BLUERUSH MEDIA GROUP CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
Dated: November 26, 2013
For the Year Ended July 31, 2013

This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of BlueRush Media Group Corp. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's audited consolidated financial statements and notes thereto as at and for the year ended July 31, 2013 and 2012. Accounting policies followed in the preparation of the annual consolidated financial statements are disclosed in note 2 of the Notes to the audited consolidated financial statements as at and for the years then ended July 31, 2013 and 2012.

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

BASIS OF PRESENTATION

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

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

All financial information is reported in Canadian dollars.

The MD&A was approved for issue by the Board of Directors on November 26, 2013.

Caution Regarding Forward-Looking Information:

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

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

NATURE OF THE BUSINESS

BlueRush Media Group Corp. ("BlueRush" or the "Company") with its head office in Toronto, Ontario, was incorporated on April 6, 2004 pursuant to the *Business Corporations Act* (Ontario). The Company, through its wholly owned subsidiary, BlueRush Digital Media Corp. ("BlueRush"), is a digital marketing company which combines leading edge technology with award winning creative television production.

OVERALL PERFORMANCE

The year ended July 31, 2013 was a significant improvement over the previous year. Revenues increased by approximately 16% or $718,695 compared to the year ended July 31, 2012 and we realized a net profit of $349,732 for the year ended July 31, 2013 compared to a net loss of $481,434 for the year ended July 31, 2012.

We made progress towards our key goals by increasing our average project revenue size, and reducing overall costs of operations. Additionally, we moved into final testing of our "Digital Reach" and "Smart Advisor" project for our strategic partner, paving the way to growth in sales and recurring revenues. We also began work on a major initiative in healthcare with a leader in the US that if successful will contribute to recurring revenues and our product suite. Once again BlueRush was successful in winning another nine Internet Advertising Competition ("IAC") awards across a wide range of categories.

RESULTS OF OPERATIONS

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

	July 31, 2013	**July 31, 2012**	**July 31, 2011**
Revenue from Operations	$5,295,092	$4,576,397	$4,868,733
Net income (loss)	$349,732	$(481,434)	$577,841
per share - basic	$0.011	$(0.015)	$0.018
per share - diluted	$0.011	$(0.015)	$0.017
Total Assets	$2,735,692	$2,398,818	$2,457,591
Total Financial Liabilities	$248,725	$248,889	$360,595
Shareholders' equity	$2,038,539	$1,594,744	$1,941,976

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

For the year ended July 31, 2013, BlueRush recorded revenues of $5,295,092 and aggregate expenses of $4,815,132. The Company recorded a net profit of $349,732 or $0.011 per share. This compares with revenues of $4,576,397 and net loss of $481,434 or ($0.015) per share for the year ended July 31, 2012.

This increase in revenue of approximately 16% was the result of an increase in the average project size with large financial service clients as well as additional projects coming from our healthcare vertical. Sales efforts in our traditional services area are now focused on those clients that will generate a projected minimum amount of business. In healthcare, BlueRush is gaining traction and has added new pharmaceutical clients and one leading US based healthcare organization.

The Company's annual decrease in expenditures from fiscal 2012 was 6% which were mainly related to a decrease in productions costs of 40% as well as a claim expected to be received for Scientific Research and Development ("SRED") Tax Credits of approximately $200,000.

RESULTS OF OPERATIONS (Cont'd)

We partook less video production projects than the previous year and are focusing sales efforts on increasing the amount of work we do in deeper technology (i.e. mobile, tablets, responsive design and projects that require integration). We have also improved our efficiency across the offices in Toronto and Montreal through the implementation of new controls in tracking our time incurred on projects. Since implementing these new controls, it has helped us to effectively control overall costs and overall production costs.

The SRED tax credits have been recorded as investment tax credits recoverable on our consolidated statement of financial position, and have correspondingly reduced our salaries and wages expense in the consolidated statement of earnings. These claims are subject to audit by Canada Revenue Agency and any adjustments that results could affect investment tax credits recorded in the consolidated financial statements.

Salaries and benefits (before accounting for SRED) increased during the year, which is consistent with our growth in revenues. After accounting for SRED, our overall salaries and benefits expense decreased by approximately 3% since fiscal 2012. Our consulting costs also decreased by 5% in an effort to reduce outside contractors and rely greater on full time staff.

We incurred $79,063 in stock-based compensation for the year ended July 31, 2013 as compared to $129,202 for the fiscal year ended July 31, 2012. Our stock-based compensation is related to the vesting period of our stock options. During fiscal 2013, no stock options or warrants were issued. During fiscal 2012, 2,200,000 stock options were granted and no warrants were issued. The options in 2012 were granted to employees, directors, and consultants for services rendered to the Company, and have exercise prices ranging from $0.10 to $0.15 per share and expire between one and ten years. The fair value of the options granted was estimated to be $0.10 per share at the grant date using the Black-Scholes Option Pricing Model.

Corporate income taxes for the year ended July 31, 2013 was $130,228 and a recovery of $66,885 for the year ended July 31, 2012. Our combined corporate tax rate is approximately 25%.

Summary of Quarterly Results:

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

	Quarter Ended (Unaudited)			
	July 31, 2013	**April 30, 2013**	**January 31, 2013**	**October 31, 2012**
Total Revenue	$1,578,889	$1,157,052	$1,369,263	$1,189,888
Net income (loss) for the period	214,985	(97,313)	38,578	193,482
Net income (loss) per share - basic	0.007	(0.003)	0.001	0.006
Net income (loss) per share - diluted	0.007	(0.003)	0.001	0.006
	July 31, 2012	**April 30, 2012**	**January 31, 2012**	**October 31, 2011**
Total Revenue	$860,703	$1,278,816	$1,126,247	$1,310,631
Net income (loss) for the period	(592,148)	28,939	27,008	54,767
Net income (loss) per share - basic	(0.019)	0.001	0.001	0.002
Net income (loss) per share - diluted	(0.019)	0.001	0.001	0.002

Three Months Ended July 31, 2013 and 2012

For the three months ended July 31, 2013, BlueRush recorded revenue of $1,578,889 and a net profit of $214,985 or $0.007 per share. This compares with revenue of $860,703 and a net loss of $592,148 or ($0.019) per share for the three months ended July 31, 2012. BlueRush expanded its relationships with key financial and healthcare clients and secured and completed large portions of resulting projects from these clients. This was a significant achievement for the Company in that while we saw a decrease in revenue from one key client due to their requirement to reduce costs, we made up the loss and improved on our total revenues.

CASH FLOWS

Year Ended July 31, 2013 and 2012

During the year ended July 31, 2013, the Company generated $325,588 in cash from its operating activities as compared to using $2,659 in cash for operating activities during the year ended July 31, 2012. The increase in cash from operating activities was mainly because of our increase in net income. We also collected a larger sum of accounts receivable as compared to the prior year, which was mainly due to timing differences in the amount of projects in progress at year end compared to the prior year.

During the year ended July 31, 2013, cash provided by financing activities was $15,000 as compared to cash provided by financing activities of $7,783 in during fiscal 2012. These funds were received from the exercise of options at $0.10 per share.

During the year ended July 31, 2013 cash used in investing activities was $11,653 for the purchase of computer equipment compared to purchases of $27,947 for the year ended July 31, 2012.

For the year ended July 31, 2013 the Company had a net increase in cash of $355,935 as compared to a net decrease in cash of $22,823 for the year ended July 31, 2012. Our increase in cash overall was mainly related to an increase in income during 2013.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	July 31, 2013	July 31, 2012
Cash	$ 1,030,506	$ 674,571
Accounts receivable	1,016,346	1,413,876
Income taxes and investment tax credits recoverable	276,422	75,386
Total assets	2,675,505	2,398,818
Total liabilities	697,153	804,074
Shareholders' equity	2,038,539	1,594,744

As at July 31, 2013, the Company had current assets of $2,675,505 and current liabilities of $697,153, resulting in working capital of $1,978,352 as compared to working capital of $1,453,222 as at July 31, 2012.

The Company's cash position continues to be strong and the Company's cash and current assets would be sufficient to meet the Company's current financial obligations. The Company continues to have no long term debt. In addition, BlueRush has a line of credit available up to 75% of accounts receivable that are outstanding under 90 days, and to a maximum of $750,000, of which approximately $730,000 is currently available.

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises. BlueRush leases office space in Toronto, Ontario located at 75 Sherbourne Avenue, Suites 112 and 224, and in Montreal, Quebec located at 1751 Richardson, Suite 5105. Lease commitments are outlined in BlueRush's audited consolidated financial statements. During the 2012 year, the Company expanded its office space in Toronto, Ontario at 75 Sherbourne Street to include suite 224.

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 computer equipment and furniture.

During the year ended July 31, 2013, the Company's management handled investor relation activities.

RELATED PARTY TRANSACTIONS

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

Related party transactions were as follows:

a) During the year ended July 31, 2013, the Company granted Nil options (2012 – 600,000 options) to its directors. The vested value of these options was determined to be $21,938 (2012 - $36,713) which was recorded in salaries and benefits on the consolidated statement of comprehensive loss.

b) Compensation of key management personnel included salaries and consulting fees, which for fiscal 2013 totaled $514,048 (2012 – $535,000).

OFF-BALANCE SHEET ARRANGEMENTS

There are no significant off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

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

Certain estimates depend on subjective or complex judgmental 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 within the next fiscal year, are discussed below:

Revenue Recognition

Revenue is recognized based on contract milestones, whereby there could be differences between the timing of billings and the amount of work completed at a point in time. Management is required to make judgmental estimates on the percentage of completion of a contract milestone based on the amount of work performed at a point in time, and the value of the work performed by its staff up to that date. These judgments will affect the amount of revenue recognized as well as the reported amounts of work in process, unbilled revenue, and deferred revenue.

Allowance for Doubtful Accounts

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

Investment Tax Credits Recoverable

Investment tax credits are claimed on the Company's research and development activities and are based on a percentage of employee wages. Management is required to make judgment of the amount of investment tax credits that the Company will be able to claim. In order to make this estimate, management utilizes a specialist consultant to prepare the appropriate claim forms. These judgments will affect the reported amounts of investment tax credits recoverable and salaries and wages expense.

Stock-Based Compensation

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

SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued and Outstanding

	Number of Common Shares		Amount
Balance – November 26, 2013	32,518,000	$	763,633

STOCK OPTIONS

The Company had the following stock options outstanding as of November 26, 2012:

Number of Options Outstanding	Exercise Price $	Expiry Date
450,000	0.10	May 8, 2014
120,000	0.10	March 5, 2015
2,050,000	0.15	May 10, 2022
2,620,000		

SHARE PURCHASE WARRANTS

The Company had the following warrants outstanding as of November 26, 2012:

Number of Warrants Outstanding	Exercise Price $	Expiry Date
250,000	0.10	May 23, 2015
250,000	0.10	August 23, 2015
500,000		

FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk that a counterparty experiences financial difficulties or otherwise fails to fulfill its payment obligations. The Company is exposed to credit risk on accounts receivables from its customers. In order to mitigate this risk, the Company proactively manages its credit exposure to individual accounts and sets appropriate credit policies. The Company is exposed to significant credit risk from two customers as described in note 11 in the notes to the audited consolidated financial statements for the year ended July 31, 2013. As of July 31, 2013 accounts receivable outstanding over 90 days amounted to $43,373.

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. The Company manages liquidity risk by continuously monitoring actual and forecasted cash flows and budgets on all contracts, while maintaining adequate working capital on hand to meet its future obligations. As of July 31, 2013, the Company had cash on hand of $1,030,506 and $730,000 available on its line of credit to meet working capital requirements.

Sensitivity Analysis

As at July 31, 2013, the carrying value and fair value amounts of the Company's financial instruments are approximately the same. The Company does not believe there would be any material movements as a result of changes in interest rates or foreign exchange rates.

Fair Value Hierarchy

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

MANAGEMENT OF CAPITAL

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

The Company includes the following in its capital:

		July 31, 2013		July 31, 2012
Share capital	$	763,633	$	742,633
Contributed surplus		333,738		260,675
Retained earnings		941,168		591,436
	$	2,038,539	$	1,594,744

The Company's objectives when managing capital are:

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

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

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

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

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

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

(c) Raising capital through equity or debt financings.

The Company is not subject to any capital requirements imposed by a regulator. There were no changes in the Company's approach to capital management during the year. To date, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's management is responsible for the management of capital and monitors the Company's use of capital. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at July 31, 2013.

FUTURE ACCOUNTING CHANGES

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

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

IFRS 9, Financial Instruments was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment and hedge accounting.

(b) IFRS 10, Consolidated Financial Statements ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces Standing Interpretations Committee ("SIC") 12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements ("IAS 27"). This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, provided that IFRS 11, IFRS 12, and related amendments to IAS 27 and IAS 28 are adopted at the same time.

(c) IFRS 11, Joint Arrangements ("IFRS 11")

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted provided that IFRS 10, IFRS 12, and the related amendments to IAS 27 and IAS 28 are adopted at the same time.

(d) IFRS 12, Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates,special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

(e) IFRS 13, Fair Value Measurement ("IFRS 13")

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

(f) Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27 and IAS 28. The amended IAS 27 addresses accounting for subsidiaries, jointly controlled entities, and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 through IFRS 11. These amendments are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted provided that IFRS 10, IFRS 11, and IFRS 12 are adopted at the same time.

(g) Implication of New and Amended Standards to the Company

The Company is in the process of assessing the impact that the new and amended standards will have on its consolidated financial statements and has not adopted any of the new requirements.

Additional Information

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