BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS
Dated: June 29, 2018
For the Three and Nine Months Ended April 30, 2018

On April 27, 2018, the Company changed its name from BlueRush Media Group Corp. to BlueRush Inc. This management's discussion and analysis of the consolidated financial condition and results of operation ("MD&A") of BlueRush Inc. ("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.com.

The information on our refreshed website www.bluerush.com reflects the new changes in the Company's direction. More information on 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.

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

The MD&A was approved for issue by the Board of Directors on June 29, 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, and the Company's ability to use loss carryforwards.

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, 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 Inc. ("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. On April 27, 2018, the Company changed its name from BlueRush Media Group Corp. to BlueRush Inc.

OVERALL PERFORMANCE

BlueRush Q3 2018 Highlights

- ***SaaS revenue grew 10% in Q3 of 2018 compared to Q3 2017***
- ***Gross Profit grew 83% on the SaaS portion of the business (from 49% in Q3 of 2017 to 82% in Q3 of 2018)***
- ***Overall revenues grew 14% over Q3 2017***

***Growth in the SaaS business* -** Management is pleased to see growth in the recurring revenue component of the business as this has been the key focus of our efforts and investments over the past year.

***DigitalReach and IndiVideo are now driving higher gross margins* -** The dramatic improvement in SaaS gross margins are a direct result of our R&D investments in the past three quarters. DigitalReach and IndiVideo are now deployed on a cost-efficient and multi-tenant environment. We continue our transition away from legacy vendors and toward Microsoft Azure, which we highlighted in the Q2 Interim MD&A.

Measurable results are now driving follow-on business with customers and partners – IndiVideo in particular has demonstrated the ability to drive compelling and measurable results for our customers. These programs are leading to additional opportunities and have become compelling use-cases in our sales process. The video market as a whole is one of the fastest growing segments of online media.

BlueRush is uniquely positioned to exploit the exploding online video segment – IndiVideo is a hyper-scalable personalized video platform that is being used by a growing list of world-class companies. Our book of case-studies continues to grow and the use cases for this platform continue to expand. The vast majority of our opportunities with IndiVideo are greenfield which suggests that we are at the front-end of this market opportunity. Here are some data points on the growth in the online video market:

- Internet video traffic made up 69% of all global consumer Internet traffic in 2017. By 2021 online videos will make up more than 80% of all consumer internet traffic (85% in the US alone) (Cisco 2017).
- In 2018, 2.38 billion people will watch streaming or downloaded video content, and 78% of these views will occur on a mobile device (eMarketer 2018)
- 95% of consumers watch video to learn more about a product or service, at 97% of marketers use video the better covey their brand proposition to customers (HubSpot 2018).

OVERALL PERFORMANCE (Continued)

- Views of branded video content have increase 258% on Facebook and 99% on YouTube as of June 2017, and research shows customers experience a 64% lift in purchase intent after watching a branded video (Tubular Insights 2017).

BlueRush worked on key projects and continued to invest in the development of features and major enhancements for its SaaS based products for IndiVideo and DigitalReach™ to further increase their marketability to major Financial Institutions worldwide. Both products are gaining traction in the marketplace and are seeing a growing pipeline. Here are some highlights:

- Significant enhancements to scalability of Individeo in preparation for ultra-high-volume delivery of personalized videos supporting numerous customer data sets with the highest security standards.
- Design and development of the Mortgage Affordability Individeo for use by one of Canada's top 5 banks and to be deployed for a major Spring Campaign.
- Commenced work on a number of Individeo projects as well as financial tools for a major Ontario-based credit union.
- Set-up and implementation for Carte Wealth Management of DigitalReach for all of its advisor force.
- Next generation version of DigitalReach™, which will include multiple enhancements to both the administrative and marketing sides as well as a new recipient viewer.
- Our distribution partner, Broadridge, has contracted for an enhanced version of SmartAdvisor (Bluerush's white label solution) that offers the potential to be delivered to a wider Broadridge user base.

***We continue to invest in a world-class sales team* -** Under new leadership, significant talent was added to the sales team, the value proposition was further refined and we were able to sign a number of new customers in the Financial Services vertical.

This team is critical to our success in fully realizing the market opportunity in front of us.

***Partners are giving us a global footprint* –** In the Q2 2018 Interim MD&A we announced that we were building a partnership with Microsoft. In Q3 we were able to achieve co-sell status with Microsoft based on our transition to the Azure Cloud platform, which gives us significant sales and marketing leverage on a global scale. We believe strongly that Microsoft has the most robust partner program of any cloud provider as well as the most scalable and secure cloud infrastructure.

We have partnered with a South American company, Kunder, in order to deliver technology and solutions to the South American market. In Q3 we created a unique and first-of-its-kind solution for AFP Habitat whereby two million pensioners would see their monthly pension statements delivered as IndiVideos.

Our partnerships with One Touch and Broadridge continue to develop and we will continue to seek new partnerships that either extend our product capabilities, provide distribution opportunity, or both.

***DigitalReach goes Multi-tenant* –** The DigitalReach platform has been refined and is now a true multi-tenant SaaS platform. This will dramatically lower our cost to implement new clients, open up the tier 2 and tier 3 banks and Credit Unions and deliver efficiencies in terms of support and upgrades. This is one of the most significant milestones achieved in the third quarter in terms of providing a building block for growth in recurring revenue and overall scalability of the business model.

RESULTS OF OPERATIONS

Certain financial information of the Company as of April 30, 2018 and July 31, 2017 and for the three and nine months ended April 30, 2018 and 2017 is provided below:

	As of April 30, 2018 (Unaudited)	As of July 31, 2017 (Audited)
Total Assets	$ 1,968,273	$ 2,495,877
Total Financial Liabilities	1,426,051	1,648,912
Deferred Revenue	191,627	164,248
Deferred tax liability	125,913	125,913
Shareholders' Equity	224,682	556,804

	Three Months Ended		Nine Months Ended	
	April 30, 2018 (Unaudited)	April 30, 2017 (Unaudited)	April 30, 2018 (Unaudited)	April 30, 2017 (Unaudited)
Revenue				
Subscriptions and support	$ 283,038	$ 258,434	$ 810,143	$ 758,459
Services	609,679	524,913	1,622,848	1,809,534
Interest	4,641	1,472	10,966	5,199
	897,358	784,819	2,443,957	2,573,192
Cost of Sales				
Subscriptions and support	51,872	132,204	210,106	437,138
Services	393,164	275,674	928,808	884,237
	445,036	407,878	1,138,914	1,321,375
Gross profit	452,322	376,941	1,305,043	1,251,817
Net loss	$ (684,004)	$ (254,930)	$ (1,757,302)	$ (720,904)
per share - basic	(0.01)	(0.01)	(0.04)	(0.02)
per share - diluted	(0.01)	(0.01)	(0.04)	(0.02)

RESULTS OF OPERATIONS (Continued)

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

For the three months ended April 30, 2018, the Company achieved revenues of $897,358 and incurred a net loss of $684,004 or $0.01 per share. This compares to revenues of $784,819 and a net loss of $254,930 or $0.01 per share for the three months ending April 30, 2017.

We incurred an overall increase in revenue of approximately 14% for the three months ended April 30, 2018 compared to the three months ended April 30, 2017. Our Subscriptions and Support revenues increased by 10% or $24,604 while our overall traditional Services revenues increased by approximately 16% or $84,766. 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 increase in expenditures for the three months ended April 30, 2018 was approximately 83% or $516,931. The main reasons for the increase was because the Company expended more on advertising and promotion of its new products and additional marketing. The Company also hired additional R&D staff, granted and vested new options resulting in stock based compensation expense for new options, and capitalized less salaries and consulting fees to intangibles compared to previous quarters.

Our research and development costs increased approximately 75% or $179,673 for the three months ended April 30, 2018 compared to the three months ended April 30, 2017. 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 139% or $171,032 for the three months ended April 30, 2018 compared to the three months ended April 30, 2017. 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 received $44,617 in the current quarter and expects to receive $183,279 in the upcoming quarters. These claims are subject to audit by Canada Revenue Agency ("CRA") and Revenue Quebec, therefore 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)			
	April 30, 2018	**January 31, 2018**	**October 31, 2017**	**July 31, 2017**
Total Revenue	$ 897,358	$ 839,807	$ 706,791	$ 684,765
Net loss for the period	(684,004)	(774,552)	(298,749)	(915,769)
Net loss per share - basic	(0.01)	(0.01)	(0.01)	(0.03)
Net loss per share - diluted	(0.01)	(0.01)	(0.01)	(0.03)

	Three months ended (unaudited)			
	April 30, 2017	**January 31, 2017**	**October 31, 2016**	**July 31, 2016**
Total Revenue	$ 784,819	$ 816,505	$ 971,868	$ 857,363
Net loss for the period	(254,930)	(397,130)	(68,844)	(37,383)
Net loss per share - basic	(0.01)	(0.01)	(0.00)	(0.00)
Net loss per share - diluted	(0.01)	(0.01)	(0.00)	(0.00)

CASH FLOW

For the Nine Months Ended April 30, 2018 and 2017

During the nine months ended April 30, 2018, the Company utilized $1,227,273 in net cash in its operating activities as compared to $546,558 during the nine months ended April 30, 2017. The increase in cash utilized in operating activities was mainly from the increase in net loss due to hiring new R&D, sales and marketing staff and not incurring any further development costs requiring capitalization.

During the nine months ended April 30, 2018, net cash provided by financing activities was $1,029,139 as compared to net cash used in financing activities of $89,445 during the nine months ended April 30, 2017. The Company received gross proceeds of $1,300,000, less transaction costs of $73,584, from a private placement in October 2017. On April 3, 2018, warrant holders exercised 59,171 warrants at a price of $0.05 and 13,149 warrants at a price of $0.0675 for total proceeds of $3,846. The Company repaid $201,123 of its current term loans during the nine months ended April 30, 2018. During the three months ended April 30, 2017, the Company received a new term loan of $100,000 less $2,000 in transaction costs, and repaid $187,445 of its term loans.

During the nine months ended April 30, 2018, net cash used in investing activities was $23,661 for the purchase of computer equipment, and during the nine months ended April 30, 2018 incurred $152,413 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 nine months ended April 30, 2018, the Company had an overall net decrease in cash of $209,382 which was mainly from the proceeds of our private placement, less cash utilized in our operations as discussed above. This is compared to a decrease in cash of $744,109 for the nine months ended April 30, 2017 which was mainly from cash utilized in operations, expenditures incurred for internally generated capital assets and repayment of term loans.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	April 30, 2018	July 31, 2017
Working capital	$ 674,239	$ 905,911
Cash	796,001	1,005,383
Accounts receivable	444,239	632,697
Investment tax credits refundable	183,279	227,896
Total assets	1,968,273	2,495,877
Total liabilities	1,743,591	1,939,073
Total equity	254,682	556,804

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital

As at April 30, 2018, the Company had current assets of $1,498,351 and current liabilities of $824,112, resulting in working capital of $704,239 as compared to working capital of $905,911 as at July 31, 2017. The Company's decrease in working capital was mainly due to cash utilized in operations. The Company's cash and current assets should be sufficient to meet the Company's current financial obligations.

Sources and Uses of Cash

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 from BDC, 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 was due 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, less transaction costs of $73,584.

On April 3, 2018, warrant holders exercised 59,171 warrants at a price of $0.05 and 13,149 warrants at a price of $0.0675 for total proceeds of $3,846

On June 6, 2018, warrant holders exercised 14,338,459 warrants at a price of $0.05 and 2,564,102 warrants at a price of $0.0675 for total proceeds of $890,000.

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 $183,279 from its 2017 SRED claim within the upcoming quarters.

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.

Commitments and Contractual Obligations

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.

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 nine months ended April 30, 2018 were all paid to key management personnel and were as follows:

Type of Expense		2018		2017
Salaries and benefits	$	379,705	$	258,037
Professional fees		37,500		37,500
Consulting fees		-		15,000
Transaction costs		14,000		-
Stock-based compensation (i)		194,918		-
		626,123		310,537

i) Stock based compensation for officers/directors is comprised of the vested value of 3,500,000 stock options granted on December 11, 2017 with an exercise price of $0.10 per share and 1,750,000 stock options granted on March 7, 2018 with an exercise price of $0.12.

OFF-BALANCE SHEET ARRANGEMENTS

There are no significant off-balance sheet arrangements.

PROPOSED TRANSACTIONS

At present, there are no proposed asset or business acquisitions or dispositions.

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 – 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.

Investment Tax Credits Recoverable

Investment tax credits ("ITCs") 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.

CRITICAL ACCOUNTING ESTIMATES (Continued)

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.

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 and for the nine months ended April 30, 2018 has recorded a bad debts expense of $Nil (nine months ended April 30, 2017 - $Nil).

An analysis of the credit quality of the Company's trade receivables is as follows:

	April 30, 2018	July 31, 2017
Current	$ 335,177	$ 379,097
Past due less than 90 days	99,562	222,202
Past due greater than 90 days	9,500	31,398
Less: Allowance for doubtful accounts	-	-
	$ 444,239	$ 632,697

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, on its bank overdraft which is due on demand and its term loans which are repayable in 60 monthly instalments of approximately $16,665 and $4,160 beginning in July 2016 and $1,660 beginning in September 2017. 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 April 30, 2018, the Company had cash on hand of $796,001 and accounts receivable of $444,239 to meet working capital requirements.

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

FINANCIAL INSTRUMENTS (Continued)

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.

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 April 30, 2018, cash, accounts receivable and accounts payable of $397,277, $24,855 and $Nil (July 31, 2017 - $704,996, $5,895 and $Nil), respectively, are shown in US dollars and converted into Canadian dollars at the period end exchange rate of 1.2836 (July 31, 2017 - 1.2485). For the nine months ended April 30, 2018, the Company recognized a gain on foreign exchange of $10,125 (nine months ended April 30, 2017 - $52,763) 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 and increase or decrease in net earnings of approximately $21,000.

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.

Sensitivity Analysis

As at April 30, 2018, the carrying value and fair value amounts of the Company's financial instruments are approximately the same. The Company does not believe there would be any material movements as a result of changes in interest rates or foreign exchange rates.

Fair Value Hierarchy

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

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and has 71,507,383 common shares issued and outstanding as at June 29, 2018 (32,593,000 as at July 31, 2017).

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.

DESCRIPTION OF SECURITIES (Continued)

The Company had the following stock options outstanding as at April 30, 2018:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price $	Expiry Date
1,375,000	1,375,000	0.15	May 10, 2022
3,500,000	3,500,000	0.10	December 11, 2022
1,500,000	-	0.17	January 29, 2023
1,500,000	-	0.13	March 1, 2023
1,750,000	1,750,000	0.12	March 7, 2023
9,625,000	6,625,000		

The Company had the following warrants outstanding as at April 30, 2018:

Number of Warrants Outstanding	Exercise Price $	Expiry Date	Remaining Life (Years)
19,940,821	0.05	October 19, 2019	1.47
4,431,292	0.0675	October 19, 2019	1.47
24,372,113			

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.