BLUERUSH MEDIA GROUP CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
Dated: November 29, 2010
For the Year Ended July 31, 2010

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, 2010 and 2009. 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, 2010 and 2009. See "Significant Accounting Policies" elsewhere in this MD&A.

All financial data in this MD&A has been prepared in accordance with GAAP. All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

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. (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, 2010 proved to be a very successful year for BlueRush. Through the execution of its business plan, the Company experienced significant growth in revenue generation and profitability. Revenues increased by approximately 26% to $3,650,579 over fiscal 2009 resulting in net earnings of $393,213 for 2010 as opposed to net loss of $85,587 in 2009, both representing new milestones of success for BlueRush.

During the year, the Company experienced a growth in its business to the financial services industry by adding new clients and expanding its deliverables to existing customers. As well, BlueRush continued to add new clients in the Healthcare sector including Eli Lily, Afexa Life Sciences, and CMN (Canadian Medical Networks).

The Company continues to diversify its client base to reduce its reliance on any one client or business segment.

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, 2010	July 31, 2009	July 31, 2008
Revenue from Operation	$ 3,650,579	$ 2,889,501	$ 2,568,612
Net income (loss)	393,213	($85,587)	$214,693
per share - basic	0.012	($0.003)	0.007
per share - diluted	0.012	($0.003)	0.007
Total Assets	$1,739,615	$1,075,813	$1,281,357
Total Financial Liabilities	$430,708	$194,623	$330,985
Shareholders' equity	$1,308,907	$881,190	$950,372

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

RESULTS OF OPERATIONS (Cont'd)

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.

For the year ended December 31, 2010, BlueRush recorded revenue of $3,650,579 and aggregate expenses of $3,100,283. The Company earned a net income of $393,213 or $0.012 per share. This compares with revenues of $2,889,501 and a net loss of $85,587 or $0.003 loss per share for the year ended July 31, 2009.

This increase in revenue of approximately 26% is the result of a resurgence in the marketing initiatives of the companies clients combined with the company's strategic sales effort to diversify its customer base.

At the same time, BlueRush was able to keep the annual increase in expenditures over fiscal 2009 to only 2.7 percent by increasing efficiencies in both labour and production costs, as well as taking advantage of investment tax credits on scientific research and experimental developments claims with the federal and provincial tax authorities.

Summary of Quarterly Results:

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

	Quarter ended (unaudited)			
	July 31, 2010	**April 30, 2010**	**January 31, 2010**	**October 31, 2009**
Total Revenue	$ 997,657	$ 847,862	$ 895,292	$ 909,768
Net income for the period	115,932	19,238	117,277	140,766
Net income per share - basic	0.003	0.001	0.004	0.004
Net income per share - diluted	0.003	0.001	0.004	0.004
	July 31, 2009	**April 30,2009**	**January 31, 2009**	**October 31, 2008**
Total Revenue	$ 695,551	$ 580,644	$ 846,349	$ 766,957
Net income (loss) for the period	(59,287)	(75,527)	29,583	19,644
Net income per share - basic	(0.002)	(0.002)	0.001	0.001
Net income per share - diluted	(0.002)	(0.002)	0.001	0.001

Three Months Ended July 31, 2010 and 2009

For the three months ended July 31, 2010, BlueRush recorded revenue of $997,657 and aggregate expenses of $790,447. The company earned a net income of $115,932 or $0.003 per share. This compares with Revenue of $695,551 and a net loss of $59,287 or $0.002 loss per share for the three months ended July 31, 2009.

CASH FLOWS

Year Ended July 31, 2010 and 2009

During the year ended July 31, 2010, the Company generated $136,808 in its operating activities as compared to using $448,739 during the year ended July 31, 2009.

During the year ended July 31, 2010 cash used in financing activities was $7,794 as compared to NIL in 2009. These funds were used to repay advances from a related party.

During the year ended July 31, 2010 cash used in investing activities was $11,219 for the purchase of equipment compared to nil for the year ended July 31, 2009.

For the year ended July 31, 2010 the Company had a net increase in cash of $117,795 as compared to a net decrease in cash of $448,739 in the year ended July 31, 2009, leaving a cash balance of $284,752 at July 31, 2010 as compared to $166,957 at July 31, 2009.

Three Months Ended July 31, 2010 and 2009

During the three months ended July 31, 2010, the Company used cash of $135,116 in its operating activities as compared to using $102,247 during the three months ended July 31, 2009.

During the three months ended July 31, 2010 the Company used cash of $7,794 in its financing activities compared to nil in 2009. These funds were used to repay advances from a related party.

During the three months ended July 31, 2010 the Company used cash of $5,185 in its investing activities for the purchase of equipment compared to nil for the three months ended July 31, 2009.

For the three months ended July 31, 2010 the Company had a net decrease in cash of $148,095 as compared to a net decrease in cash of $102,247 in the three months ended July 31, 2009, leaving a cash balance of $284,752 at July 31, 2010 as compared to $166,957 at July 31, 2009.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	July 31, 2010	July 31, 2009
Cash	$284,752	$166,957
Accounts receivable trade and other	1,195,419	790,298
Income taxes and investment tax credits recoverable	173,608	(42,135)
Total assets	1,739,615	1,075,813
Total liabilities	430,708	194,623
Shareholders' equity	1,308,907	881,190

As at July 31, 2010, the Company had current assets of $1,680,516, current liabilities of $428,480, resulting in working capital of $1,252,036 as compared to 2009 working capital of $826,673.

The Company's cash and current assets would be sufficient to meet the Company's current financial obligations. The Company continues to have no significant long term debt. As at July 31, 2010, the Company has no off balance sheet commitments for cash resources. The Company has continued to maintain positive cash flow from operation during the year. In addition, BlueRush has a line of credit of $250,000, which to date it has not drawn on.

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

During the year ended July 31, 2010, 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 during the year ended July 31, were as follows:

a) During the year, the Company granted 180,000 options to its directors.
b) During the year, the Company repaid $7,794 of its advances from an officer and directors to the Company
c) Included in consulting expenses is an amount of $12,500 (2009 – nil) for consulting fees paid to a Company owned by the Chief Financial Officer for services rendered.
d) Included in consulting expenses is an amount of $61,300 (2009 - $49,797) for consulting fees paid to a Company owned by the former Chief Financial Officer for services rendered.

OFF-BALANCE SHEET ARRANGEMENTS

There is no significant off-balance sheet arrangements.

MANAGEMENT OF CAPITAL

The Company considers capital stock, contributed surplus and retained earnings as capital and manages its capital to meet its funding requirements for ongoing operations.

The Company includes the following in its capital as at July 31:

	2010	2009
Shareholders' equity comprised of		
Capital stock	**735,683**	735,683
Contributed surplus	**64,918**	30,414
Retained earnings	**508,306**	115,093
	$ 1,308,907	$ 881,190

MANAGEMENT OF CAPITAL (Cont'd)

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 shareholder value by increasing shareholders' equity; and

(c) to maintain a flexible capital structure which optimizes 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; and

(b) 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, 2010.

FINANCIAL INSTRUMENTS

Fair Value

The carrying values of accounts receivable, accounts payable and accrued liabilities approximate fair values due to the relatively short term of these instruments. Advances from related parties are non-interest bearing and do not have fixed terms of repayment. As such the fair value is not reliably determinable.

Credit Risk

Credit risk arises from the possibility that the entities to which the Company provides services may experience financial difficulties and be unable to fulfill their contractual obligations. The Company mitigates its credit risk by setting credit policies and by proactively managing the credit exposure to individual accounts. The Company is exposed to significant credit risk to one customer as described in Note 12 to the audited financial statements.

FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk

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.

The following table shows the Company's liabilities and potential due dates related to the liquidity risk as at July 31, 2010:

	Payments due by period				
	Total	**Less than 1 year**	**1 – 3 year**	**4 – 5 year**	**After 5 years**
Accounts payable and accrued liabilities	$407,011	$407,011	$ -	$ -	$ -
	$407,011	$407,011	$ -	$ -	$ -

DESCRIPTION OF SECURITIES

Capital Stock

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

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

Consolidated Capitalization

Designation of Security	Amount Authorized or to be Authorized	# of shares outstanding as of July 31, 2010 and November 29, 2010	# of shares outstanding as of July 31, 2009
Common Shares	Unlimited	32,318,000	32,318,000

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

Stock Option Plan

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

The following summarizes the stock option activities:

	2010		2009	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Beginning balance	**2,115,850**	**$ 0.10**	1,525,850	$ 0.10
Granted	**430,000**	**0.10**	590,000	0.10
Expired	**(855,850)**	**0.10**	-	-
Outstanding, end of year	**1,690,000**	**$ 0.10**	2,115,850	$ 0.10
Exercisable	**898,333**	**$ 0.10**	1,242,517	$ 0.10

The Company had the following stock options outstanding under the Plan at July 31, 2010. Each option granted allows the holder to purchase one common share at the exercise price.

Number of Options	**Exercise Price**	**Expiry Date**
70,000	$ 0.10	August 31, 2011
425,000	$ 0.10	November 20, 2012
175,000	$ 0.13	June 10, 2013
590,000	$ 0.10	May 8, 2014
180,000 (i)	$ 0.10	March 5, 2015
250,000 (i)	$ 0.10	March 15, 2015
1,690,000		

(i) Issued to directors on March 5, 2010. Options vest as to 50% at the date of grant and 50% on March 5, 2011.

(ii) Issued to consultant on March 15, 2010. Options vest as to one third at the date of grant and as to one third on March 15, 2011 and one third on March 15, 2012.

STOCK-BASED COMPENSATION

During the year ended July 31, 2010, stock-based compensation for all vested options was $34,504 (2009 - $16,405), which was credited to contributed surplus. During fiscal 2010, the Company granted 430,000 (2009 – 590,000) options to directors and a consultant of the Company. The weighted average fair value of the options granted in fiscal year 2010 was estimated at $0.09 (2009 - $0.05) by using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

	2010	2009
Risk-free interest rate	2.00%	2.19%
Dividend yield	0%	0%
Volatility	170%	187%
Expected life	5 years	5 years

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

As at November 29, 2010, there has been no change in the number of shares outstanding in the company as compared to July 31, 2010. Subsequent to July 31, 2010, the Company issued an additional 250,000 stock options to a consultant at $0.10 per option expiring August 2015. Therefore, the total number of options outstanding as of November 29, 2010 is 1,940,000 (July 31, 2010 – 1,690,000).

CHANGES IN ACCOUNTING POLICIES

Effective August 1, 2009, the Company adopted prospectively the following new CICA Handbook accounting standards for interim and annual financial statements:

(a) The CICA Handbook Section 3064, Goodwill and Intangible Assets, which replaced CICA Handbook sections 3062 and 3450, Emerging Issues Committee ("EIC") 27 and part of Accounting Guideline 11. The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenue and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intends to reduce the differences with International Financial Reporting Standards ("IFRS") in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard did not have an effect on the financial position or results of operations of the Company.

CHANGES IN ACCOUNTING POLICIES (Cont'd)

(b) In January 2009, the CICA's EIC concluded that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The application of incorporating credit risk into the fair value should result in entities re-measuring the financial assets and financial liabilities as at the beginning of the period of adoption. This abstract should be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. Retrospective application with restatement of prior periods is also permitted. The adoption of this standard did not impact the financial position or results of operations of the Company.

(c) In June 2009, the Canadian Accounting Standards Board ("AcSB") issued the amendments to CICA Handbook Section 3862, Financial Instruments - Disclosures, which reflect the corresponding amendments made by the International Accounting Standards Board to IFRS 7, Financial Instruments: Disclosures, in March 2009. The amendments require that all financial instruments measured at fair value be presented into one of the three hierarchy levels set forth below for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair value of assets and liabilities.

(i) Level 1: Inputs are unadjusted quoted prices of identical instruments in active markets.

(ii) Level 2: Valuation models which utilize predominately observable market inputs.

(iii) Level 3: Valuation models which utilize predominately non-observable market inputs.

The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The amendments to Section 3862 also require additional disclosure relating to the liquidity risk associated with financial instruments (see note 14 to the audited financial statements). The amendments improve disclosure of financial instruments specifically as it relates to fair value measurements and liquidity risk. The adoption of the amendments did not impact the Company's financial position or results of operations. The Company only has Level 1 financial instruments and no amounts have been transferred between Levels during the year.

FUTURE ACCOUNTING CHANGES

Recent accounting pronouncement:

On February 13, 2008, the AcSB confirmed January 1, 2011 as the official changeover date for publicly listed Canadian companies to begin using IFRS in place of GAAP as the basis for preparation of financial statements. Brownstone will adopt IFRS commencing with financial statements for periods starting on August 1, 2011, with comparatives for the same periods in the prior year.

The Company has initiated an IFRS transition project. A diagnostic impact assessment report on the transition to IFRS has been completed and the Company is in the process of preparing a detailed convergence plan which will be completed by the end of the second quarter of 2011.

COMMITMENTS

(a) The Company has the following lease commitments for premises.

2011	$	130,801
2012		117,594
2013		68,384
	$	**316,779**

(b) The Company has entered into a consulting contract in which it has granted the Consultant, 750,000 stock options at a strike price of not less than $0.10 per option and as determined by the value of Company stock at the time such shares granted. Options will be provided as follows: 250,000 at the time of contract signing and was granted in March 15, 2010, and 250,000 in 90 days thereafter, 250,000 in next 90 days thereafter and exercisable over a 5 year term.

(i) The Consultant will also receive 6% commission based on first three years of the business opportunity it brings to the Company. The commission will be paid when such money is received from the contract and not before.

(ii) The Company shall pay the Consultant 3% of sales delivered through distribution channel partners established with their assistance. The commission will last for 5 years after signing up the channel partner.

(iii) If within 2 years post contract signing, with the Consultant, the Company revenues exceed $10 million, and this increase is a result of the channels or ideas that the Consultant directed to the Company, then the Company shall provide the Consultant a bonus consisting of $50,000, payable in either cash or stock at the discretion of the Consultant. Both parties have also agreed to a subsequent bonus of $75,000 payable in either cash of stock at the discretion of the Consultant, when the Company's revenues reaches $20 million, within five years of the engagement and this increase is attributed to channels directed to the Company by the Consultant.

(iv) If the Company required capital to be raised to support the execution of the contract with the Consultant, the Company shall pay the Consultant 7% commission and 7% broker warrants on any financing raised with the assistance of the Consultant. This is only based on the assumption that the Consultant is raising the money and not other parties are receiving such compensation.

ECONOMIC DEPENDENCE

Approximately 41% (2009 - 53%) of the Company's sales are made to two customers. The outstanding accounts receivable from these customers as at July 31, 2010 accounted for approximately 26% (2009 - 39%) of the total accounts receivable.

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.