 31, 2019 ("fiscal year 2019") and 2018 ("fiscal year 2018"). 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 for the years ended July 31, 2019 and 2018.

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 November 19, 2019.

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 July 31, 2019; 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.

NATURE OF THE BUSINESS

BlueRush, 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.

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.

- 79% of consumers say the experience a company provides is as important as its products and services. (Salesforce, 2018)
- 85% of consumers would like to see more video from companies. (Hubspot, 2019)
- 81% of consumers have been convinced to buy products or services by watching videos. (Wyzowl, 2018)
- 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 to help advisors, banks and other financial institutions leverage personalization in every customer experience.

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 without a personalized video.

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 2018, global fintech funding rose to $111.8B USD, up 120 percent from $50.8B USD in 2017 (KPMG, 2018). 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 $215 billion on IT worldwide in 2014, 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, has been recognized as a standout in fintech community throughout our fiscal year 2019.

- 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. The Company's book of case studies continues 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:

- eMarketer forecasts that by 2021, the U.S. video advertising market will grow into a US$22 billion industry (eMarketer, 2018).
- According to HubSpot, 72% of people prefer to watch a video to learn about a product or service rather than read text (HubSpot, 2018).
- Evergage research indicates that:
  - 98% of marketers agree that personalization advances customer relationships and 96% of marketers plan to maintain or increase investment in personalization in the coming year (Evergage 2018).
  - 67% of marketers who are leveraging personalization are using rule-based targeting only, while 33% are using either machine-learning/algorithmic targeting only or a combination of both approaches (Evergage 2018).
- 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 develop new 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 CCM market is set to grow 13.4% through 2025 (Credence, 2017) 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 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) and targeting mainly financial institutions.

In 2019, we began to develop a self-serve IndiVideo solution, further integrated with our key partner Microsoft, and began delivering Software as a Service solutions under the Bring Your Own Video model. These advances reflect the trends we are seeing in the market.

We appointed two new members to our board of directors and expanded our research & development (R&D) and sales & marketing teams. This progress has taken us closer to our objective of becoming the leader in interactive personalized video solutions for financial institutions.

We intend to aggressively pursue growth by following through on the following 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 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. Our competitors offer a solution which requires the delivery of standard MP4 video files, which are very large and hence difficult to deliver in high volume.

BlueRush envisions a world where a significant portion of monthly bills and statements sent to customers will include an IndiVideo message to improve customer engagement. Whether that is an opportunity for a financial institution to 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.

Subsequent to our 2019 fiscal year end, BlueRush 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.

Strategic Partnerships

In 2018, BlueRush established a partnership with Microsoft and during fiscal 2019, we further enhanced that relationship to leverage Microsoft's 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 has continued to develop its partnership with Kunder SpA ("Kunder") in Santiago, Chile, to deliver technology and solutions to financial institutions in Latin America. In fiscal 2019, four new projects were added as 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 received their monthly pension statements as IndiVideos. Pension recipients reported 90% user satisfaction, while 70% now watch their entire monthly videos. Most impressively, 65% of viewers either contributed more to their pension accounts or opened a new account with AFP Habitat.

Fiscal 2019 also saw the addition of a new distribution partnership with Nikia DX, a curator of disruptive innovations specializing in digital customer engagement solutions for enterprise customers. Nikia is well positioned to promote the IndiVideo platform to its extensive client network, including leading insurance, financial services and utility companies.

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

Grow Subscription and Recurring Revenue

Going forward, BlueRush will continue to emphasize our recurring, or SaaS-based, revenue model when selling IndiVideo. Our primary markets will continue to be financial institutions and CCM organizations. 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.

During fiscal 2019, IndiVideo 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 technical advantage we have over competition by rendering the personalized interactive videos on the device, rather than needing 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 90% 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

Paul G. Smith and Michael Beckerman joined the board of directors in 2019. Paul G. Smith bring 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 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 oversee 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.

OVERALL PERFORMANCE

BlueRush Highlights for the Year Ended July 31, 2019:

- The Company's overall revenues increased by 20% to $3,631,052, compared to $3,035,410 in fiscal year 2018;
- BlueRush continues to successfully transition towards the recurring revenue model, increasing its subscription and support revenue by 32% to $1,378,012, compared to $1,043,581 for fiscal year 2018;
- Services remains a key component of the Company's overall revenue, delivering a year-over-year increase of 13% to $2,227,362, compared to $1,978,408 for fiscal year 2018;
- SaaS gross profit steadily advanced in fiscal year 2019 to $1,017,285, from $633,284, in fiscal year 2018;
- Gross margins in the SaaS business increased to 74%, compared to 61% in fiscal year 2018, a result primarily driven by the technological advantage of the IndiVideo platform;
- Contract liabilities increased from $350,503 in fiscal year 2018 to $1,493,227, with $931,035 due to subscription and support sales;
- The IndiVideo platform surpassed $100,000 in committed monthly recurring revenue ("MRR");
- BlueRush continued to focus on strategic partnerships, adding Nikia DX as a distributor, while nurturing relationships with Bee Concept and Microsoft, and subsequent to year-end added InfoSlips, the Company's first CCM partner;
- Paul G. Smith and Michael Beckerman were elected to the Company's Board of Directors;
- Successfully completed a $2 million, non-brokered private placement of convertible debentures, with support from new and existing investors;
- IndiVideo received multiple recognitions including "Best Financial Services Online Video" in Internet Advertising Competition, and voted "Best of Show" at FinovateSpring 2019 in San Francisco;
- Net loss and comprehensive loss increased from $3,349,931 in fiscal year 2018 to $3,840,926 primarily due to increased sales and marketing expenditures to grow both lines of business;
- Subsequent to year-end, BlueRush sold the technology and source code for its DigitalReach™ platform and Broadridge's Smart Advisor® application to Broadridge Financial Solutions, Inc. for $2.3 million in cash.

RESULTS OF OPERATIONS

Selected annual information for the Company's fiscal years ended July 31, 2019 and 2018, is as follows, which should be read in conjunction with the financial statements of the Company:

	As at July 31, 2019	As at July 31, 2018
Total Assets	$ 1,990,841	$ 2,036,056
Non-current financial liabilities	1,931,461	236,452
Shareholders' Equity	(2,885,796)	127,225

For the year ended July 31, 2019, BlueRush generated revenue of $3,631,052, cost of sales of $1,677,227, aggregate expenses of $5,915,139 and deferred tax recovery of $120,388, resulting in a net loss of $3,840,926, or $0.05 per share. This compares with revenue of $3,035,410, cost of sales of $1,525,029, aggregate expenses of $4,892,029 and deferred taxes of $31,717 resulting in net loss of $3,349,931, or $0.06 per share, for the year ended July 31, 2018.

	For the Fiscal Years Ended		
	July 31, 2019	July 31, 2018	July 31, 2017
Revenues			
Subscriptions and support	$ 1,378,012	$ 1,043,581	$ 1,034,296
Services	2,227,362	1,978,408	2,214,969
Interest	25,678	13,421	8,692
	3,631,052	3,035,410	3,257,957
Cost of Sales			
Subscriptions and support	360,727	410,297	581,258
Services	1,316,500	1,114,732	1,273,682
	1,677,227	1,525,029	1,854,940
Gross profit	1,953,825	1,510,381	1,403,017
Net loss	$ (3,840,926)	$ (3,349,931)	$ (1,636,673)
per share – basic and diluted	(0.05)	(0.06)	(0.05)

BlueRush incurred an overall increase in revenue of approximately 20%, or $595,642, compared to the prior fiscal year. Both divisions of the Company saw increases in revenues. The traditional services revenue increased by 13%, or $248,954, while the focused revenue stream of subscription and support increased by 32%, or $334,431. 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. As part of the shift to recurring revenue, a component of the Company's sales effort throughout the year involved educating our customers to move from an outright purchase model to a recurring revenue model, along with an understanding of the power of the IndiVideo platform. BlueRush expects that its SaaS revenue will continue to increase as its products discussed above gain more traction in the market, and as committed 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. On June 13, 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 Company's total expenses, excluding cost of sales, increased by approximately 21%, or $1,023,110, from fiscal 2018. 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.

The Company's general and administrative expenses increased approximately 59%, or $666,786. BlueRush undertook several strategic initiatives throughout the year that resulted in the general and administrative increase including hiring a full-time CFO, completing a $2 million convertible debenture offering, and the subsequent event sale of the DigitalReach platform and Smart Advisor application. 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.

Research and development costs increased by approximately 7%, or $63,528, from fiscal 2018. 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. BlueRush also received Scientific Research and Development ("SRED") and Ontario Interactive Digital Media Tax Credits ("OIDMTC") refunds. The Company recognized $360,831 of investment tax credits ("ITCs") and government grants, compared to $214,753 in fiscal year 2018, which were presented as a reduction of R&D expense.

A receivable was recorded for SRED tax credits for fiscal year 2019 of $248,777, compared with fiscal year 2018 of $398,032. As a result of an audit conducted by Revenue Quebec, a portion of the fiscal year 2018 SRED claim was reduced in the current year by $77,119. 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 has also applied for OIDMTC for the 2014 and 2015 fiscal years, which amount to $67,844 and $43,819, respectively. The 2014 and 2015 claims were approved and received in August 2018 and May 2019, respectively. For the year ended July 31, 2019, the Company recorded OIDMTC income of $43,819 representing the 2015 compared to $67,844 in fiscal year 2018 representing the 2014 claim, both of which reduced the R&D expense.

During fiscal 2019, the Company was approved for three other government funding programs. The Industrial Research Assistance Program is a Canadian government funding program designed to accelerate the research and development projects of Canadian innovators. In fiscal 2019, BlueRush was approved for and obtained $200,000 in financing (2018 – Nil) recorded in Q2'19 and Q3'19. The Export Program offers non-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 (2018 – Nil) in funding by way of reimbursement for eligible expenses, and subsequent to the year-end received $14,461. Although having been approved, due to the uncertainty of obtaining government financing, BlueRush's corporate policy is to not record financing until received. CanExport is a Global Affairs Government Funding program to provide financial support to exporting marketing projects in trade shows. In fiscal 2019, BlueRush was approved for up to $42,293 in funding by way of reimbursement for eligible expenses of which the Company has received and recorded $26,268 (2018 – Nil).

The Company has 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.

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)			
	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
Total Revenue	$ 925,628	$ 968,972	$ 865,117	$ 871,335
Net loss for the period	(827,782)	(791,477)	(1,361,561)	(860,106)
Net loss per share – basic & diluted	(0.01)	(0.01)	(0.02)	(0.01)

	Three months ended (unaudited)			
	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
Total Revenue	$ 583,121	$ 897,358	$ 848,140	$ 706,791
Net loss for the period	(1,079,088)	(997,961)	(974,133)	(298,749)
Net loss per share – basic & diluted	(0.03)	(0.02)	(0.02)	(0.01)

Three Months Ended July 31, 2019 and 2018

For the three months ended July 31, 2019, BlueRush generated revenue of $925,628 and a net loss of $827,782, or $0.01 per share. This compares with revenue of $583,121 and net loss of $1,079,088, or $0.03 per share, for the three months ended July 31, 2018. This increase in revenue was primarily due to an increase in subscription and support revenue where the Company has been placing its focus.

CASH FLOWS

Years Ended July 31, 2019 and 2018

During the year ended July 31, 2019, the Company utilized $1,908,688 in net cash from its operating activities as compared to $2,062,839 utilized during the year ended July 31, 2018. The decrease in cash used in operating activities was primarily driven by the incremental contract liabilities of $1,142,724, partially offset by the increased net loss due to Company investments in sales and marketing as well as R&D and the strategic initiative undertaken through general and administrative expenses.

During the year ended July 31, 2019, net cash provided by financing activities was $2,068,667 as compared to net cash provided in financing activities of $1,851,677 in fiscal 2018. During fiscal year 2019, the Company issued a non-brokered private placement of convertible debentures totalling $2,000,000. Factoring in transaction costs, the total proceeds in fiscal year 2019 was $1,966,014. In addition, fiscal year 2019 also saw repayment of loans totaling $247,302 while obtaining additional financing totaling $284,020. This compares with fiscal year 2018 where the Company issued common shares and warrants for gross proceeds of $1,300,000, less transaction costs of $73,585, and during fiscal year 2018 received cash from warrant holders exercising warrants for gross proceeds of $893,846 and repaid $268,584 of its term loans.

During the year ended July 31, 2019, net cash used in investing activities was $65,622, which related to purchases of computer equipment and office furniture as well as short-term GICs. For the year ended July 31, 2018, the Company's net cash used in investing activities was $25,563, also related to the purchase of computers.

For the year ended July 31, 2019, the Company had an overall net increase in cash of $94,357 as compared to a net decrease in cash of $236,725 for the year ended July 31, 2018. The variance was primarily attributable to the Company's funding activities in fiscal 2019 that generated proceeds of $1,966,014 net of transaction costs as well as an increase in contract liabilities of $1,142,724.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights		July 31, 2019		July 31, 2018
Working capital deficit	$	(1,252,410)	$	(32,601)
Cash		887,833		787,830
Accounts receivable		455,312		408,827
Investment tax credits refundable		248,777		398,032
Total assets		1,990,841		2,036,056
Total liabilities		4,876,637		1,908,831
Total equity		(2,885,796)		127,225

Working Capital

As at July 31, 2019, the Company had a working capital deficit of $1,252,410 as compared to working capital deficit of $32,601 as at July 31, 2018. Although BlueRush had a deficit position as at July 31, 2019, this is primarily as a result of our term loan with Investissement Quebec ("IQ") having been classified as a current liability because our financial covenant with them was breached at year-end. Although we obtained a waiver from IQ subsequent to the year-end which confirmed the debt would not become repayable upon demand, IFRS requires the entire portion to be classified as current as the waiver did not exist as at year-end. The other major factor for a working capital deficit is the contract liabilities of $1,493,227. If we subtract the long-term portion of the IQ debt as well as subtract the contract liabilities, our working capital would improve to $424,134. Due to the sale of the DigitalReach platform and Smart Advisor application for $2.3 million subsequent to year-end, the Company's cash position continues to be strong and cash and current assets should be sufficient to meet the Company's current financial obligations.

Sources and Uses of Cash

In June and July 2015, the Company received a term loan from 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 are due until May 2021 (59 months), with the final payment of $16,765 due June 2021. As at July 31, 2019 the remaining principal was $383,321, compared to $583,325 as at July 31, 2018. The loan is 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 of July 31, 2019, and 2018, the Company was offside on both financial covenants. The Company obtained a waiver of these financial covenants from IQ such that the term loan did not become payable on demand and the terms of the loan remained unchanged as at and subsequent to July 31, 2019 and 2018. However, since the waivers were received subsequent to July 31, 2019 and 2018, the long-term portion of this loan is classified in the current portion which amounts to $183,317 (2018 - $383,321) which would normally be included in the long-term portion.

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. Monthly principal payments of $1,000 plus interest are due from February 2019 to July 2020, thereafter monthly principal payments of $9,300 plus interest are due until May 2021, with the final payment of $9,640 due in June 2021. 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. Monthly principal payments of $500 plus interest are due from February 2019 to January 2020, thereafter monthly principal payments of $2,100 plus interest are due until July 2022, with the final payment of $2,380 due in August 2022. As at July 31, 2019 the remaining principal was $183,020, compared to $226,940 as at July 31, 2018.

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.

Transaction costs of $73,585 were incurred related to the above private placement with $36,488 being deducted from share capital and $37,097 being deducted from contributed surplus relating to the warrants.
During the year ended July 31, 2019, warrant holders exercised 1,624,149 warrants at $0.05 and 85,470 warrants at $0.0675 for total gross proceeds of $86,977. This compared to the year ended July 31, 2018 where warrant holders exercised 14,397,630 warrants at $0.05 and 2,577,251 warrants at $0.0675 for total gross proceeds of $893,846. Of the warrants issued in fiscal 2019, 470,085 common shares were in transit (2018 – Nil), issued subsequent to the year-end.

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 will be 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 the fiscal year ended July 31, 2019, $284,020 was obtained from IQ, while the remaining $53,880 was obtained subsequent to the year-end. Subsequent to the year-end BlueRush repaid the fiscal 2018 loan of $172,400 once the refundable SRED claim for that fiscal year was obtained from the government.

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.

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 audited consolidated financial statements.

In Q2 2019 the Company entered into an agreement with Bay Street Communications ("BSC") who provided investor relation services to the Company throughout the remaining 2019 fiscal year. Effective November 15, 2018, the Company paid monthly payments of $4,000 to BSC and issued 200,000 stock options as detailed below. The term was open-ended and termination by the Company or BSC could occur at any time after six months. Subsequent to the end of fiscal year 2019, BlueRush exercised its option to terminate the agreement as at the end of September 2019.

In Q2 2019 the Company entered into an agreement with an arm's length consultant who will provide financial, strategic and other advisory services to the Company for a period of two years. The consultant was compensated with 280,000 stock options as detailed below. The Company also issued 320,000 warrants valued at $35,000 to settle consulting services performed to date by said consultant.

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 year ended July 31, 2019 and 2018 were all paid to key management personnel and were as follows:

Type of Expense		2019		2018
Salaries and benefits	$	1,098,126	$	487,226
Professional fees		-		50,000
Consulting fees		-		73,846
Transaction costs		-		14,000
Stock-based compensation (i)		239,384		647,985
	$	1,337,510	$	1,273,057

i) Stock based compensation for officers/directors is comprised of the vested value of stock options granted during the year.

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.

PROPOSED TRANSACTIONS

Subsequent to fiscal year 2019, on September 4, 2019, the Company sold the technology and source code for its DigitalReach™ platform and Broadridge's Smart Advisor® application to Broadridge Financial Solutions, Inc. (NYSE: BR), a global Fintech leader and leading provider of investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers, for $2,300,000 in cash. The disposition has been approved by the TSX Venture Exchange.

At present, there are no further proposed asset or business acquisitions or dispositions.

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 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 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 75,251,848 common shares issued and outstanding, incentive stock options outstanding and exercisable for up to 12,830,000 common shares, warrants outstanding exercisable for up to 6,129,933 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 November 15, 2019, the Company granted 50,000 stock options to an officer of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.15 and vest monthly over a period of 24 months. The options expire in five years from the date of grant and are subject to a four month hold.

On November 15, 2019, the Company granted 200,000 stock options to BSC as discussed above. Each stock option is exercisable into common shares of the Company at an exercise price of $0.20 and vest monthly over a period of 24 months. The options expire in five years from the date of grant and are subject to a four month hold. In September 2019, subsequent to year-end, when the relationship with BSC was terminated, there were 83,333 vested stock options and the remaining 116,670 were expired. The vested and outstanding options will expire 90 days from the date of termination, thus December 31, 2019, should they not eb exercised.

On December 14, 2018, and as part of a consulting agreement entered into with an arm's length consultant, the Company granted to the consultant 280,000 stock options. Each stock option is exercisable into common shares of the Company at an exercise price of $0.105 and vest quarterly over a period of 12 months. The options expire in 24 months from the date of grant.

On February 1, 2019, the Company granted 500,000 stock options to directors of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.08. 166,666 of these options vest on February 1, 2020. Following this, 13,888 options vest monthly between March 1, 2020 and March 1, 2021, followed by 13,890 options vesting monthly between April 1, 2021 and February 1, 2022. The options expire in five years from the date of grant and are subject to a four month hold.
On June 12, 2019, the Company granted 1,300,000 stock options to employees and officers of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.085. 25,000 of these options vest on June 12, 2019 and 483,331 options vest on June 12, 2020. Following this, the remaining options vest monthly between July 12, 2020 and June 12, 2022. The options expire in five years from the date of grant and are subject to a four month hold.

The total value of options granted under the Company's option plan for the year ended July 31, 2019 was $163,945 (2018 - $1,167,934).

On December 14, 2018, and as part of a consulting agreement entered into with an arm's length consultant, the Company issued 320,000 warrants to settle accounts payable of $35,000. Each warrant entitles the holder thereof to acquire a common share at a price of $0.105 for a period of 24 months from the date of issuance.

On May 15, 2019 the Company issued 50,000 warrants to settle accounts payable of $4,250. Each warrant entitles the holder thereof to acquire a common share at a price of $0.085 for a period of 24 months from the date of issuance.

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 for the year ended July 31, 2019 has recorded a provision for ECLs of $3,929 (2018 - $Nil).

As at July 31, 2019, approximately 72% (2018 - 69%) of the Company's accounts receivable are due from four significant customers, each of which individually made up more than 10% of the Company's sales.

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

	ECL %		2019		2018
Current	0.3%	$	178,995	$	323,191
Over 30 days past due	1.0%		250,624		62,286
Over 60 days past due	2.5%		22,640		23,350
Over 90 days past due	5.0%		6,982		-
Less: Provision for ECLs			(3,929)		-
		$	455,312	$	408,827

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 term loans which are repayable in various monthly instalments as discussed in note 9 of the consolidated financial statements for the years ended July 31, 2019 and 2018, and on its convertible debentures which requires quarterly interest payments and which principal is due on October 31, 2023 as discussed in note 10 of the consolidated financial statements for the years ended July 31, 2019 and 2018. 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 at July 31, 2019, the Company had cash on hand of $887,833 and accounts receivable of $455,312 to meet working capital requirements.

Management expects that its capital resources will be sufficient to fund its ongoing liabilities as they come due.

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.

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 July 31, 2019, net cash, accounts receivable and payable of $541,094, shown in USD and converted into CAD at the year-end exchange rate of 1.315 (2018 - 1.302). For the year ended July 31, 2019, the Company recognized a gain on foreign exchange of $1,212 (2018 - gain of $21,407) as a result of appreciation of the USD.

Exposure to Currency Risk

			2019		2018
Cash	USD $		438,524	$	226,574
Trade receivables			127,140		21,593
Trade payables			(24,570)		-
Net statement of financial position exposure	USD $		541,094		248,167
Average USD to CAD exchange rate		$	1.323	$	1.274
Spot rate USD to CAD exchange rate		$	1.315	$	1.302

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 July 31, 2019, 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, 2018:

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

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 "Financial Instruments – Recognition and Measurement" for debt instruments, with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). Where such equity instruments are measured at fair value through other comprehensive income (loss), dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income (loss) indefinitely. In addition, IFRS 9 added a single, forward-looking "expected loss" impairment model for financial assets, including trade receivables, which means it is no longer necessary for a triggering event to occur before an impairment loss is recognized. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income (loss).

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 on August 1, 2018 and it had a nominal impact on the Company's disclosures.

(b) IFRS 15, Revenue From Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15 which supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*. Under IFRS 15, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. This standard also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments.

The Company adopted IFRS 15 in the first quarter of the fiscal year beginning August 1, 2018 using the modified retrospective method. Under this transition method, the Company elected to apply IFRS 15 retrospectively only to contracts that were not completed contracts at August 1, 2018, the date of initial application. The initial application of IFRS 15 did not have any material cumulative effect on the Company's opening consolidated statement of financial position at August 1, 2018.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

(a) IFRS 16, Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16. IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. IFRS 16 will also result in reclassification of the nature of lease expenses to depreciation and interest expense. IFRS 16 offers a range of transition options. The Company plans to apply IFRS 16 using the modified retrospective approach.

Therefore, the cumulative effect of adopting IFRS 16, if any, will be recognized as an adjustment to opening retained earnings as at August 1, 2019, with no restatement of comparative information. Based on the information currently available as of July 31, 2019, the Company estimates that it would recognize a right-of-use asset and lease liability of approximately $378,316. This preliminary estimate is subject to adjustment as management continues to monitor and refine certain elements of its IFRS 16 adoption in advance of fiscal 2020 reporting.

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.