BLUERUSH MEDIA GROUP CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
Dated: November 23, 2012
For the Year Ended July 31, 2012

This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of BlueRush Media Group Corp. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's audited consolidated financial statements and notes thereto as at and for the year ended July 31, 2012 and 2011. 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, 2012 and 2011.

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"). Effective August 1, 2010, the Company's consolidated financial statements have been prepared in accordance with IFRS, and IFRS 1 *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1") has been applied. In previous years, the Company prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Comparative figures presented in this MD&A pertaining to the Company's 2011 results have been restated to be in accordance with IFRS. The impacts of the transition to IFRS on the Company's previously reported financial statements for the period ended July 31, 2011 are presented in note 15 to the audited consolidated financial statements.

All financial information is reported in Canadian dollars.

The MD&A was approved for issue by the Board of Directors on November 23, 2012.

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, 2012 was in line with our expectations and business plan which included a focus on continuing our traditional digital media services business while simultaneously investing in and creating a new "product oriented' business offering focused on recurring revenue. For the year ended July 31, 2012 revenues decreased slightly by approximately 6% or $292,336 compared to the year ended July 31, 2012. We realized a net loss of $481,434 for the year ended July 31, 2012 compared to net earnings of $577,841 for the year ended July 31, 2011.

Our key goals for the digital media services business were to continue serving our existing top tier clients, sign new "high potential" clients, expand our mobile and tablet capabilities, and increase our average project size by engaging in larger more complex projects. Despite the economic headwinds that most businesses faced this past year, we were able to achieve all of our stated goals. We saw a substantial increase in mobile and tablet projects along with more complex engagements for financial calculators and website projects incorporating responsive design. Additionally we had our quality reaffirmed in winning 16 IAC awards for best-in-class offerings making BlueRush Canada's number one rated digital agency.

Our key goals for our product business included completing enhancements to our Digital Reach product platform, identifying and signing a key strategic distribution partner and formulating our go-to-market plan. During the year we completed Digital Reach version 1.0 and announced the signing of a strategic product partnership with Broadridge Financial Solutions to utilize our platform as the foundation for their market leading Smart Advisor offering. We also executed a national survey of the "digital experience & attitudes" of Canadian Financial Advisors in partnership the industry leading Investment Executive newspaper. The results of this proprietary research allowed us to refine our go-to-market plan and tune key features of our product platform.

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, 2012	**July 31, 2011**	**July 31, 2010**
Revenue from Operations	$4,576,397	$4,868,733	$3,650,579
Net (loss) income	$(481,434)	$577,841	$379,936
per share - basic	$(0.015)	$0.018	$0.012
per share - diluted	$(0.015)	$0.017	$0.012
Total Assets	$2,398,818	$2,457,591	$1,868,015
Total Financial Liabilities	$248,889	$360,595	$409,238
Shareholders' equity	$1,594,744	$1,941,976	$1,308,907

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

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

RESULTS OF OPERATIONS (Cont'd)

For the year ended July 31, 2012, BlueRush recorded revenues of $4,576,397 and aggregate expenses of $5,124,716. The Company recorded a net loss of $481,434 or $0.015 per share. This compares with revenues of $4,868,733 and net earnings of $577,481 or $0.018 per share for the year ended July 31, 2011.

This decrease in revenue of approximately 6% is the result of the timing of our revenue recognition due to the number of project milestones uncompleted at the year-end date. Deferred revenue was $555,185 as of July 31, 2012 compared to $155,020 as of July 31, 2011. When combined, year over year revenue plus deferred revenue is $5,131,582 for 2012 versus $5,023,753 for 2011, an increase of 2%.

The Company's annual increase in expenditures over fiscal 2011 was 25% which were mainly related to increasing our staff at our Toronto and Montreal offices. Our salaries and benefits expense increased by approximately 29% since fiscal 2011 and our consulting costs also increased by 29%.

We incurred $129,202 in stock-based compensation for the year ended July 31, 2012 as compared to $55,228 for the fiscal year ended July 31, 2011. Our stock-based compensation is related to the vesting period of our stock options. During fiscal 2012, 2,200,000 stock options were granted and no warrants were issued. During fiscal 2011, no stock options were granted and 250,000 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 using the Black-Scholes Option Pricing Model.

As of the date of our financial statements, the Company has not yet prepared a claim for research and development tax credits for the 2012 tax year. For the year ended July 31, 2011, the Company recognized a recovery of expenses of $197,000 due to its research and development tax credits.

Corporate income taxes for the year ended July 31, 2012 is a recovery of $66,885 as compared to an expense of $196,702 for the year ended July 31, 2011. Our combined corporate tax rate is approximately 27%.

Summary of Quarterly Results:

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

	Quarter Ended (Unaudited)			
	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
	July 31, 2011	**April 30, 2011**	**January 31, 2011**	**October 31, 2010**
Total Revenue	$ 1,123,915	$ 1,346,455	$ 1,348,162	$ 1,050,201
Net income for the period	158,667	149,606	148,772	120,796
Net income per share - basic	0.004	0.005	0.005	0.004
Net income per share - diluted	0.004	0.004	0.005	0.004

Three Months Ended July 31, 2012 and 2011

For the three months ended July 31, 2012, BlueRush recorded revenue of $860,703 and a net loss of $592,148 or $0.019 per share. This compares with revenue of $1,123,915 and a net income of $158,667 or $0.004 per share for the three months ended July 31, 2011.

CASH FLOWS

Year Ended July 31, 2012 and 2011

During the year ended July 31, 2012, the Company used $2,659 in its operating activities as compared to generating $429,306 during the year ended July 31, 2011. The decrease in cash from operating activities was mainly because of our increase in operating expenses. We also collected research and development tax credits during the year of approximately $181,000. We expect cash flows from operations to improve during fiscal 2013.

During the year ended July 31, 2012 cash provided by financing activities was $7,783 as compared to cash used in financing activities of $5,011 in during fiscal 2011. These funds were received from a related party and from the exercise of options at $0.10 per share.

During the year ended July 31, 2012 cash used in investing activities was $27,947 for the purchase of equipment compared to $11,653 for the year ended July 31, 2011. We purchased computer equipment during the current and prior years.

For the year ended July 31, 2012 the Company had a net decrease in cash of $22,823 as compared to a net increase in cash of $412,642 for the year ended July 31, 2011. Our decrease in cash overall was mainly related to a decrease in earnings during 2012.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	July 31, 2012	July 31, 2011
Cash	$674,571	$697,394
Accounts receivable	1,413,876	1,489,953
Income taxes and investment tax credits recoverable	75,386	105,651
Total assets	2,398,818	2,457,591
Total liabilities	804,074	515,615
Shareholders' equity	1,594,744	1,941,976

As at July 31, 2012, the Company had current assets of $2,257,296 and current liabilities of $804,074, resulting in working capital of $1,453,222 as compared to working capital of $1,886,854 as at July 31, 2011.

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 $500,000, of which approximately $442,000 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 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.

During the year ended July 31, 2012, the Company's management handled investor relation activities.

RELATED PARTY TRANSACTIONS

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

Related party transactions were as follows:

a) During the year ended July 31, 2012, the Company granted 600,000 options (2011 – Nil options) to its directors. The vested value of these options was determined to be $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 2012 totaled $535,000 (2011 – 346,462).

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 accounts receivable, 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 23, 2012	32,518,000	$ 757,633

STOCK OPTIONS

The Company had the following stock options outstanding as of November 23, 2012:

Number of Options Outstanding	Exercise Price $	Expiry Date
175,000	0.13	June 10, 2013
450,000	0.10	May 8, 2014
180,000	0.10	March 5, 2015
2,050,000	0.15	May 10, 2022
2,855,000		

SHARE PURCHASE WARRANTS

The Company had the following warrants outstanding as of November 23, 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 12 in the notes to the audited consolidated financial statements for the year ended July 31, 2012. As of July 31, 2012 accounts receivable outstanding over 90 days amounted to $211,432.

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, 2012, the Company had cash on hand of $674,571 and $442,494 available on its line of credit to meet working capital requirements.

Sensitivity Analysis

As at July 31, 2012, 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

In accordance with IFRS 7 and the Company's accounting policies, 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, 2012	July 31, 2011	August 1, 2010
Share capital	$ 742,633	$ 735,683	$ 735,683
Contributed surplus	260,675	133,423	78,195
Retained earnings	591,436	1,072,870	495,029
	$ 1,594,744	$ 1,941,976	$ 1,308,907

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, 2012.

CHANGES IN ACCOUNTING POLICIES

Commencing in fiscal 2012, the Company applied new financial standards, namely the International Financial Reporting Standards ("IFRS"). The implementation of IFRS has been regulated for all public companies in Canada in order to bring a single and uniform set of accounting standards to public companies within all the countries that subscribe to IFRS – which includes the countries within the European Union, Canada and the United States.

Convergence with International Financial Reporting Standards (IFRS) as Issued by the International Accounting Standards Board

In February 2008, the Canadian Accounting Standards Board confirmed that publicly listed companies would be required to adopt IFRS for fiscal years beginning on or after January 1, 2011. The Company adopted IFRS with a transition date of August 1, 2010; accordingly, the Company has reported under these new standards commencing from its first quarter of fiscal 2012, with restatement of comparative information presented.

The Company applied the following optional exemptions to full retrospective application of IFRS and has made the following adjustments to transition from Canadian GAAP to IFRS:

Business Combinations

IFRS 1 allows for IFRS 3 *Business Combinations* to be applied retrospectively or prospectively. The Company elected to adopt IFRS 3 prospectively to business combinations subsequent to the date of transition. Accordingly, all business combinations after August 1, 2010 will be accounted for in accordance with IFRS 3.

Share-Based Payment Transactions

IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company has elected to not apply IFRS 2 *Share-Based Payments* to stock options granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as of August 1, 2010.

Estimates

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening consolidated statement of financial position as of the transition date are consistent with those that were made under Canadian GAAP.

Stock-Based Compensation

The Company issues stock options under its employee stock option plan, which have graded vesting periods and are exercisable up to ten years from the date of grant.

Under Canadian GAAP, the fair value of stock-based awards with graded vesting was calculated as one grant of options at the time of the grant, and the resulting fair value was recognized on a straight-line basis over the vesting period for the entire grant. Under IFRS, each tranche of an award with graded vesting period is considered a separate grant and the resulting fair value is amortized over the vesting period for that tranche.

In order to be compliant with IFRS 2, the Company has changed one aspect of its accounting policies with regards to stock-based compensation expense. This change in policy does not affect the total amount of stock-based compensation to be recognized for each grant of options, however it does affect the timing of expense recognition for these grants. In effect, a greater amount of stock-based compensation will be recognized in earlier periods, with a lesser amount being recognized in later periods.

At the end of each reporting period, the Company re-assesses its estimate of the number of awards that are expected to vest and recognizes the impact of the revisions within stock-based compensation expenses through profit or loss.

The effect of the transition from Canadian GAAP to IFRS is summarized as follows:

Consolidated Statements of Financial Position

	As of July 31, 2011			As of August 1, 2010		
	Canadian GAAP	Effect of Transition to IFRS	IFRS	Canadian GAAP	Effect of Transition to IFRS	IFRS
ASSETS						
Current Assets						
Cash	$ 697,394	$ -	$ 697,394	$ 284,752	$ -	$ 284,752
Accounts receivable	1,489,953	-	1,489,953	1,195,419	-	1,195,419
Prepaid expenses	14,671	-	14,671	13,658	-	13,658
Income taxes and investment tax credits recoverable	105,651	-	105,651	173,608	-	173,608
Advances to related party	2,783	-	2,783	-	-	-
Unbilled revenue	58,865	-	58,865	128,400	-	128,400
Work in process	33,152	-	33,152	13,079	-	13,079
	2,402,469	-	2,402,469	1,808,916	-	1,808,916
Long Term Asset						
Equipment	55,122	-	55,122	59,099	-	59,099
	$ 2,457,591	$ -	$ 2,457,591	$ 1,868,015	$ -	$ 1,868,015
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities						
Accounts payable and accrued liabilities	$ 360,595	$ -	$ 360,595	$ 407,010	$ -	$ 407,010
Deferred revenue	155,020	-	155,020	149,870	-	149,870
Advances from related party	-	-	-	2,228	-	2,228
	515,615	-	515,615	559,108	-	559,108
Shareholders' Equity						
Share capital	735,683	-	735,683	735,683	-	735,683
Contributed surplus	127,685	5,738	133,423	64,918	13,277	78,195
Retained earnings	1,078,608	(5,738)	1,072,870	508,306	(13,277)	495,029
	1,941,976	-	1,941,976	1,308,907	-	1,308,907
	$ 2,457,591	$ -	$ 2,457,591	$ 1,868,015	$ -	$ 1,868,015

Consolidated Statements of Comprehensive Income

	Year Ended July 31, 2011		
	Canadian GAAP	Effects of Transition to IFRS	IFRS
REVENUE	$ 4,868,733	$ -	$ 4,868,733
EXPENSES			
Salaries and benefits	2,037,150	-	2,037,150
Consulting fees	976,923	55,228	1,032,151
General and administrative	573,762	-	573,762
Production costs	346,314	-	346,314
Professional fees	89,183	-	89,183
Stock-based compensation	62,767	(62,767)	-
Amortization	15,630	-	15,630
Total Expenses	4,101,729	(7,539)	4,094,190
NET EARNINGS BEFORE TAXES	767,004	7,539	774,543
Income taxes	196,702	-	196,702
NET EARNINGS AND COMPREHENSIVE INCOME	$ 570,302	$ 7,539	$ 577,841

Consolidated Statements of Cash Flows

The transition to IFRS did not have an impact on the cash flows of the Company.

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 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 has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt 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.