

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

This management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operations of BlueRush Inc. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's unaudited interim consolidated financial statements and notes thereto for the three-month ("Q2 2021") and six-month ("YTD 2021") period ended January 31, 2021, as compared with the three-month ("Q2 2020") and six-month ("YTD 2020") period ended January 31, 2020. Accounting policies followed in the preparation of the interim consolidated financial statements are disclosed in note 3 of the notes to the interim unaudited consolidated financial statements for the three-month and six-month period ended January 31, 2021 and 2020.

The words "we", "our", "us", "Company" and "BlueRush" refer to BlueRush Inc. and/ or the management and employees of the Company.

BASIS OF PRESENTATION

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

The condensed interim consolidated financial statements for three- and six-months ending January 31st, 2021 as compared to the six months ended January 31st, 2020 are incorporated by reference herein and form an integral part of the MD&A. The interim consolidated financial statements are unaudited and 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 March 26, 2021.

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 January 31, 2021; 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

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

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.

Industry and Market Data

Information contained in this MD&A concerning the industry and the markets in which BlueRush operates, including BlueRush's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), BlueRush's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from BlueRush's internal research, and are based on assumptions made by BlueRush based on such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain sources utilized in this MD&A have not consented to the inclusion of any data from their reports, nor has BlueRush sought their consent. BlueRush's internal research has not been verified by any independent source and BlueRush has not independently verified any third-party information. While BlueRush believes the market opportunity and market share information included in this MD&A is generally reliable, such information is inherently imprecise and may be rendered inaccurate by a variety of factors, including recent events and emerging economic trends. In addition, projections, assumptions, and estimates of BlueRush's future performance and the future performance of the industry and the markets in which BlueRush operates constitute forward-looking statements which are subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to under the heading "Forward-Looking Statements" above and other sections of this MD&A. As of the date of this MD&A, the impacts of the COVID-19 pandemic continue to unfold. It is not possible for BlueRush to reliably estimate the length and severity of these impacts and, as a result, many of our estimates and assumptions contained herein required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods. Readers should carefully review these estimates and assumptions, along with the risk factors contained in "Risks and Uncertainties", in light of evolving economic, political, and social conditions.

Definitions and Discussion on Non-IFRS Measures and Key Metrics

The Company prepares its financial statements in accordance with IFRS. However, in this MD&A, the Company may refer to a number of measures and metrics which we believe are meaningful in the assessment of the Company's performance. Many of these measures and metrics are non-standard measures under International Financial Reporting Standards ("IFRS"), do not have any standardized meaning under IFRS, and are unlikely to be comparable to similarly titled measures reported by other companies. These measures, which it believes are widely used by investors, security analysts and other interested parties to evaluate its performance and may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Readers are cautioned that the disclosure of these items is meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined in accordance with IFRS.

The purpose of these non-IFRS measures and key metrics is to provide supplemental information that may prove useful to readers who wish to consider the impact of certain non-cash or uncontrollable items on the Company's operating performance. Management uses both IFRS and non-IFRS measures when planning, monitoring and evaluating the Company's performance.

Non-IFRS measures include "Committed Annual Recurring Revenue".

Committed Annual Recurring Revenue (CARR)

The Company uses CARR to evaluate and assess its performance, identify trends affecting its business. CARR does not have a standardized meaning, and therefore may not be comparable to similar measures presented by other companies.

CARR is calculated as the subscription and support contracts that are online and delivered to customers at the period end, plus addition of any new customer commitments, multiplied by the expected customer retention rate of 100% and contracted annualized subscription and support fees at the related quarter end. Since some of the contracts are denominated in US dollars, the Canadian dollar equivalent is calculated using the spot exchange rate multiplied by the contracted currency amount. BlueRush has steadily increased its CARR to \$2,537,494 of CARR at January 31, 2021 as compared to \$2,383,183 of CARR at October 31, 2020.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

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 actionable data-driven customer insights. IndiVideo is proven to boost marketing and sales performance, generate compelling ROI and create greater customer satisfaction and loyalty.

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

OVERALL PERFORMANCE

BlueRush Highlights for the Three-Month and Six-Month Period Ended January 31, 2021:

- Subscription and Support (SaaS) revenue which has higher margins continues to grow at a healthy pace with Q2 2021 up 72% to \$488,303, compared to \$284,092 for Q2 2020. Achieved YTD SaaS revenue of \$969,140 up 76% or \$417,883 compared to six months of FY 20 at \$551,257. The revenue growth is primarily due to increased customer interest and adoption of IndiVideo to leverage digital media for enhance customer engagement.
- YTD Committed Annual Recurring Revenue (CARR)¹, up 26%, or \$2.54M from \$2.01M from July 31, 2020. This signals a healthy growth in new customer acquisitions, ‘land-and-expand’ strategies and continued growth in the second half of the year.
- Initiated \$5M private placement and closed initial tranche of \$3,898,675 (“Tranche I”) through issuance of 37,130,238 units of the Company at \$0.105 per unit prior to end of quarter. Net proceeds are expected to be used to fund sales and marketing growth, enhance, and invest in integration and development efforts.
- Concurrent with the private placement, the Company converted \$2.7M of outstanding convertible debentures. The conversion of debentures will result in strengthened balance sheet, capital available for growth strategy and reduced interest expense going forward.
- Completed the first phase of recruiting and onboarding of its marketing team to drive lead generation, increased global brand awareness of the IndiVideo platform and accelerate growth from direct and partner sales.

Private Placement Financing

On January 15, 2021 (updated January 28, 2021) the Company announced a non-brokered, private placement for gross proceeds of \$5,000,000 through the issuance of 47,619,046 units of the Company at \$0.105 per unit. Each unit consists of (i) one (1) common share of the Company, and (ii) one (1) transferable common share purchase warrant with an exercise price of \$0.18 for a period of three years from the date of issue. On January 29, 2021, the Company completed Tranche I of the private placement consisting of 37,130,238 common shares at a price of \$0.105 per share for gross proceeds of \$3,898,675.

See Note 13,14 & 16 of the unaudited interim condensed consolidated financial statements for greater detailed.

SELECTED QUARTERLY INFORMATION

	At January 31, 2021	At October 31, 2020	At July 31, 2020
Committed Annual Recurring Revenue ¹ (CARR: Non-IFRS)- Closing balance	\$ 2,537,494	\$ 2,383,183	\$ 2,010,534
% Increase over prior year period	6%	19%	0%

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Contract Liabilities	\$	1,189,292	\$	1,122,752	\$	1,066,461
<i>% Increase over prior year period</i>		6%		5%		-9%
Total Assets	\$	5,506,954	\$	2,230,021	\$	2,558,785
Shareholders' (Deficit) Equity	\$	678,360	\$	(4,380,429)	\$	(3,837,138)

		Three months ended January 31,		Six months ended January 31,	
		2021	2020	2021	2020
Revenue: Subscription and Support (SaaS)	\$	488,303	\$ 284,092	\$ 969,140	\$ 551,257
<i>% Increase over prior year</i>		72%	193%	76%	241%
Cost of Sales	\$	91,280	\$ 104,384	\$ 180,619	\$ 188,109
<i>COS as % of Subscription revenue</i>		19%	37%	19%	34%
Gross Margin- Subscription and Support	\$	397,023	\$ 179,708	\$ 788,521	\$ 363,148
<i>Gross Margin % of SaaS Revenue</i>		81%	63%	81%	66%
Revenue: Service	\$	402,972	\$ 840,254	\$ 758,646	\$ 1,367,778
<i>% Increase over prior year</i>		-52%	59%	-45%	30%
Cost of Sales	\$	285,639	\$ 499,464	\$ 576,747	\$ 789,012
<i>COS as % of Services revenue</i>		71%	59%	76%	58%
Gross Margin- Services	\$	117,333	\$ 340,791	\$ 181,899	\$ 578,766
<i>Gross Margin % of Services Revenue</i>		29%	41%	24%	42%
Operating Expenses	\$	2,015,653	\$ 1,565,999	\$ 3,241,720	\$ 3,222,735
<i>% (Decrease) Increase over prior year</i>		29%	0%	1%	20%
Loss from Continuing Operations before taxes	\$	(1,406,273)	\$ (1,037,838)	\$ (1,991,511)	\$ (2,266,989)
<i>% (Decrease) Increase over prior year</i>		36%	-23%	-12%	5%
Loss Per Share- Continuing Operations- Basic and Diluted	\$	(0.02)	\$ (0.01)	\$ (0.02)	\$ (0.03)

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

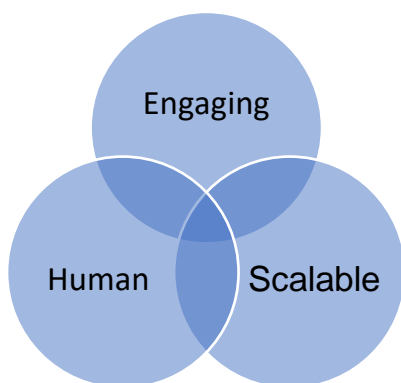
For the Three and Six- Month Period Ended January 31, 2021

¹Committed Annual Recurring Revenue (CARR) is a measure that provides the annualized value of recurring revenue and future billings from commercial customers as of the reporting date. CARR represents the sum of the annual recurring revenue from existing customer contracts or commitments of future revenue as of the reporting period end date. CARR will increase (or decrease) in a period through retention (or attrition) and expansion (or contraction) of 'Subscription and Support' contracts from existing commercial customer, and through the acquisition of new commercial customers.

Please refer to the "Definitions and Discussion on Non-IFRS Measures and Key Metrics" section of this MD&A for further discussion on this non-IFRS measures.

²Operating Expenses include Sales & Marketing, Research & Development, General & Administrative, Share Based payments, financing charges and amortization & depreciation expenses.

MARKET OPPORTUNITY



"Even when the COVID-19 outbreak is contained, it's unlikely things will return to normal. Instead, we're seeing the forced acceleration of previously slow-moving trends that are likely to shape the future for the long haul." – Forbes

As the world moved quickly to prioritize digital channels in the past year, significant gaps became apparent and persist today. Companies want to reach and scale digital, but they do not want to lose the human touch. Customers, already difficult to engage, receive an ever-increasing barrage of messaging. The digital channels are noisier, and this amplifies the challenge for marketers and sales

organizations.

In response, brands, governments, non-profits, and others are seeking solutions that will help them *engage, build, trust and transact* digitally. The IndiVideo platform allows our customers to generate completely personalized messaging, at any scale, while leveraging the reach and cost advantages of digital.

We believe that our ability to humanize communication at scale is our greatest strength. This unique value proposition has allowed us to secure and grow relationships with some of the world's leading companies.

Market Validation

Quarter ending January 31, 2021 was a milestone period for BlueRush from a capital markets standpoint as the investment community became aware of our story and wanted to become part of it. In Q2 2021, BlueRush announced a CDN \$5 million non-brokered capital raise which has provided the Company with capital to focus on executing our business plan and accelerate our growth.

It is noteworthy that the transaction included participation from several institutional investors focused on early-stage growth companies. This aligns with the Company's goal to attract and retain long-term shareholders that understand our vision and potential.

BlueRush's IndiVideo Platform is Well Positioned Within a Large and Growing Market

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

IndiVideo is a highly scalable, personalized video platform that is being used by a growing list of blue-chip companies and partners. The Company's book of case studies continues to grow and the use cases for this platform continue to expand. A 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:

- *"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 onboarding 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)
- According to HubSpot, 72% of people prefer to watch a video to learn about a product or service rather than read text (HubSpot, 2018).
- 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).

This market backdrop positions BlueRush extremely well to continue our successful growth. As a result, Q2 2021 saw a number of significant milestones for the business in terms of subscription revenue growth, acquisition of strategic new customers, continued expansion into international markets and significant product updates.

GROWTH STRATEGY

The Company intends to leverage its technologically differentiated IndiVideo solution and allocate capital to the following strategic initiatives:

- Build an aggressive sales and marketing team, and develop a global network of channel partners to expand into new geographic markets;
- Technology – continue to enhance core IndiVideo functionality based on customer demand and provide an API to enable seamless integration to provide customers meaningful interactions with client brand;
- Ongoing identification and pursuit of complementary and accretive acquisitions;
- Support – provide industry-leading customer support; and
- Team – attract, motivate, and retain top talent.

SALES STRATEGY

Our sales strategy is comprised of three elements, all of which are supported by our marketing team. BlueRush will continue to acquire new customers through a *direct sales* model, sign and *grow channel partners* and expand our relationships with *existing customers*.

Direct Sales - New Customer Acquisition Programs and Tactics:

Much of our new-logo, direct sales activity in previous years was focused on conferences. With live events cancelled as a result of COVID, BlueRush team pivoted quickly and implemented a number of effective lead generation tactics in order to continue to deliver quality leads into the sales funnel:

1. *Use of our own technology* – BlueRush, and BlueRush partners, used the IndiVideo platform to support outbound e-mail marketing campaigns, which drove higher open rates, higher conversion rates and helped generate quality leads. We have used these efforts to refine our product and the demonstrable results have added fuel to our sales efforts.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

2. *Webinars* – BlueRush has and will continue to run topical webinars. Given the high interest level in Personalized Video as a sales, marketing, and customer communications medium, we have enjoyed excellent attendance at our webinars, and this has become an important source of new lead generation while also providing a platform to support partners and position ourselves as thought leaders.
3. *Participate in virtual conferences* – Virtual conferences do not provide the same opportunity for lead generation as live conferences. Our team has developed a finely tuned approach to maximizing the benefits available in the virtual setting.
4. *Trade Missions* – The Ontario Government implemented an impressive series of virtual Trade Missions. BlueRush leveraged these programs to begin to build new partnerships and secure new customers internationally.

The net effect of this approach has been to prove our own technology, lower our cost of sales and accelerate lead generation.

Land and Expand – Strategies to Grow Existing Relationships

Our two largest customers began with less than \$25,000 USD in ARR, and each has grown to more than \$250,000 ARR. BlueRush has secured initial contracts with over 20 large enterprises with similar potential, and this list continues to grow. For this reason, our 'land and expand' strategy is a critical focus area and driver of future ARR growth. The two largest contributors to success are the results we achieve for our clients and exceptional client service.

1. *Customer Success Team* - Led by Founder Len Smofsky, this team works closely with our clients every step of the way. IndiVideo has a robust analytics and reporting capability which allows our customers real-time access to the performance of their Interactive Personalized Videos. Our Customer Success team leverages these insights to improve performance and make recommendations to our customers, while at the same time seeking new opportunities within these accounts.
2. *Dedicated Account Managers* – BlueRush has a growing team of account-based relationship managers who are responsible for growing each account. This approach has been instrumental in the expansion we have seen to date with the existing accounts.
3. *Results are Driving Success* – The BlueRush team has become adept at working with our customers to identify high-return use cases and the success of the programs we deliver are a key driver of success in growing the accounts.
 - Recent projects have exceeded **10X** or better ROI in the first year, with highly successful programs exceeding **100X ROI**.
 - Using IndiVideo on a landing page has increased conversions by **80%**.
 - Personalized video e-mails achieve up to **10X** the engagement levels over a standard email without a personalized video.
 - 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.

These KPI's lead to increased sales and higher retention rates for our customers. We have delivered substantial lift in helping our customers sell mortgages, loan products, credit cards, wealth products and others in the financial services vertical with continued expansion into Consumer-Packaged Goods, Retail, Utilities, Telco's and Real Estate with other verticals in sight.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Partner Strategies – Continued Focus on Agency Partners and Customer Communications Management

Agency and Solution Partners

BlueRush has focused efforts on global expansion, driven by rapidly increasing demand for personalized customer engagement technology across all industries and regions. IndiVideo is one of the only customer engagement technologies proven to transform the digital experience, deliver improved conversion and high ROI multiples to a rapidly growing list of companies in banking, insurance, real-estate, and other sectors.

Key to successful global expansion will be partnerships with digital agencies in all major global regions. This proven model was key to IndiVideo's successful penetration into Latin America, fueled in large part through our digital agency partner. Our partner has expanded from its base in Chile, bringing IndiVideo to Columbia, Ecuador and now a strong pipeline in Mexico. As an agency reseller who have become experts on the IndiVideo platform, this partnership is a model for successful global expansion – where other partners have deep knowledge of local language, culture, and clients.

Global regions currently being targeted are Japan, India, Thailand, Singapore, Brazil, UAE, the UK, France, and USA. Recent partnership deals have been signed or are in the works in Japan, India, Thailand and the UK. As the IndiVideo platform with Adobe After Effects self-serve plug-in has made it even easier for partners to build interactive personalized videos on behalf of their clients at scale. Leveraging agency partners can create and deploy personalized videos autonomously, after initial training by BlueRush.

Given the IP advantage IndiVideo has over personalized video competitors in the critical areas of data security and cost-efficient scalability, the timing is perfect to press this advantage at the global level. The pipeline continues to grow month-over-month and the expectation is this will continue with the same momentum.

Customer Communications Management (CCM)

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 expensive to deliver in high volume.

In Q2 2021, we won business with a multi-national insurer in Indonesia through a new CCM partner (unannounced). We were successful in signing several new CCM partners in various regions including the USA and Asia and have begun work to activate these partners and generate new opportunity.

During the quarter, BlueRush engaged a global CCM focused analyst firm to provide a market analysis and recommendations for BlueRush to accelerate our market position. The team outlined several recommendations including steps to create a stronger brand experience, targeted sales cycles, and a product roadmap. Based on their recommendations, the team has moved forward to implement several key strategic initiatives to drive marketing, partner, and product growth. Highlights from the market analysis and report include:

1. Target enterprise organizations vs. Small and Midsize Business (SMB).
2. Focus on developing revenue-generating use cases.
3. Build a stronger partner network; discern partners based on their market readiness.
4. Focus on banking, insurance, telco, and manufacturing (pharma) industries as targeted industries.
5. Develop a geographical expansion strategy.
6. Research and consider AI-based product developments.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

We continue to see an acceleration of funnel activity in the CCM channel as Interactive Personalized Video has become accepted as a 'must have' element of any CCM platform.

MARKETING STRATEGY

During FY2021, the organization has made significant investments in BlueRush's marketing infrastructure with the key objectives to strengthen the *BlueRush* and *Individeo* brands in the marketplace; develop and execute a more targeted demand generation strategy to support top of funnel pipeline; and build channel marketing programs to support partner opportunities. The investments include core infrastructure including an updated web site; Search Engine Optimization (SEO) and Search Engine Marketing (SEM) strategy; new brand positioning and messaging; and hiring of specialized talent to support a more focused approach.

1. The updated BlueRush website is set to launch within Q3 2021 with new wireframes, updated brand positioning and messaging, enabling a stronger user experience for clients and prospects, that showcases the Company's product capabilities and market expertise.
2. To support the launch of the site, the marketing team is implementing a new SEO and SEM strategy to boost our organic and paid search to our core target industries including financial services, CCM and insurance.
3. During Q2, the management team developed corporate messaging and positioning that will be used for sales enablement and marketing campaigns, with the objective of creating a more consistent brand experience for our clients and prospects.
4. Demand generation strategies are focused on new logo acquisition through primarily digital marketing including virtual events, content, and e-mail nurturing campaigns.
5. A partner marketing strategy is being developed to support and expand reseller and agency partners.
6. Hired and continue to expand on marketing team to drive lead generation, increased brand awareness and for effective campaign execution.

Experienced Leadership Team and Board of Directors

The BlueRush Management Team and Board have been carefully assembled to ensure successful execution of our business plan.

Management Team

Steve Taylor, Chief Executive Officer: 25 years of experience growing technology companies, pioneer in eCommerce, Mobile and Compliance with an emphasis on growing SaaS-based recurring revenue.

Andrew Osmak, Chief Growth Officer: 25 year digital commerce and mobile industry veteran with senior leadership roles across general management, corporate and business development, marketing and sales having grown, turned and successfully exited businesses.

Ankur Gupta, Chief Financial Officer (Interim): 15 years of experience that includes managing the finance group for a SaaS-based software solution provider in professional services sector, telecommunications, and Internet-of-Things (IoT) private equity ventures.

Larry Lubin – President and co-founder: 30 years of experience working as a thought leader on customer engagement and digital transformation strategies for the world's leading financial institutions.

Len Smofsky – Chief Experience Officer and co-founder: Len left the movie and tv industry with the belief that 'video will be big on the Internet' and has been instrumental in the growth of the business.

Richard Pineault – Chief Technology Officer: For more than three years, Richard has led the technical vision and execution for BlueRush. He began his career with BlueRush as a developer and has risen through the ranks to become a highly strategic leader.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Board of Directors

Larry Lubin, Chairman and President

Steve Taylor, CEO, BlueRush

John Eckert, Round 13 Capital

Paul Smith, Rally Enterprises & Communications Corp.

Michael Beckerman, Torstar Corp.

Chris Rasmussen, DOXIM

Summary

BlueRush has a disruptive technology in a large and growing market. The IndiVideo platform is proven to deliver results for our customers and partners. Those results continue to drive our growth and success. The Company is properly capitalized to pursue and execute on our business plan. The leadership of our Management Team, and the stewardship of our Board of Directors provides a robust and dependable operating and governance framework to ensure we continue to realize our vision as a company and continue to deliver value to our shareholders.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

RESULTS OF OPERATIONS

Selected information for the Company as at January 31, 2021 and July 31, 2020, and for the three and six-months ended January 31, 2021 and 2020 is as follows, which should be read in conjunction with the financial statements of the Company:

	As at		As at	
	Jan. 31, 2021		July 31, 2020	
Total Assets	\$	5,506,954	\$	2,558,785
Non-current financial liabilities		891,036		3,500,171
Total Equity (Deficit)		678,360		(3,837,138)

Comparing the quarter-over-quarter Q2 2021 to Q2 2020, BlueRush generated revenue of \$891,343 versus \$1,132,009, cost of sales of \$376,919 versus \$603,848, aggregate expenses of \$2,015,653 versus \$1,565,999, and deferred tax recovery of \$9,876, versus \$6,151, resulting in net comprehensive loss of \$1,396,397 versus \$1,043,616, or \$0.02 and \$0.01 per share respectively.

	Three Months Ended		Six Months Ended	
	Jan. 31, 2021	Jan. 31, 2020	Jan. 31, 2021	Jan. 31, 2020
Revenue				
Subscriptions and support	\$ 488,303	\$ 284,092	\$ 969,140	\$ 551,257
Services	402,972	840,254	758,646	1,367,778
Interest	68	7,663	206	13,832
	891,343	1,132,009	1,727,992	1,932,867
Cost of Sales				
Subscriptions and support	91,280	104,384	180,619	188,109
Services	285,639	499,464	576,747	789,012
	376,919	603,848	757,366	977,121
Gross profit	514,424	528,161	970,626	955,746
Net comprehensive loss	\$ 1,396,397	\$ 1,043,616	\$ 1,971,780	\$ 25,869
per share – basic and diluted	(0.02)	(0.01)	(0.02)	(0.00)

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Revenue

Revenue is comprised of monthly recurring revenue (MRR) from subscriptions of Individeo software and other hosting licenses. Services revenue from content creation, customization and implementations is recognized over the term of the contract based on percentage of completion and delivery.

For the three months ended January 31, 2021, SaaS recurring revenue increased 72% to \$488,303 from \$284,092 in the same period of the prior year. The services revenue in turn realized a 52% reduction to \$402,972 from \$840,254 due to delivery and completion of a large engagement in same period of prior year. For the six months ended January 31, 2021, revenue decreased 11% to \$1,727,992 from \$1,932,867 in the same period of the prior year. At January 31, 2021, the committed ARR was \$2,537,494, up 6% from \$2,383,183 at October 31, 2020 and up 26% from \$2,010,534 at July 31, 2020.

For the year-to-date period, subscription revenue was approximately 55% to 60% of total revenue, compared to 25% to 30% last year. The increased percentage reflects increased IndiVideo functionality and in-bound enquires from customer organizations seeking to improve engagement and to leverage digital media in their marketing strategy.

Cost of Subscription & Support and Services

Cost of subscription and support includes cloud infrastructure operating costs, customer success costs and cost of services includes content creation and delivery of content creation.

For the three months ended January 31, 2021, cost of subscription and support decreased 13% to \$91,280 from \$104,384 despite the increase in subscription revenue in the same period of the prior year. The decrease in cost is due to economies and efficiencies realized in deploying larger number of IndiVideos on a highly scalable platform, thereby increasing margins to 81% compared with 63% for same time last year. For the six months ended January 31, 2021, cost of subscription and support decreased 4% to \$180,619 from \$188,109 in the same period of the prior year.

For the three months ended January 31, 2021, cost of services was \$285,639 compared to \$499,464 for same time last year. The decrease is due to a delivery of a large engagement with a key customer in prior year. The company still maintains a 30-40% margin on services YoY.

Operating Expenses

The Company's total expenses, excluding cost of sales for Q2 2021 increased by approximately 29%, or \$449,654, from Q2 2020. The main reason for the increase is addition to head count in sales and marketing as we build a marketing strategy, increased legal and warrant inducement cost associated with private placement and general and administrative costs associated with increased employee benefits, and stock exchange expenses.

In Q2 2021, Sales and Marketing ("S&M") expenses consist of salaries and related expenses for sales, marketing, partner support and business development personnel, amortization of deferred commission expenses, marketing automation, program and event expenditures, travel, and entertainment expenses, and allocated overhead. S&M decreased 3% to \$564,602 from \$583,181 in Q2 2020. Year-to-date S&M expense of \$955,019, down 25% for the comparative period Year-to-date due to lower travel and conference expenses as well as turnover of headcount, as compared to FY 2020.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

The Company's general and administrative expenses increased approximately 9%, or \$32,654. BlueRush undertook key initiative to raise capital through private placement, which increased exchange listing costs, legal and accounting fees. In addition, as the Company's foreign customer base is contracted in U.S. dollars, exchange loss has also been realized from the weakening of the U.S. dollar relative to the Canadian dollar.

Research and development costs decreased by approximately 8%, or \$33,792, from Q2 2020. The Company is committed to continuously improving the IndiVideo platform, and has completed deploying the self-serve functionality, which will dramatically increase the scalability of the product, reduce the need for further sub-contracting to support development as contractor expenses reduced by 54% for same time last year.

Financing and interest costs were \$139,858 for the three months ended January 31, 2021, an increase of 46% from \$95,963 in the same period of the prior year. Financing costs were \$282,380 for the six months ended January 31, 2021, an increase of 45% from \$194,299 in the same period of the prior year. The increase in financing costs is due to increased interest payments and accretion costs on two convertible debentures with second debenture finalized in Q4-2020.

	Three Months Ended		Six Months Ended	
	Jan. 31, 2021	Jan. 31, 2020	Jan. 31, 2021	Jan. 31, 2020
Term Loan Trans.Cost Accretion	\$ 38,681	\$ 25,838	\$ 77,269	\$ 51,312
Interest on Convertible Debentures	84,740	50,273	171,561	100,273
Other	16,437	19,852	33,550	42,714
	<u>\$ 139,858</u>	<u>\$ 95,963</u>	<u>\$ 282,380</u>	<u>\$ 194,299</u>

Other item- In addition, in January 2021 as a result of the early conversion of debentures and to incentivize early conversion, the Company amended the terms to induce the holder to convert the notes immediately with one half of a full warrant. The Company took a warrant inducement charge of \$419,831 which is the difference, between the fair value of the consideration the holder receives on conversion under the revised terms and the fair value of the consideration the holder would have received under the original terms and is recognized as an expense.

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: *Interim Financial Statements* and presented in Canadian dollars, which should be read in conjunction with the interim consolidated financial statements of the Company:

	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020
Subscription and support	488,303	480,837	395,518	359,652
% Increase (Decrease)- Sequential QoQ Growth	2%	22%	10%	27%
Services and Other revenue	403,040	355,812	411,377	699,662
Total Revenue	\$ 891,343	\$ 836,649	\$ 806,895	\$ 1,059,314

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Net income (loss) and comprehensive income (loss)	(1,396,397)	(575,380)	(727,899)	(560,463)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.02)	(0.01)	(0.01)	(0.01)

	January 31, 2020	October 31, 2019	July 31, 2019 ⁱ	April 30, 2019 ⁱ
Subscription and support	284,092	267,164	214,988	131,838
<i>% Increase (Decrease)- Sequential QoQ Growth</i>	<i>6%</i>	<i>24%</i>	<i>63%</i>	<i>36%</i>
Services and Other revenue	847,917	533,693	417,354	437,247
Total Revenue	\$ 1,132,009	\$ 800,857	\$ 632,342	\$ 569,085
Net income (loss) and comprehensive income (loss)	(1,043,616)	1,017,747	(843,729)	(775,533)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.01)	0.01	(0.01)	(0.01)

i) Fiscal 2019 quarters revenues have been reclassified to remove the operations of DigitalReach and Smart Advisor considered as discontinued operations.

ii) Other revenue represents revenue derived from non-recurring professional services and interest income.

For the Three and Six-Months Ended January 31, 2021 and 2020

For the three and six-months ended January 31, 2021, BlueRush generated revenue of \$891,343 and \$1,727,992, a net loss from continuing operations of \$1,396,397 and \$1,971,779, and net loss and comprehensive loss of \$1,396,397 and 1,971,779, or loss of \$0.02 and \$0.02 per share, respectively. This compares with revenue of \$1,132,009 and \$1,932,867, net loss from continuing operations of \$1,031,687 and \$2,254,781 and comprehensive loss of \$1,043,616 and \$25,869 with the inclusion of the gain on sale, or \$0.01 and \$0.00 per share, for the three and six-months ended January 31, 2020.

CASH FLOWS

For the Three Months Ended January 31, 2021 and 2020

During the three months ended January 31, 2021, the Company utilized \$465,289 in net cash from its operating activities, as compared to \$2,066,087 utilized during the three months ended January 31, 2020. The decrease in cash used in operating activities was primarily driven by the decreased sales & marketing, general & administrative and research & development expenses.

During the three months ended January 31, 2021, net cash provided by financing activities was \$3,382,637, as compared to net cash used in financing activities of \$154,063 for the three months ended January 31, 2020. The change year-over-year is primarily due to proceeds from Tranche I of \$5 million private placement through issuance of 37,130,238 common shares issued.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

During the three months ended January 31, 2021, net cash used in investing activities was \$20,379, as compared to the three months ended January 31, 2020 when net cash provided by investing activities was \$2,275,303. This year over year change in cash used is primarily driven by the proceeds of the disposal of DigitalReach and Smart Advisor, net of transaction costs, for \$2,266,737.

For the three months ended January 31, 2021, the Company has an overall net increase of cash of \$2,896,969. In comparison, for the three months ended January 31, 2020, the Company had an overall net increase in cash of \$55,153. The variance is primarily attributable to the funds raised through the private placement in Tranche I of Q1 2021.

LIQUIDITY AND CAPITAL RESOURCES

Deferred Revenue

Deferred revenue is comprised of the unamortized portion of deferred revenue from invoiced subscription/license fees, which are amortized to revenue over the license term and services fees that are billed at normally at the beginning and commencement of the license. Subscriptions are generally for a term of twelve months with license fees non-refundable and invoiced at the start of the license term. For the six months to January 31, 2021, deferred revenue increased 12% to \$1,189,292 from \$1,066,461 at July 31, 2020.

At January 31, 2021, a total of \$33,972 of contracted services fees remained un-invoiced.

Going Concern Assumption

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.

Balance Sheet Highlights	January 31, 2021		July 31, 2020	
Working capital (deficit)	\$	1,191,156	\$	(744,491)
Cash		4,240,922		1,343,953
Accounts receivable		536,596		263,324
Investment tax credits refundable		198,840		289,774
Total assets		5,506,954		2,558,785
Contract Liabilities		1,189,292		1,066,461
Total liabilities		4,828,593		6,395,923
Total Equity (deficiency)		678,361		(3,837,138)

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

Working Capital

As at January 31, 2021, the Company had a working capital surplus of \$1,191,157 as compared to working capital deficit of \$744,491 as at July 31, 2020. The adjusted working capital is \$2,380,449 once adjusted for the contract liabilities of \$1,189,292 representing payments in advance by customer expected to settle through performance in normal course and will not be crystallized as a cash outflow.

Sources and Uses of Cash

In June and July 2015, the Company received a term loan from Investissement Quebec ("IQ") in the amount of \$1,000,000 to fund working capital requirements. The term loan is interest bearing at prime rate plus 3.15% per annum. During the year ended July 31, 2020, the Company both renegotiated the payment terms of the remaining balance of \$283,319 (\$383,321 as at July 31, 2019) while also receiving a moratorium on all outstanding principal for 6 months due to COVID-19 beginning March 2020. Monthly principal payments of \$3,000 plus interest are paid starting from September 2020 to January 2021. Following this, the Company's monthly principal payments will be \$12,000 plus interest from February 2021 to June 2021, thereafter \$20,000 plus interest until November 2021 with the final payment of \$105,319 due in December 2021. The loan is secured by a universal mortgage on all present and future assets, including a first ranking on tax credits. Two current officers of the Company have personally guaranteed a total of \$50,000 of the loan. As at January 31, 2021 the remaining principal was \$265,319, compared to \$280,319 as at July 31, 2020.

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

In September 2018, the Company received approval for new bridge loans from IQ of up to \$337,900 by way of two separate loans (\$172,400 and \$165,500). The loans were used to fund working capital requirements and are secured against the expected refundable portion of the Company's fiscal 2018 (\$172,400) and 2019 (\$165,500) SRED claims. The loans bear interest at prime rate plus 2.25% per annum. As at January 31, 2021, the Company had repaid the \$165,500 outstanding principle and any interest representing the fiscal 2019 SRED claim.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

In October 2018 the Company announced and closed a non-brokered private placement of convertible debentures (the "Debentures I") 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.

On January 29, 2021, concurrent with Tranche I, \$1,250,000 in principal amount of the Debenture I's were converted by their holders resulting in the issuance of 11,904,759 common shares of the Company resulting in a reduction in the principal amount outstanding of Debenture I to \$750,000. In addition, as an incentive to convert, the holders were issued warrants of the Company exercisable for up to 5,952,378 common shares of the Company at \$0.18 per share until January 29, 2024. All interest owing on the principal amount of the converted Debenture I was paid to the holders in cash concurrently with the issuance of the securities.

In May 2020, the Company announced a non-brokered private placement financing to raise gross proceeds of up to \$1,450,000 through the issuance of unsecured convertible debentures (the "Debentures II"). Debentures II have the following terms:

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

On January 29, 2021, concurrent with Tranche I, \$1,450,000 in principal amount of the Debenture II's were converted by their holders resulting in the issuance of 24,166,664 common shares of the Company. In Q2 2021, the Company has accrued the interest amounts of \$35,356 plus previously accrued interest of \$48,123 for the underlying Debenture II holder and was paid to the holders concurrently upon conversion.

On January 15, 2021, the Company announced a non-brokered private placement financing pursuant to which the Company proposed to raise gross proceeds of a minimum of \$2,000,000 and a maximum of \$5,000,000 through the issuance of a minimum of 19,047,619 and a maximum of 47,619,047 units of the Company at \$0.105 per Unit. On January 29, 2021, the Company completed Tranche I of a non-brokered private placement consisting of 37,130,238 common shares at a price of \$0.105 per share for gross proceeds of \$3,898,675.

During the six months ended January 31, 2021, warrant holders exercised no warrants. During the six months ended January 31, 2020, warrant holders exercised 2,059,169 warrants at \$0.05 for total gross proceeds of \$102,958 and 585,140 warrants at \$0.0675 for total gross proceeds of \$39,497.

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.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises. BlueRush leases office space in Toronto, Ontario located at 75 Sherbourne Street, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 3116. Lease commitments are outlined in BlueRush's unaudited condensed consolidated interim financial statements, Note 12.

RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's related party transactions for the three and six-months ended January 31, 2021 and 2020 were all paid to key management personnel and were as follows:

Type of Expense	Three-Months Ended January 31, 2021	Three-Months Ended January 31, 2020	Six-Months Ended January 31, 2021	Six-Months Ended January 31, 2020
Salaries and benefits	\$ 294,253	\$ 246,200	\$ 655,293	\$ 673,900
Share-based payments (i)	16,564	23,972	38,511	55,669
	\$ 310,817	\$ 270,172	\$ 693,804	\$ 729,569

i) Stock based compensation for officers/directors is comprised of the vested value of stock options expensed during the three and six months ended January 31, 2021 and 2020, respectively.

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and, as of the date hereof, has 162,056,711 common shares issued and outstanding, incentive stock options outstanding and exercisable for up to 13,193,312 common shares, warrants outstanding exercisable for up to 45,953,816 common shares. Upon accelerated conversion of Debenture I, notes which are exercisable for up to 19,047,619 common shares, 11,904,759 shares were issued upon partial conversion, as well as the Debenture II notes which were issued 24,166,667 common shares upon conversion.

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

On April 10, 2020, the Company granted 3,918,312 stock options to an employee of the Company. Each stock option is exercisable into one (1) common shares of the Company at an exercise price of \$0.05. 326,526 options vest on July 10, 2020 and thereafter the remaining options vest monthly over a period of 33 months. The options expire in five years from the date of grant.

On January 13, 2021, the Company granted 1,450,000 stock options to employees of the Company at an exercise price of \$0.12 and expiring five years from the date of grant. The options vest one third after 12 months and then monthly for the following 24 months.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

On January 29, 2021, the Company completed Tranche I of the private placement consisting of 37,130,238 common shares at a price of \$0.105 per share for gross proceeds of \$3,898,675.

SUBSEQUENT EVENT

Pursuant to the initial tranche as reported in the interim financial statements, where the Company had raised gross proceeds of \$3,898,675 through the issuance of 37,130,238 units of the Company at \$0.105 per unit.

On February 11, 2021, the Company closed the fourth and final tranche of private placement for total gross proceeds of \$5,000,000 through the issuance of 47,619,046 units of the Company at \$0.105 per unit. Each unit consists of (i) one (1) common share of the Company, and (ii) one (1) transferable common share purchase warrant with an exercise price of \$0.18 for a period of three years from the date of issue. In connection with the financing, the Company paid registered dealers and finders (i) an aggregate cash commission of \$375,370, and (ii) non-transferable compensation options to purchase 3,574,952 common shares of the Company at an exercise price of \$0.105 per share for a period of thirty-six (36) months.

Two officers of the Company participated in the placement for an aggregate amount of \$19,425 for 185,000 units. Including the issuance of shares detailed herein, there are now 162,056,711 common shares of the Company issued and outstanding.

RISKS AND UNCERTAINTIES

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 pre-dominantly 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 monitoring the age and balances outstanding. Payment terms with customers are normally 30 days from invoice date. For the six months ended January 31, 2021, the Company has recorded a provision for Expected Credit Losses of \$6,259 (July 31, 2020 - \$2,230). Major customer: As at January 31, 2021, approximately 40% of the Company's accounts receivable are due from one significant customer.

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

	ECL %	January 31, 2021	July 31, 2020
Current	0.50%	\$ 357,700	\$ 147,718
Over 30 days past due	1.00%	16,011	115,038
Over 60 days past due	2.50%	159,592	432
Over 90 days past due	5.00%	9,231	-
Over 120 days past due	10.00%	321	2,366
Less: Provision for ECLs		(6,259)	(2,230)
		\$ 536,596	\$ 263,324

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

financing. The Company has disclosed in Note 2 to these interim consolidated financial statements the existence of circumstances which would raise significant doubt about its ability to continue as a going concern.

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 January 31, 2021, the Company had cash on hand of \$4,240,922 and accounts receivable of \$536,596 to meet working capital requirements.

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

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 January 31, 2021, the Company's foreign denominated monetary assets and monetary liabilities as expressed in USD\$ total \$433,609 (July 31, 2020 - USD\$550,116) and converted at the exchange rates of 1.28 and 1.34, respectively. For the quarter ended January 31, 2021, the Company recognized a loss on foreign exchange of \$44,722 (July 31, 2020 - gain of \$12,719).

Exposure to currency risk			
	January 31, 2021	July 31, 2020	
	USD	USD	
Cash	\$219,624	\$373,657	
Trade receivables	238,390	195,638	
Trade payables	(24,405)	(19,179)	
Net Statement of financial position exposure	\$433,609	\$550,116	
Average USD to CAD exchange rate		1.287	1.346
Spot rate USD to CAD exchange rate		1.278	1.340

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 January 31, 2021, 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.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: March 26, 2021

For the Three and Six- Month Period Ended January 31, 2021

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.

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.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 3 to the July 31, 2020 annual and January 31, 2021 interim financial statements.

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. Significant estimates made by management include the carrying values of accounts receivable, impairment assessment of assets, fair value measurement of share-based payments, useful lives of property and equipment, and valuation of deferred income tax assets. 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.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

ADDITIONAL INFORMATION

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