BLUERUSH MEDIA GROUP CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
Dated: April 2, 2018
For the Three and Six Months Ended January 31, 2018

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, 2017 and 2016. 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, 2017 and 2016.

The Company prepares and files its interim financial statements and MD&A in Canadian dollars and in accordance with International Financial Reporting Standards, ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com and at our website www.bluerush.ca.

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

The MD&A was approved for issue by the Board of Directors on April 2, 2018.

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"), through its wholly owned subsidiary, BlueRush Digital Media Corp., offers a SaaS-based content engagement platform that enables organizations to achieve greater engagement and conversion metrics with existing customers and new prospects. Its flagship product, DigitalReach™, provides personalization, distribution and tracking of content to ensure control over what content is distributed to whom. BlueRush recently launched Individeo™, an interactive personalized video platform that provides AI-driven video content in an easy to understand, entertaining and compelling manner. The Company's suite of products is proven to improve marketing and sales performance and generate greater client satisfaction and loyalty. The Company is publicly listed 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

Overall revenues for the three months ended January 31, 2018 grew 19% compared to the three months ended October 31, 2017. *The Company anticipates that the primary driver of shareholder value going forward will be the growth of our Software as a Service (SaaS) business.* The SaaS portion of revenues increased $27,079 or 5% for the six months ended January 31, 2018 as compared to the six months ended January 31, 2017. Subscriptions and support revenues were $527,105 or 34% of total revenues of $1,546,597 for the six months ended January 31, 2018.

Management accredits this significant increase to our continued investment in our core technologies, excellent service delivery and new investments in sales and marketing.

Overall revenues grew 3% for the six months ended January 31, 2018 compared to the previous quarter and this growth is an early reflection of our increased emphasis on sales and marketing, channel partners and our ability to grow existing relationships.

The second quarter was an exciting one for BlueRush as we continued our transformation from a Digital Marketing Services company into a SaaS-based business. The Company began to make investments in R&D, Sales and Marketing and we have started to realize the benefits of these investments in an aggressive timeframe.

Within the multi-billion-dollar Financial Technology (Fintech) space, BlueRush's SaaS-based technologies have demonstrated the ability to drive significant business results in the areas of mortgage origination, loan origination, personalized statements and in enhancing the customer journey for insurance-related products.

BlueRush secured a number of new contracts that validate the product roadmap for IndiVideo and DigitalReach™. Both products are gaining increasing traction in the marketplace including a number of notable projects:

- Three new customers were secured for DigitalReach™ including a multi-year SaaS contract with a major Canadian multinational insurance company and financial services provider to distribute content to Advisors and Brokers.
- A contract was signed in Chile whereby IndiVideo will be used to provide Interactive and Personalized Video explanations of pension fund statements to over two million pensioners. This deal was sold through a new channel partner in the South American region and so represents both a powerful new use case for IndiVideo as well as a foray into a new market.
- IndiVideo was used as part of a program delivered for an existing Financial Services client to drive increased deposits and loans. This program delivered to the client the largest spike in deposits in the shortest period of time in its history.
- IndiVideo will be deployed by one of the Big Five banks in Canada to drive mortgage origination off of their main website.

- Individeo was adopted for use by one of the world's largest fund managers to deliver personalized summaries of investment performance for businesses with assets under management. This use case is revolutionary for wealth managers that have been seeking to find ways to leverage digital technology to be of higher value, tailored to each and every client.

BlueRush made two significant additions to the Management Team. Jeff Bilyea joined as VP Strategy and Corporate Development and Ted Mercer, who worked with CEO Steve Taylor at Resolver, joined as VP of Sales. Their professional biographies are as follows:

Jeff Bilyea, VP Strategy and Corporate Development **-** Mr. Bilyea began his career at General Electric (GE) in a digital strategy and corporate development role. His accomplishments include acquisitions and strategic investments in digital platforms globally in order to execute GE's digital strategy.

Post GE, Mr. Bilyea served in a number of senior executive roles focused on growth enabling technologies. Most recently, Mr. Bilyea served at Alvarez and Marsal (A&M) as a senior member of the Growth and Customer Experience practice. Mr. Bilyea's efforts focused on sales growth and digital marketing optimization for both corporate and Private Equity owned portfolio company clients.

Mr. Bilyea completed his BA at Wilfrid Laurier University and his MBA at the Fuqua School of Business, Duke University.

Ted Mercer, VP Sales **-** Ted has worked in sales and sales management for over 10 years. Alongside Steve Taylor, Ted joined the sales team at Resolver, a Governance Risk and Compliance SaaS company. From 2011 to 2017, he provided sales consulting to B2B software companies. In joining BlueRush Ted leads the sales and marketing teams, continually searching for new opportunities.

Ted also has a background in financial services. He qualified as a Chartered Accountant practicing with KPMG, and thereafter performed investment banking functions with Morgan Stanley and KPMG. Ted provided M&A services to Bruce Croxon of the Canadian TV show, Dragons' Den, helping Bruce to invest and grow his portfolio.

There was zero churn in our SaaS business. This is evidence of the quality and stickiness of our software and the solutions we deliver. While our subscription revenue dropped slightly from the previous quarter, this was a reflection of the termination of certain website hosting contracts that are classified within our Subscription and Support revenues. Hosting websites represents a small percentage of our recurring revenue and is not a focus going forward and so we see this change as a reflection and validation of our SaaS focus and it is not a concern for Management.

The sales funnel grew by 400% in the quarter. Our sales team has grown under the leadership of Ted Mercer - from a single Sales Executive (SE) in Q1 to a team of five including two Sales Executives, a Channel Partner Manager, a VP sales who will carry a sales quota and two Sales Development Representatives. The quality and resourcing level of the sales team, along with investments in marketing, will allow us to support an aggressive growth agenda in the coming quarters.

BlueRush has placed a large emphasis on high quality channel partners. Our partner strategy includes growing existing partnerships as well as establishing new partners, some of whom have already begun to deliver revenue for us:

- **Kunder** - Kunder is a South American partner that helped BlueRush secure the pension fund project referred to above. Kunder is a leading provider of solutions to the South American financial services market. We will continue to invest in growing this relationship and build on early success.

- **Microsoft** – BlueRush is in the process of migrating our SaaS hosting to Microsoft Azure. While we have not yet achieved specific partner status we are on track to become an Azure partner, which will give us access to the substantial resources Microsoft has available to Azure partners. The transition to Azure is one of the cornerstones of our growth strategy and our technical vision.

- **Broadridge** – the previously announced relationship with Broadridge continues to grow and has significant potential to expand use cases.

- **OneTouch** – OneTouch is a provider of secure Live Video, which is a natural extension of our DigitalReach Roadmap. On March 30 we announced a co-presented webinar with OneTouch as a first step in our go-to-market strategy with them.

We are in active discussions and creating opportunities with a number of other strategic channel partners that give us access to new market opportunities and allow us to quickly expand our technical footprint.

BlueRush continues to deliver world class Digital Marketing Services that are highly complementary to our SaaS strategy. Projects centered on the creation of product specific campaigns designed to drive increase business in no fee chequing accounts, deposit products and loans & mortgages. These initiatives combined BlueRush expertise in driving traffic through paid search, superbly designed UI/UX, landing pages, combined with interactive and personalized videos through IndiVideo. These initiatives surpassed client expectations and delivered best-case results. Two new services clients were added during the quarter.

In Q4 the company will announce details of an 18-month financing package. Management's revenue growth and technical investment strategy will require additional capital. It is expected that this financing will include additional investment from certain members of the Board and Management.

Our software stack has gained substantial traction in the market. Additional investment will allow us to accelerate growth, drive more SaaS billings as a percentage of total revenue and ensure that the substantial opportunity for the BlueRush investors is fully realized.

The information on our refreshed website www.BlueRush.com reflects the new changes in the Company's direction. More information on the BlueRush Saas products can be viewed for DigitalReach, www.digitalreach.ca and Individeo, www.individeo.com. A new product website for FinTools™ will be available shortly.

RESULTS OF OPERATIONS

Certain financial information of the Company as of January 31, 2018 and July 31, 2017 and for the three and six months ended January 31, 2018 and 2017 is provided below:

	As of January 31, 2018 (Unaudited)	As of July 31, 2017 (Audited)
Total Assets	$ 2,923,869	$ 2,495,877
Total Financial Liabilities	1,651,420	1,648,912
Deferred Revenue	277,436	164,248
Deferred tax liability	125,913	125,913
Shareholders' Equity	869,100	556,804

	Three Months Ended		Six Months Ended	
	January 31, 2018 (Unaudited)	January 31, 2017 (Unaudited)	January 31, 2018 (Unaudited)	January 31, 2017 (Unaudited)
Revenue				
Subscriptions and support	$ 247,987	$ 273,759	$ 527,105	$ 500,026
Services	587,903	541,534	1,013,168	1,284,621
Interest	3,917	1,212	6,324	3,726
	839,807	816,505	1,546,597	1,788,373
Cost of Sales				
Subscriptions and support	71,677	159,922	158,233	304,932
Services	323,206	325,686	535,644	608,558
	394,883	485,608	693,877	913,490
Gross profit	444,924	330,897	852,720	874,883
Net loss	$ (774,552)	$ (397,130)	$ (1,073,700)	$ (465,974)
per share - basic	(0.01)	(0.01)	(0.02)	(0.01)
per share - diluted	(0.01)	(0.01)	(0.02)	(0.01)

RESULTS OF OPERATIONS (Continued)

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

For the three months ended January 31, 2018, the Company achieved revenues of $839,807 and incurred net loss of $774,552 or $0.01 per share. This compares to revenues of $816,505 and net loss of $397,130 or $0.01 per share for the three months ending January 31, 2017.

We incurred an overall increase in revenue of approximately 3% since the prior quarter. Our overall traditional Services revenues increased by approximately 9% or $46,369. Our new focus is on Subscription & Support revenue versus our traditional Services revenue. We expect that our Subscriptions & Support revenue will continue to increase as our new 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. At that point 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 for the three months ended January 31, 2018 was approximately 63%. The main reason for the increase was because the Company capitalized less salaries and consulting fees to intangibles than in the prior year and because we have hired more sales and marketing staff.

Our research and development costs increased approximately 57% or $154,973 for the three months ended January 31, 2018 compared to the prior quarter. As mentioned above, a sizable portion of the payroll expense is now allocated to the R&D team and Management plans to continue to increase investment in R&D to enhance the software based on customer feedback, competitive research and our own innovative concepts for product design. Therefore the increase in our R&D costs is in line with our expectations.

Our sales and marketing expenses increased by 51% or $80,346 for the three months ended January 31, 2018 compared to the prior quarter. We also expect sales and marketing costs to increase as we have hired new sales personnel to market our products over the next fiscal year.

A claim was recorded for Scientific Research and Development ("SRED") Tax Credits of $370,186 for the prior fiscal year. Of this claim, the Company expects to receive $227,896 in the upcoming quarters. 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 2013 to 2016 fiscal years, which amount to $90,206, $110,060, $63,074 and $6,860, respectively. Since the Company has no history of receiving these claims they will not be recognized until they have been approved by the CRA.

The Company has available $1,538,096 of federal non-capital losses and $2,309,361 Quebec non-capital losses to offset future taxable income, as well as $812,352 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 the Company's quarterly results for the past two years:

	Three months ended (unaudited)			
	January 31, 2018	**October 31, 2017**	**July 31, 2017**	**April 30, 2017**
Total Revenue	$ 839,807	$ 706,791	$ 684,765	$ 784,819
Net loss for the period	(774,552)	(298,749)	(915,769)	(254,930)
Net loss per share - basic	(0.01)	(0.01)	(0.03)	(0.01)
Net loss per share - diluted	(0.01)	(0.01)	(0.03)	(0.01)

	Three months ended (unaudited)			
	January 31, 2017	**October 31, 2016**	**July 31, 2016**	**April 30, 2016**
Total Revenue	$ 816,505	$ 971,868	$ 857,363	$ 737,320
Net loss for the period	(397,130)	(68,844)	(37,383)	(268,698)
Net loss per share - basic	(0.01)	(0.00)	(0.00)	(0.01)
Net loss per share - diluted	(0.01)	(0.00)	(0.00)	(0.01)

CASH FLOWS

For the Six Months Ended January 31, 2018 and 2017

During the six months ended January 31, 2018, the Company utilized $394,538 in net cash in its operating activities as compared to $217,481 during the six months ended January 31, 2018. The increase in cash utilized in operating activities was mainly from the increase in net loss due to hiring new sales and marketing staff and not incurring any further development costs requiring capitalization.

During the six months ended January 31, 2018, net cash provided by financing activities was $1,120,774 as compared to net cash used in financing activities of $26,963 in the prior quarter. The Company received gross proceeds of $1,300,000, less transaction costs of $45,563, from a private placement in October 2017, and repaid $133,663 of its current term loans. In the prior quarter, the Company received a new term loan of $100,000 less $2,000 in transaction costs, and repaid $124,963 of its current term loans.

During the six months ended January 31, 2018, net cash used in investing activities was $6,364 for the purchase of computer equipment, and the prior quarter incurred $111,318 from expenditures incurred for internally generated intangible assets (Individeo) and $3,323 in purchases of computer equipment. The Company's products are now all available for sale and therefore no further costs will be required to be capitalized until new products are developed.

For the six months ended January 31, 2018, the Company had an overall net increase in cash of $710,354, which was mainly from the proceeds of our private placement, less cash utilized in our operations as discussed above.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	January 31, 2018	July 31, 2017
Working capital	$ 1,293,841	$ 905,911
Cash	1,715,737	1,005,383
Accounts receivable	448,987	632,697
Investment tax credits refundable	227,896	227,896
Total assets	2,923,869	2,495,877
Total liabilities	2,054,769	1,939,073
Total equity	869,100	556,804

As at January 31, 2018, the Company had current assets of $2,430,787 and current liabilities of $1,136,946, resulting in working capital of $1,293,841 as compared to working capital of $905,911 as at July 31, 2017. The Company's cash position continues to be strong and the Company's cash and current assets should be sufficient to meet the Company's current financial obligations.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

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). In October 2016, the Company received an additional $100,000, less transactions costs of $2,000, with the same terms and conditions stated above except the first monthly principal payment of $2,060 plus interest is due in September 2017. Thereafter, monthly principal payments of $1,660 plus interest are due until August 2022 (59 months).

In October 2017, the Company closed a non-brokered private placement and issued 19,999,992 units at a price of $0.05 per unit for gross proceeds of $1,000,000 and 4,444,441 units at a price of $0.0675 per unit for gross proceeds of $300,000.

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

The Company also expects to receive $227,896 from its 2017 SRED claim within the upcoming quarters.

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 general purchases of computer equipment and furniture.

During the six months ended January 31, 2018, 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. The Company's related party transactions for the six months ended January 31, 2018 were all paid to key management personnel and were as follows:

Type of Expense		2018		2017
Salaries and benefits	$	229,923	$	181,441
Professional fees		25,000		25,000
Consulting fees		-		15,000
Transaction costs		8,000		-
Stock-based compensation (i)		131,159		-
		394,082		221,441

RELATED PARTY TRANSACTIONS (Continued)

i) Stock based compensation for officers/directors is comprised of the vested value of 3,500,000 options granted on December 11, 2017 with an exercise price of $0.10 per share.

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.

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 – Services

Revenue from services 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.

Multiple Element - Allocation of Revenue

As the Company enters into transactions that represent multiple element arrangements, estimates are made to determine how consideration is allocated to the separate units of accounting or elements on a relative fair value basis. Changes in the estimates will impact the revenue recognized in the year.

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.

CRITICAL ACCOUNTING ESTIMATES (Continued)

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.

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and has 57,037,433 common shares issued and outstanding as at January 31, 2018 (32,593,000 as at July 31, 2017).

On October 19, 2017, the Company closed a non-brokered private placement and issued:

- 19,999,992 units at a price of $0.05 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of $0.05 for a period of 24 months from the date of issuance.

- 4,444,441 units at a price of $0.0675 per unit for gross proceeds of $300,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of $0.0675 for a period of 24 months from the date of issuance.

DESCRIPTION OF SECURITIES (Continued)

Share issuance costs of $45,564 were incurred related to the above private placement and was deducted from share capital and $569,021 was reallocated to warrants.

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 January 31, 2018	# of shares outstanding as of July 31, 2017
Common Shares	Unlimited	57,037,433	32,593,000

Stock Option Plan

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% 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 as determined by the Board of Directors.

The Company has outstanding options which each can be exercised and exchanged for one common share. A summary of the status of the Company's stock options as at January 31, 2018 and changes during the six months then ended is presented below:

	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	1,375,000	$ 0.15
Granted (i)	3,500,000	0.10
Exercised	-	-
Forfeited/cancelled/expired	-	-
Outstanding - end of period	4,875,000	$ 0.11
Exercisable - end of period	4,875,000	$ 0.11

The weighted average remaining contractual life of stock options as of January 31, 2018 is 4.7 years (July 31, 2017 - 4.78 years).

DESCRIPTION OF SECURITIES (Continued)

Stock Option Plan (Continued)

The Company had the following stock options outstanding as of January 31, 2018:

Number of Options Outstanding and Exercisable	Exercise Price $	Expiry Date
1,375,000	0.15	May 10, 2022
3,500,000	0.10	December 11, 2022
4,875,000		

(i) On December 11, 2017, the Company granted 3,500,000 stock options to certain officers and directors. Each stock option is exercisable into common shares of the Company at an exercise price of $0.10 and vest immediately. The options expire in five years from the date of grant and are subject to a four month hold.

The estimated fair value of the stock options granted was estimated as $0.04 by using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield 0%; expected volatility of 118%; risk free interest rate of 1.55%; and expected life of five years. Stock-based compensation for all vested options for the six months ended January 31, 2018 was $131,159 (six months ended January 31, 2017 - $Nil), which was credited to contributed surplus and expensed to stock based compensation.

Share Purchase Warrants

On October 19, 2017 the Company issued 19,999,992 units at a price of $0.05 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of $0.05 for a period of 24 months from the date of issuance. The estimated fair value of these warrants, as of the grant date, were determined to be $448,950 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield 0%; expected volatility of 118%; risk free interest rate of 1.55%; and expected life of one year.

On October 19, 2017 the Company issued 4,444,441 units at a price of $0.0675 per unit for gross proceeds of $300,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of $0.0675 for a period of 24 months from the date of issuance. The estimated fair value of these warrants, as of the grant date, were determined to be $120,071 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield 0%; expected volatility of 118%; risk free interest rate of 1.55%; and expected life of two years.

DESCRIPTION OF SECURITIES (Continued)

Warrants (Continued)

A summary of the status of the Company's warrants as at January 31, 2018 and changes during the six months then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding - beginning of period	-	$ -
Granted	24,444,433	$ 0.0532
Exercised	-	-
Expired	-	-
Outstanding - end of period	24,444,433	$ 0.0532

The Company had the following warrants outstanding as at January 31, 2018:

Number of Warrants Outstanding	Exercise Price $	Expiry Date	Remaining Life (Years)
19,999,992	0.05	October 19, 2019	1.72
4,444,441	0.0675	October 19, 2019	1.72
24,444,433			

FUTURE ACCOUNTING POLICIES

There have been no new accounting policy updates since the Company's audited financial statements were filed.

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.