BLUERUSH MEDIA GROUP CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
Dated: November 28, 2016
For the Year Ended July 31, 2016

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, 2016 and 2015. 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, 2016 and 2015.

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.

This MD&A was approved for issue by the Board of Directors on November 28, 2016.

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, through its wholly owned subsidiary, BlueRush Digital Media Corp., is a digital sales and marketing company which combines leading edge technology with award winning creative design. BlueRush helps companies design, develop and manage their end-to-end digital media strategy. BlueRush has deep roots in the FINTECH (Financial Technology industry) providing services and products to leading financial service organizations. The Company has developed a product suite which provides one to one personalization across the entire customer journey. BlueRush Media Group Corp. is a publicly listed company on the TSX Venture Exchange trading under the symbol "BTV" and is headquartered at 75 Sherbourne Street in Toronto, Canada along with a French bilingual office in Montreal, Quebec.

OVERALL PERFORMANCE

For the year ended July 31, 2016 BlueRush achieved revenues of $3,572,326 compared to $3,925,362 for the year ended July 31, 2015. The Company reported a net loss of $182,303 compared to net earnings of $505,301 in the previous year. Due to the nature of our business, the timing in the completion of projects will differ each quarter depending on the types of projects we are engaged in.

The Company is in the process of transitioning from a services only company to a product and services company. Over the course of the year, resources were focused and actively engaged in the completion of its new product, the regulatory version of DigitalReach™, in conjunction with its partner. The Point of Sale Stage 3 (“POS3”) regulatory deadline for pre-sale delivery of disclosure documents to mutual fund investors was May 30th, 2016. On that day, dealers and advisors were required to send investors Fund Facts disclosure documents before the investor decides to buy a fund. The BlueRush solution is a delivery system that allows investment professionals to access and deliver relevant documents to investors for marketing and sales campaigns, compliance, and regulatory communications. Most of Canada’s major financial brokerage firms have adopted this solution through our partner. Therefore BlueRush was required to meet the regulatory deadline for POS3 of May 30th, 2016, which was met and successfully launched by our partner. The launch of this product has been a key objective of the plan to transition to a product-based company in addition to services. The net result will be a higher and growing proportion of recurring product revenues with potential for broad application beyond the financial services sector.

During the year ended July 31, 2016, the Company continued enhancements to the marketing side of DigitalReach for its major bank and financial clients. All combined, BlueRush now has more than 50,000 financial advisors making use of the DigitalReach platform. This will represent hundreds of thousands of campaigns and millions of emails sent over the course of each year and growing. More specifically the BlueRush product ecosystem generates recurring revenues through a corporate license fee as well as a per user fee. Also during the year the Company continued work on service related projects including tools, calculators, websites and videos. The Company also launched another IndiVideo™ project for a major financial service dealer. The Company is working on integrating DigitalReach with financial tools and IndiVideo enabling advisors in the future to send and personalize content all through the same platform. On the healthcare side, the MCaW or Managing Cancer at Work™ program, a strategic partnership of Johns Hopkins and BlueRush has attracted the interest of major US insurance firms looking to implement the program as part of its sales strategy for related insurance products.

Sales and marketing activities within BlueRush accelerated over the third and fourth quarters of 2016. We have added resources in Quebec and Toronto to ensure sufficient exposure of our new product offerings. We have significantly increased our presence in social media and blogging and we are active in industry related conferences targeting potential clients for our new product launches. These activities together with our use of HUBSPOT, our marketing automation platform, are generating several inquiries and leads from organizations in North America and abroad. While there is a lag between increasing sales activities and results, we are confident that the Company’s new products will gain traction and achieve an increase in revenue and profitability. Furthermore, we intend to grow our channel partner relationships as this model has proven itself to be successful.

OVERALL PERFORMANCE (Continued)

In summary, the results reflect the necessary steps to transition to a higher and growing proportion of recurring product-based revenues as a compliment to service based revenues. Management expects this will have a positive influence on future profitability and cash flows as our products gain traction in the market. That being said we will need to make the appropriate investments to ensure success and will continue to do so.

The information on our website www.BlueRush.com reflects the new changes in the Company's direction. Product sites for DigitalReach, www.digitalreach.ca and Individeo, www.individeo.com were launched this year. The Company will also commit to regular updates to its site and social media activities.

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, 2016 and 2015, is as follows:

	As of July 31, 2016	As of July 31, 2015
Total Assets	$ 4,402,492	$ 4,321,587
Total Financial Liabilities	1,888,985	1,522,255
Deferred Revenue	203,012	347,575
Deferred Taxes	117,018	75,977
Shareholders' Equity	2,193,477	2,375,780

	For the Years Ended		
	July 31, 2016	July 31, 2015	July 31, 2014
Revenue from Operations	$ 3,572,326	$ 3,925,362	$ 4,043,947
Net (loss) earnings	(182,303)	505,301	(182,123)
per share - basic	(0.006)	0.016	(0.006)
per share - diluted	(0.006)	0.016	(0.006)

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

For the year ended July 31, 2016, BlueRush recorded revenues of $3,572,326 and aggregate expenses of $3,713,588. The Company reported a net loss of $182,303 or $0.006 per share. This compares with revenues of $3,925,362 and net earnings of $505,301 or $0.016 per share for the year ended July 31, 2015.

RESULTS OF OPERATIONS (Continued)

We incurred an overall decrease in revenue of approximately 9% since the prior fiscal year, excluding deferred revenue of $203,012 which is revenue billed on incomplete projects at year end and excluding customer deposits of $256,595. Our overall traditional service revenues have decreased by approximately 10.5% or $365,884 mainly due to financial clients curbing expenditures and from increasing competition and efforts to complete work internally. Our licensing revenues from our products have increased 3% or $7,466 since the prior fiscal year. License revenues for the regulatory side of DigitalReach began in June and make up only two months of the past fiscal year. Our new focus is on product and licensing revenues versus our traditional service revenues. We expect that our licensing revenues will continue to increase as our products discussed above gain more traction in the market. Sales efforts in our traditional services area are now focused on those clients that will generate a projected minimum amount of business that achieve a specified target margin.

The regulatory version of DigitalReach became available for use upon the regulatory deadline for POS3 of May 30th, 2016. Since this product became available for use, we discontinued capitalizing the costs and began amortizing these costs over their expected useful life to the Company.

The Company's annual increase in expenditures from fiscal 2015 was approximately 11.5%. The main reason for the increase was an increase in sales and marketing and related expenses of approximately $60,000 where we continue to implement our sales and marketing plan for our new products.

A claim was recorded for Scientific Research and Development ("SRED") Tax Credits of $239,721 which reduced salaries expense by $118,078 and reduced intangible assets by $121,643. The SRED tax credits have been recorded as investment tax credits refundable on our consolidated statement of financial position. These claims are subject to audit by Canada Revenue Agency ("CRA") and any adjustments that result could affect investment tax credits recorded in the consolidated financial statements.

The Company has also applied for new Ontario Interactive digital media tax credits for the fiscal 2012, 2013 and 2014 fiscal years, which amount to $37,534, $90,206 and $110,060, respectively. Since the Company has no history of receiving these claims they will not be recognized until they have been approved by the Canada Revenue Agency ("CRA"). The Company is also in the process of completing the same applications for the 2015 and 2016 fiscal years but they have not yet been filed with CRA.

Salaries and benefits (before accounting for SRED and salaries capitalized to intangibles) increased by approximately 8% from the prior year, and increased overall by 2%. Our consulting costs (before accounting for amounts capitalized to intangibles) increased by approximately 40% as we required additional outside consultants to help assist with specific implementation of our new product in order to meet the regulatory deadline for POS3 of May 30th, 2016. After accounting for amounts capitalized to intangibles, our consulting costs decreased by approximately 9% overall since the prior year. We have been carefully monitoring the amount of staff and use of outside contractors to correspond with our projects in progress in an effort to reduce and control overall costs.

Corporate income tax expense for the year ended July 31, 2016 was $41,041 and $90,724 for the year ended July 31, 2015. Our combined corporate tax rate is approximately 26%. The Company has available $532,271 of federal non-capital losses and $1,270,503 Quebec non-capital losses to offset future taxable income, as well as $670,062 federal and Ontario non-refundable ITCs available to reduce future taxes payable.

RESULTS OF OPERATIONS (Continued)

Summary of Quarterly Results:

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

	Three months ended (unaudited)			
	July 31, 2016	**April 30, 2016**	**January 31, 2016**	**October 31, 2015**
Total Revenue	$ 857,363	$ 737,320	$ 988,339	$ 989,304
Net (loss) earnings for the period	(37,383)	(268,698)	87,003	36,775
Net (loss) earnings per share - basic	(0.001)	(0.008)	0.003	0.001
Net (loss) earnings per share - diluted	(0.001)	(0.008)	0.003	0.001

	Three months ended (unaudited)			
	July 31, 2015	**April 30, 2015**	**January 31, 2015**	**October 31, 2014**
Total Revenue	$ 976,324	$ 760,178	$ 1,003,460	$ 1,185,400
Net earnings (loss) for the period	329,655	(98,309)	121,021	152,934
Net earnings (loss) per share - basic	0.01	(0.003)	0.004	0.005
Net earnings (loss) per share - diluted	0.01	(0.003)	0.004	0.005

Three Months Ended July 31, 2016 and 2015

For the three months ended July 31, 2016, BlueRush incurred revenue of $857,363 and net loss of $37,383 or $0.001 per share. This compares with revenue of $976,324 and net earnings of $329,655 or $0.01 per share for the three months ended July 31, 2015. This decrease in revenue was mainly due to a decrease in contract revenues where financial clients have been increasingly curbing expenditures and also from increasing competition.

CASH FLOWS

Years Ended July 31, 2016 and 2015

During the year ended July 31, 2016, the Company generated $320,622 in net cash from its operating activities as compared to $265,101 during the year ended July 31, 2015. The increase in cash from operating activities was mainly from collection of trade receivables, customer deposits and receipt of prior year ITCs.

CASH FLOWS (Continued)

During the year ended July 31, 2016, net cash used in financing activities was $21,225 as compared to net cash provided by financing activities of $416,890 in fiscal 2015. 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 needs, with interest only payments required for the first year of the loan. 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, with interest only payments required for the first year of the loan. During the year ended July 31, 2016, the Company repaid $21,225 of these loans. With the proceeds received from these loans in the prior year, the term loan from the Canadian Imperial Bank of Commerce of $800,000 was fully repaid during the year ended July 31, 2015.

During the year ended July 31, 2016 net cash used in investing activities was $351,754 as compared to net cash used in financing activities of $274,729 during the year ended July 31, 2015 which was mainly from net expenditures and recoveries incurred for internally generated intangible assets (Digital Reach, SmartAdvisor, Individeo and Managing Cancer at Work). The Company also purchased $9,117 of computer equipment compared to purchases of $1,188 for the year ended July 31, 2015.

For the year ended July 31, 2016 the Company had an overall net decrease in cash of $53,414 as compared to a net increase in cash of $497,443 for the year ended July 31, 2015. Our overall net decrease in cash overall was mainly related to funding our intangible assets in the current year, whereas proceeds were received from our new term loans in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights		July 31, 2016		July 31, 2015
Cash	$	2,068,136	$	2,121,550
Accounts receivable		733,540		860,105
Income taxes and investment tax credits recoverable		943,161		885,040
Total assets		4,402,492		4,321,587
Total liabilities		2,209,015		1,945,807
Total equity		2,193,477		2,375,780

As at July 31, 2016, the Company had current assets of $3,256,629 and current liabilities of $1,139,611, resulting in working capital of $2,117,018 as compared to working capital of $2,749,921 as at July 31, 2015. 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.

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 needs. The term loan is interest bearing at prime rate plus 3.15% per annum. Interest only payments were required until June 2016 (12 months); thereafter monthly principal payments of $16,665 plus interest are due until May 2021 (59 months), with the final payment of $16,765 due June 2021.

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 due July 2016, thereafter monthly principal payments of $4,160 plus interest are due until June 2021 (59 months).

LIQUIDITY AND CAPITAL RESOURCES (Continued)

The Company intends to use the proceeds of the above terms loans to fund its marketing and sales force for its new products and to also fund new developments in current and future products.

BlueRush also had available a revolving line of credit in the form of an overdraft on its chequing account with CIBC to a maximum of $1,000,000 or the aggregate of 75% of accounts receivable under 90 days and 40% of work in process and unbilled disbursements (to a maximum of $500,000). The credit facility was interest bearing at the CIBC prime rate plus 1.50% per annum. The credit facility was cancelled during the year ended July 31, 2016 as the Company no longer required the availability of these funds.

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, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 5105. Lease commitments are outlined in BlueRush's audited consolidated financial statements.

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 further development of internally generated intangible assets and general purchases of computer equipment and furniture.

During the year ended July 31, 2016, 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.

Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. For the year ended July 31, 2016, salaries and fees paid to key management personnel amount to $440,192 (2015 - $404,077), of this amount $50,000 (2015 - $50,000) is recorded in professional fees and $26,191 (2015 - $Nil) is recorded in consulting fees, $136,328 (2015 - $99,761) were capitalized as intangible assets and $227,673 (2015 - 254,316) is recorded in salaries and benefits.

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 judgments about matters that may be uncertain and changes in these estimates could materially impact the financial statements.

CRITICAL ACCOUNTING ESTIMATES (Continued)

The key sources of estimation uncertainty at statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below:

Revenue Recognition

Revenue from contracts is recognized based on the proportion of total project contract costs incurred for work performed at the statement of financial position date compared to the estimated total project contract costs to complete the project. Management is required to make judgmental estimates on the total project contract costs to complete the project. These judgments will affect the amount of revenue recognized as well as the reported amounts of 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 judgments of the amount of investment tax credits that the Company will be able to claim. In order to make this estimate, management utilizes a specialist consultant to prepare the appropriate claim forms. These judgments will affect the reported amounts of investment tax credits refundable and salaries and wages expense. Management also exercises judgment in determining the timing of ITCs recorded as an asset which have not yet been applied to reduce taxes payable and in determining the portion that the Company expects will be received within one year of the statement of financial position date.

The Company estimates the probability that taxable profits will be available to offset against deductible temporary differences which give rise to deferred tax assets and the utilization of investment tax credits recoverable. The ultimate realization of the deferred tax assets and investment tax credits recoverable is dependent on the generation of future taxable income during the year in which the temporary differences and investment tax credits recoverable are deductible.

Capitalization of Development Costs

Management exercises judgment when establishing whether the criteria under IAS 38, Intangible Assets, for development costs have been met, specifically the technical feasibility of the products in development and the ability to generate probable economic future benefits.

Impairment of intangibles

Intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount or if the intangibles are not yet in use. The recoverable amount is determined with reference to the fair value of the intangibles less costs of disposal or the value-in-use calculations. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where recoverable amount is determined to be less than the carrying amount, an impairment loss may arise. Management exercises significant judgment and assumptions when determining the recoverable amount of intangibles.

SHARE CAPITAL

The Company has authorized an unlimited number of common shares and has 32,593,000 (2015 - 32,593,000) common shares issued and outstanding at the date thereof.

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.

STOCK OPTIONS

The Company grants stock options to eligible directors, officers, key employees and consultants under its stock option plan to enable them to purchase common shares of the Company. Under the terms of the plan, the number of common shares which may be issued pursuant to the exercise of options granted under the plan may not exceed 20% (2015 - 20%) of the number of common shares outstanding at the time of grant.

The exercise price of an option granted under the plan cannot be less than the closing price of the common shares on the last day on which the common shares trade prior to the grant date of the option. An individual can receive grants of no more than 5% of the outstanding shares of the Company on a yearly basis and options are exercisable over a period not exceeding ten years. Options vest according to the contract terms which range over a period of two to three years.

A summary of the status of the Company's stock options as at July 31, 2016 and changes during the years then ended is presented below:

	Number of Options		Weighted Average Exercise Price
Outstanding - beginning of year	2,050,000	$	0.15
Granted	-		-
Exercised	-		-
Expired	(175,000)		0.15
Outstanding - end of year	1,875,000		0.15
Exercisable - end of year	1,875,000		0.15

The weighted average remaining contractual life of stock options as of July 31, 2016 is 5.78 years (2015 - 6.78 years).

The Company had the following stock options outstanding as of July 31, 2016:

Number of Options Outstanding	Exercise Price $	Expiry Date
1,875,000	0.15	May 10, 2022

SHARE PURCHASE WARRANTS

A summary of the status of the Company's warrants as at July 31, 2016 and changes during the years then ended is presented below:

	Number of Warrants		Weighted Average Exercise Price
Outstanding - beginning of year	250,000	$	0.10
Granted	-		-
Exercised	-		-
Expired	(250,000)		(0.10)
Outstanding - end of year	-		-

FINANCIAL INSTRUMENTS

Credit Risk

BlueRush is exposed to credit risk on its trade accounts receivable. Credit risk is minimized by ensuring the credit worthiness of the entities with which it carries on business. The Company's clients predominantly consist of financial institutions and large public companies, many of whom are repeat clients and have long term relationships with the Company. Management regularly reviews the credit terms and collectability of accounts.

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 and on its term loans which are repayable in 60 monthly instalments of approximately $16,665 and $4,160 beginning in July 2016. 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, 2016, the Company had cash on hand of $2,068,136 and accounts receivable of $733,540 to meet working capital requirements.

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

Market Risk

The Company is exposed to risks from changes in foreign exchange rates and interest rates that affect its financial liabilities, financial assets and future transactions.

FINANCIAL INSTRUMENTS (Continued)

Currency Risk

Foreign currency risk arises from fluctuations in foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. Consequently, some assets, liabilities, revenues and purchases are exposed to foreign exchange fluctuations. As at July 31, 2016, cash and accounts receivable of $700,595 and $66,340 (2015 - $539,314 and $46,535), respectively, are shown in US dollars and converted into Canadian dollars at the year end exchange rate of 1.3041 (2015 - 1.3047). For the year ended July 31, 2016, the Company recognized a gain on foreign exchange of $3,292 (2015 - $89,960) as a result of the appreciation of the US dollar. The potential effect of a 5% increase or decrease in US currency held by the Company would result in an increase or decrease in net earnings of approximately $38,000 (2015 - $28,000).

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 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, 2016		July 31, 2015
Share capital	$	774,883	$	774,883
Contributed surplus		336,551		336,551
Retained earnings		1,082,043		1,264,346
	$	2,193,477	$	2,375,780

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.

MANAGEMENT OF CAPITAL (Continued)

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, 2015.

Accounting Standards Not Yet Effective

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

(a) IFRS 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, 2018, with early adoption permitted.

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

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. IFRS 15 was issued in May 2014 and applies to an annual reporting period beginning on or after January 1, 2018, with early adoption permitted.

(c) IFRS 16, Leases (“IFRS 16”)

IFRS 16 was issued in January 2016, and replaces IAS 17, Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. The most significant effect expected of the new requirements will be an increase in lease assets and financial liabilities for lessees with material off-balance sheet leases. IFRS 16 is required for annual periods beginning on or after January 1, 2019 with early adoption permitted.

The Company is in the process of assessing the impact that the new 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.com or under the Company’s profile on SEDAR at www.sedar.com.