BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: June 28, 2022

For the Three and Nine-Month Periods Ended April 30, 2022

This management's discussion and analysis ("**MD&A**") of the consolidated financial condition and results of operations of BlueRush Inc. ("**BlueRush**" or the "**Company**") should be read in conjunction with BlueRush's unaudited interim consolidated financial statements and notes thereto for the three-month ("Q3 2022") and nine-month ("YTD 2022") periods ended April 30, 2022, as compared with the three-month ("Q3 2021") and nine-month ("YTD 2021") period ended April 30, 2021. Accounting policies followed in the preparation of the interim consolidated financial statements are disclosed in note 3 of the notes to the interim unaudited consolidated financial statements for the three-month and nine-month period ended April 30, 2022 and 2021.

The words "we", "our", "us", "Company" and "BlueRush" refer to BlueRush Inc. and/ or the management and employees of the Company.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The condensed interim consolidated financial statements for three- and nine-months ending April 30, 2022 as compared to the nine months ended April 30, 2021 are incorporated by reference herein and form an integral part of the MD&A. The interim consolidated financial statements are unaudited and include the accounts of BlueRush and its wholly owned subsidiary, BlueRush Digital Media Corp.

All financial information is reported in Canadian dollars ("CAD"), unless indicated otherwise.

This MD&A was approved for issue by the board of directors of the Company on June 28, 2022.

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: account potentials; the Company believing that its customer base sets it up well for accelerated adoption in certain verticals; the Company intending to expand into other verticals; 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 carry forwards; fees to be incurred by foreign subsidiaries; sales momentum from IndiVideo continuing in future quarters; and contract liabilities being recognized over the coming quarters. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company's current views and intentions with respect to future events, and current information available to the Company, and are subject to certain risks, uncertainties and assumptions, including: the Company raising the necessary capital and retaining the required staffing to enter new verticals.

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: the timing of substantial or fully completed IndiVideo projects that have been contracted as at April 30, 2022; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; a novel business model; dependence on key suppliers and local partners; competition; the outcome and cost of any litigation; the general impact of the COVID-19 pandemic; as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in disclosure documents filed by the Company with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this MD&A is made as of the date of this MD&A and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law. The Company's results and forward-looking information and calculations may be affected by fluctuations in exchange rates.

Industry and Market Data

Information contained in this MD&A concerning the industry and the markets in which BlueRush operates, including BlueRush's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), BlueRush's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from BlueRush's internal research, and are based on assumptions made by BlueRush based on such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain sources utilized in this MD&A have not consented to the inclusion of any data from their reports, nor has BlueRush sought their consent. BlueRush's internal research has not been verified by any independent source and BlueRush has not independently verified any third-party information. While BlueRush believes the market opportunity and market share information included in this MD&A is generally reliable, such information is inherently imprecise and may be rendered inaccurate by a variety of factors, including recent events and emerging economic trends. In addition, projections, assumptions, and estimates of BlueRush's future performance and the future performance of the industry and the markets in which BlueRush operates constitute forward-looking statements which are subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to under the heading "Forward-Looking Statements" above and other sections of this MD&A. As of the date of this MD&A, the impacts of the COVID-19 pandemic continue to unfold. It is not possible for BlueRush to reliably estimate the length and severity of these impacts and, as a result, many of our estimates and assumptions contained herein required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods. Readers should carefully review these estimates and assumptions, along with the risk factors contained in "Risks and Uncertainties", in light of evolving economic, political, and social conditions.

Definitions and Discussion on Non-IFRS Measures and Key Metrics

The Company prepares its financial statements in accordance with IFRS. However, in this MD&A, the Company may refer to a number of measures and metrics which we believe are meaningful in the assessment of the Company's performance. Many of these measures and metrics are non-standard measures under International Financial Reporting Standards ("IFRS"), do not have any standardized meaning under IFRS, and are unlikely to be comparable to similarly titled measures reported by other companies. These measures, which it believes are widely used by investors, security analysts and other interested parties to evaluate its performance and may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Readers are cautioned that the disclosure of these items is meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined in accordance with IFRS.

The purpose of these non-IFRS measures and key metrics is to provide supplemental information that may prove useful to readers who wish to consider the impact of certain non-cash or uncontrollable items on the Company's operating performance. Management uses both IFRS and non-IFRS measures when planning, monitoring and evaluating the Company's performance.

Non-IFRS measures include "Committed Annual Recurring Revenue" and EBITDA.

Committed Annual Recurring Revenue (CARR)
The Company uses CARR to evaluate and assess its performance, identify trends affecting its business. CARR does not have a standardized meaning, and therefore may not be comparable to similar measures presented by other companies. CARR is calculated as the subscription and support contracts that are online and delivered to customers at the period end, plus addition of any new customer commitments, multiplied by the expected customer retention rate of 100% and contracted annualized subscription and support fees at the related quarter end. Since some of the contracts are denominated in US dollars, the Canadian dollar equivalent is calculated using the spot exchange rate multiplied by the contracted currency amount.

EBITDA

This MD&A refers to "EBITDA" which is a non-GAAP and non-IFRS financial measure that does not have a standardized meaning prescribed by GAAP or IFRS. The Company's presentation of this financial measure may not be comparable to similarly titled measures used by other companies. EBITDA (earnings before interest, taxation, depreciation and amortization, share-based payments, foreign exchange gain/loss, CEWS/CERS monies claimed, investor relations expenses) is a non-GAAP measure used by management to evaluate operational performance. It is also a common measure that is reported on and used by investors in determining a company's ability to incur and service debt as well as a valuation methodology. Management believes EBITDA enhances the information provided in the Financial Statements. EBITDA is a non-IFRS measure and should not be considered an alternative to operating income or net income (loss) in measuring the Company's performance. EBITDA should not be used as an exclusive measure of cash flows because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows.

NATURE OF THE BUSINESS

BlueRush, through its wholly owned subsidiary, BlueRush Digital Media Corp., develops and markets IndiVideo™, a disruptive interactive personalized video platform that drives return on investment ("**ROI**") throughout the entire customer lifecycle, from increased conversions to more engaging statements and customer care. The platform cost-effectively scales, aligning cost and performance. The platform enables BlueRush clients to capture knowledge and data from their customers' video interactions, creating new and compelling data-driven customer insights. IndiVideo is proven to boost marketing and sales performance, generating a compelling ROI and creating greater customer satisfaction and loyalty.

BlueRush is publicly listed on the TSX Venture Exchange under the symbol "BTV.V" and is headquartered at 75 Sherbourne Street, Suite 112, in Toronto, Ontario. The Company also has a bilingual office in Montreal, Quebec.

OVERALL PERFORMANCE

BlueRush Highlights for the Three-Month and Nine-month Periods Ended April 30, 2022:

- Total revenue increased by 61% or $468,794 from $769,125 in Q3 2021 to $1,237,919 in Q3 2022. Year-to-date total revenue increased by 43% or $1,083,573 from $2,496,911 in Q3 2021 to $3,580,484 in Q3 2022.

- In the first nine months of fiscal year 2022, the Company secured new and expansion committed annual recurring revenue ("CARR") of $873,001, reaching an ending CARR of $3,172,084 as at April 30, 2022, as compared to $2,465,450 as at April 30, 2021.

- Total gross profit came in at $906,706 for Q3 2022, increasing by 66% from $544,949 in Q3 2021. Year-to-date gross profit increased by 69% or $1,075,725 from $1,554,186 in Q3 2021 to $2,629,911 in Q3 2022.

- BlueRush increased its Subscription and Support (SaaS) revenue in Q3 2022 by 13% or $67,005 to $584,883, compared to $517,878 in Q3 2021. For the nine months ended April 30, 2022 the Company achieved SaaS revenue of $1,706,846 up 15% or $219,828 compared to the first nine months of FY21. The revenue growth is primarily due to new customer contracts and upselling to existing customers.

- In the third quarter of 2022, Services revenue increased by 160% or $401,788 from $251,247 to $653,035. Year-to-date total Services revenue increased by 86% or $863,745 from $1,009,893 to $1,873,638. The increase was primarily due to the expansion of services to existing customers.

- Services gross profit came in at $379,656 for Q3 2022, increasing by 224% or $262,302 from $117,354 in Q3 2021. Year-to-date Services gross profit increased by 221% or $739,836 from $334,319 in Q3 2021 to $1,074,156 in Q3 2022.

- Subscription and support gross profit % continued to increase reaching 90% in Q3 2022 compared to 83% in Q3 2021 due to greater deployment efficiencies achieved on the IndiVideo platform.

- On April 5, 2022, the Company issued, on a non-brokered private placement basis to Canadian investors, an aggregate of 8,434,375 Units for gross proceeds of $539,800.

Private Placement Financing of Convertible Debenture Units

On June 6, 2022, the Company announced that it intends to complete a proposed non-brokered private placement (the "Offering") up to 5,000 convertible debenture units (the "Convertible Debenture Units") at a price of US$1,000 per Convertible Debenture Unit, for aggregate gross proceeds of up to US$5,000,000. Each Convertible Debenture Unit will consist of US$1,000 principal amount of a 10.0% unsecured convertible debenture (the "Convertible Debentures") and 12,500 common share purchase warrants (the "Warrants") of the Company.

See the Subsequent Event section below for greater details.

With continued growth in new customers, strong product capabilities, a robust partner network, and continuing market demand for our core products and services, BlueRush anticipates ongoing growth in fiscal year 2022.

MARKET DEMAND AND OPPORTUNITIES

Market demand for video is strong and continues to grow

It's become common knowledge now that video is more appealing than text-based information for most consumers and business leaders. The appeal and popularity of video grew during COVID, when it provided a way for businesses to communicate without the need for in-person interaction, and post-COVID appetite continues to increase in multiple verticles and around the world.

- 80% of people prefer video over written text (Source: Vimeo)

- 50% of internet users view video before making a purchase (Source: Google)
- Most customers (69%) prefer watching videos over reading text to learn about products and services
- 41% of respondents to a Wyzowl survey said videos reduce support calls (*Wyzowl Survey,* 2020)
- Around 1 million videos will be watched per second by 2022 Source: Social Media Today)

Businesses in almost every industry recognize that video is a successful tool to engage, educate and persuade customers. And as their use of video increases, the need to create and deploy videos quickly becomes more urgent for sales, marketing, and customer communications.

BlueRush delivers on this need, helping businesses get the right video to the right person at the right time, through our IndiVideo personalized videos and our IndiVideo SaaS platform.

BlueRush solutions provide customers with relevant, personalized video content in real time, and at all stages of the customer journey. The Company's solutions are designed to increase engagement through all digital channels, leverage advisor productivity and add personalization throughout the customer journey.

As an example, the Customer Communication Management (CCM) industry supports the composition and distribution of transactional documents such as bills, statements and other notifications. This industry is transitioning away from print towards digital, a dynamic that has been accelerated by the Covid-19 pandemic. Video, as an enhancement to these transactional documents, has become a prominent theme in the industry and BlueRush is well positioned to seize the opportunity.

Market trends such as those noted here support the continued demand we anticipate for BlueRush's IndiVideo product.

CLIENT BASE

BlueRush continues to demonstrate the ability to secure relationships with the largest companies in the world

While BlueRush is still in the early stages of its growth strategy, one of its notable qualities is its ability to sell to large, global enterprises. At the close of Q3 2022, BlueRush had contracts with 24 Fortune 500 Companies consisting of:

- Eight major banks
- Five global insurance companies
- Five financial service providers
- Five wealth management firms
- One energy company

This is further validation of the Company's product and service offering.

Once we secure a customer, we have demonstrated that we can retain and grow them.

More significantly, BlueRush has proven the ability to grow existing accounts, as shown in the table below. Every new customer win represents further opportunity for future growth in subscription revenue through the sale of additional videos.

BlueRush's subscription logo retention rate was 91% in Q3 2022 and the majority of BlueRush's IndiVideo customers witnessed improved results driven by IndiVideo.

PARTNER NETWORK

BlueRush continues to grow a high-leverage partner network which expands our exposure to new sectors and new global markets

In Q3 2022, the Company allocated focused internal resources to drive partner success. These efforts resulted in a growing sales funnel from partners that we anticipate will lead to sales growth. Each partner allows BlueRush to lever its sales and marketing efforts to expand its technical offering disclosed below (alphabetically):

Broadridge

Partnership agreement signed in fiscal year 2021: Broadridge helps clients with communications, technology, and data and provides analytics solutions that help transform their businesses. Under a recently announced partnership with BlueRush, Broadridge will integrate BlueRush's IndiVideo technology into its own platform, thus allowing advisors to provide interactive, personalized video communications for client prospecting and ongoing client engagement.

Crawford Partners

Partnership agreement signed in fiscal year 2021: Crawford Technologies is an award-winning, global provider of software solutions and services that help enterprises optimize and improve the security, delivery, storage and presentment of their customer communications.

Doxim

Partnership agreement signed subsequent to July 31, 2021: BlueRush signed a partnership agreement with Doxim, a customer communications and engagement technology company serving financial and regulated industries. The Doxim platform with its suite of integrated, SaaS software and document technology solutions helps clients digitize operations, improve efficiency, and modernize customer experience. IndiVideo is being integrated in the Doxim solution to augment communications through data-driven video.

Nikia Dx

Partnership agreement signed in fiscal year 2019: Nikia Dx is a partner reseller in the financial services, telecommunications, and utilities space. The Nikia Dx ecosystem is a diverse, dynamic technology environment formed to curate innovations in digital interactions and customer engagement. Nikia Dx provides access to customer verticals into which BlueRush would like to expand. BlueRush recently secured its first energy company IndiVideo use case as a result of this partnership.

Percus

Partnership agreement signed in fiscal year 2020: Percus is a provider of technology solutions for financial institutions in Latin America. Its continued success with IndiVideo in South America is a direct result of the first contract they won with AFP Habitat S.A. ("AFP Habitat"), a leading South American financial institution, whereby over two million pensioners see their monthly pension statements delivered together with an IndiVideo.

Quadient

Partnership agreement signed in fiscal year 2021: By focusing on three key solutions, Intelligent Communication Automation, Parcel Locker Solutions and Mail-Related Solutions, Quadient helps simplify the connection between people and what matters. Quadient supports customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. In November 2021, BlueRush received the Global Technology of the Year award from Quadient. BlueRush provides the personalized video solution, IndiVideo, that integrates into Quadient Inspire. Together, BlueRush and Quadient now offer an innovative omnichannel delivery solution for customers, expanding both companies upsell capability and increasing customer satisfaction.

PROPRIETARY TECHNOLOGY

BlueRush's proprietary technology is critical to its success, with numerous features that make the IndiVideo platform attractive to large enterprises

The Company's credibility continues to grow with large enterprise customers and prospects. The Company's success stems from several capabilities.

- *Data handling* - BlueRush's unique ability to deliver personalization without directly handling Personally Identifiable Information ("PII") is attractive to corporations, which increasingly must set the highest standards of data protection.
- *Cost and scalability* – The IndiVideo platform offers a unique and superior capability to render personalized videos at an extremely low-cost relative to that of its competitors while also supporting the required scale of BlueRush's customers. This key feature differentiator is a primary driver for enabling high gross margins from the platform.
- *Creative and functional capability* – The IndiVideo platform readily supports rich data personalization, interactivity, accessibility, calls to action, forms, and embedded calculators. Individuals within organizations can now record and deliver themselves a professional and branded video templates with ease.

BlueRush continually evolves with new features such as Sales and Service Video Enablement

In fiscal year 2020, the Company began to release new features and functionality. In Q4 of fiscal year 2021, BlueRush secured a contract and partnership with Broadridge to provide support for their sales enablement platform. IndiVideo is integrated seamlessly and allows advisors to share and personalize video assets to help book meetings, send follow-up notes and/or publish valuable information to drive customer loyalty. This capability, which allows for salespeople to self-record their own messages and easily share video content, is extendable to all types of sales and service personnel and opens a rapidly emerging and growing revenue stream.

This new IndiVideo capability offering is priced on a per-desktop basis. In the US alone, there are over a million people selling insurance and hundreds of thousands of financial advisors. Given that BlueRush already has 24 financial sector Fortune 500 clients, the opportunity for future growth is apparent.

REVENUE MODELS

Growth of subscription revenue continues to be BlueRush's focus

BlueRush will continue to emphasize its recurring, or SaaS-based, revenue model when selling IndiVideo. The Company already has successfully penetrated the financial service vertical and will continue its aggressive sales approach in this area. With the expanded feature set of IndiVideo, the Company also intends to expand into other verticals including healthcare, telecom, utilities, and consumer. Our expanding partner channel consisting of CCM world-class organizations represents another area of focus and opportunity to drive recurring revenue. The Company continues to target partner opportunities that are projected to yield the greatest ROI.

IndiVideo continues to demonstrate the ability to drive compelling and measurable results for BlueRush customers. These satisfied customers have provided testimonials which have proven very effective in attracting new customers.

Professional Services revenue complements the subscription model

BlueRush has deep roots in providing professional services to large organizations to help them achieve digital transformation. While BlueRush's SaaS product IndiVideo forms a key component of the digital journey, it is but one part of it. The Company continues to provide services strategically to select existing customers and to new customers where there is a high likelihood they will also become customers of IndiVideo.

During fiscal year 2021, the Company added a managed services contract format under its professional services practice. Customers are required to commit to required resources for periods of 12 months or longer. Customers benefit from having the help they need to complete projects and BlueRush is assured it will achieve revenues and healthy margins on the associated work. With a global shortage of qualified digital resources as well as BlueRush's track record of success in this area, the Company is optimistic it will be successful in attracting new business from professional services practices.

RESULTS OF OPERATIONS

The following table provides selected financial position data for the three-month and nine-month periods ended April 30, 2022 and for the year ended July 31, 2021, in Canadian dollars, which has been derived from the unaudited condensed interim consolidated financial statements for the three-month and nine-month periods ended April 30, 2022 and the audited consolidated financial statements for the years ended July 31, 2021, which have been prepared in accordance with International Financial Reporting Standards.

		As at Apr. 30, 2022		As at July 31, 2021
Total Assets	$	2,565,688	$	3,675,587
Non-current financial liabilities		759,410		742,279
Total Shareholders' Equity (Deficit)		(1,643,284)		(112,296)

The following table summarizes BlueRush's results of operations for the three-month and nine-month periods ended April 30, 2022 and 2021. The selected financial information set out below is in Canadian dollars and has been derived from the unaudited condensed interim consolidated financial statements for the three-month and nine-month periods ended April 30, 2022 and 2021, which have been prepared in accordance with International Financial Reporting Standards.

	Three Months Ended				Nine Months Ended			
		Apr. 30, 2022		Apr. 30, 2021		Apr. 30, 2022		Apr. 30, 2021
Revenue								
Subscriptions and support	$	584,883	$	517,878	$	1,706,846	$	1,487,018
Services		653,036		251,247		1,873,638		1,009,893
		1,237,919		769,125		3,580,484		2,496,911
Cost of Sales								
Subscriptions and support		57,834		90,283		151,090		267,151
Services		273,379		133,893		799,483		675,574
		331,213		224,176		950,573		942,725
Gross profit		906,706		544,949		2,629,911		1,554,186
Net comprehensive loss	$	718,198	$	1,046,363	$	2,408,310	$	3,018,652
per share – basic and diluted		(0.004)		(0.007)		(0.015)		(0.029)

For the three months ended April 30, 2022, BlueRush generated revenue of $1,237,919, cost of sales of $331,213, aggregate expenses of $1,627,673, other income of $122 and a deferred tax recovery of $2,646, resulting in a net comprehensive loss of $718,198 or a net loss per share of $0.004. This is in comparison to revenue of $769,125, cost of sales of $224,176, aggregate expenses of $1,696,769, other income of $102,457 and a deferred income tax recovery of $2,489, resulting in a net comprehensive loss of $1,046,874, or $0.007 per share for Q3 2021.

For the nine months ended April 30, 2022, BlueRush generated revenue of $3,580,484, cost of sales of $950,573, aggregate expenses of $5,059,905, other income of $13,866 and a deferred tax recovery of $7,818, resulting in a net comprehensive loss of $2,408,310 or a net loss per share of $0.015. This is in comparison to revenue of $2,496,911, cost of sales of $942,725, aggregate expenses of $4,977,304, other income of $382,246 and a deferred income tax recovery of $22,220, resulting in a net comprehensive loss of $3,018,652, or $0.029 per share for Q3 2021.

In Q3 2022, total revenue increased by 61% or $468,794 compared to Q3 2021. In the first nine months of fiscal year 2022, total revenue increased by 43% or $1,083,573. Subscriptions and support revenue increased by 13% or $67,005 in Q3 2022 and by 15% or $219,828 in the first nine months of fiscal year 2022 due to new and expansion subscription revenue. Services revenue increased by 160% or $401,788 in the third quarter of fiscal year 2022 and by 86% or $863,745 in the first nine months of fiscal year 2022 due to the expansion from existing clients during Q3 2022. BlueRush expects that its Subscription and support revenue will continue to increase as IndiVideo gains more traction in the market, and as CARR translates into recognizable revenue.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Various levels of government and the Bank of Canada have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. The efficacy of the government and the Bank of Canada's intervention to support business has come in various forms including Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) as temporary measures. The CEWS program provides government assistance in the form of wage subsidy for qualifying businesses faced with specified levels of revenue decline designed to either retain workforce on payroll or to re-hire furloughed employees. The CEWS program is applicable from March 15, 2020 to October 23, 2021 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program. The CERS program became available retroactively from September 27, 2020 to October 23, 2021. The CERS legislation is built on the same revenue decline mechanics used by the CEWS program and is intended to provide a subsidy to qualifying businesses to cover a portion of commercial rent or property expenses. The CEWS program is applicable from March 15, 2020 to October 23, 2021 for eligible entities that have experienced a reduction in gross revenue for the period as determined by the program. The Company has elected to compare the revenue during the availability period to the average of January and February 2020 revenues and are being calculated on accrual basis and included on a gross basis. Per program guidance, the Company determined it qualified for subsidies of $11,570 during the first nine months of fiscal year 2022 (2021 - $381,541), deemed as other income, during the eligibility period using pre-crisis baseline remuneration.

The assistance received from CEWS will reduce the amount of remuneration expenses eligible for other federal tax credits calculated on the same remuneration, such as Scientific Research & Experimental Development (SR&ED) investment tax credits for the Company.

The Company's total expenses in the first nine months of fiscal year 2022, excluding cost of sales, increased by approximately 2%, or $82,601 from the same period in the prior year due mainly to the investment in additional headcount to support the development of the IndiVideo platform to include self-serve functionality aimed to improve the scalability and adaptability of the platform architecture as well as additional headcount to drive IndiVideo sales, partially offset by the decrease in interest and finance charges related to the private offering transaction in January 2021. In Q3 2022, total expenses decreased by $72,544 or 4% compared to Q3 2021.

As at April 30, 2022, the statement of financial position includes a receivable of $312,486 for SRED tax credits relating to fiscal year 2021 and 2020 as compared to a receivable of $372,241 as at July 31, 2021. The decrease in the receivable balance from July 31, 2021 to April 30, 2022 is the result of the receipt of refunds from the Canada Revenue Agency. The SRED tax credits have been recorded as ITCs on the Company's consolidated statement of financial position and represented the refundable portion of tax credits receivable. These claims are subject to audit by Canada Revenue Agency and Revenue Quebec and any adjustments that result could affect investment tax credits recorded in the consolidated financial statements.

Summary of Quarterly Results:

The following is a summary of the Company's past eight quarters which were prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Statements* and presented in Canadian dollars, which should be read in conjunction with the interim consolidated financial statements of the Company:

	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021
Total Revenue	$ 1,237,919	$ 1,232,487	$ 1,110,078	$ 1,177,492
Net loss for the period	(718,198)	(705,251)	(984,861)	(1,109,920)
Net loss per share – basic & diluted	(0.004)	(0.004)	(0.01)	(0.01)

	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
Total Revenue	$ 769,624	$ 891,343	$ 836,511	$ 806,721
Net loss for the period	(1,046,874)	(1,396,397)	(575,380)	(727,903)
Net loss per share – basic & diluted	(0.01)	(0.02)	(0.01)	(0.01)

SaaS Metrics

Below are selected SaaS Metrics for Q3 2022 and Q3 2021:

	Three months ended (unaudited)		Nine months ended (unaudited)	
	April 30, 2022	April 30, 2021	April 30, 2022	April 30, 2021
Starting CARR	$ 3,084,573	$ 2,537,494	$ 2,675,556	$ 1,842,001
New	128,976	14,891	755,302	551,513
Upsell	704	18,922	117,699	228,752
Downsell	(14,038)	(64,037)	(330,342)	(99,168)
Churn	(28,131)	(41,820)	(46,131)	(57,648)
Ending CARR	**$ 3,172,084**	**$ 2,465,450**	**$ 3,172,084**	**$ 2,465,450**
Gross churn	**3.6%**	**6.6%**	**2.3%**	**4.2%**
Logo retention	**91%**	**97.1%**	**88%**	**93.1%**

CARR (contracted annual recurring revenue) is the subscription revenue of a given period calculated as an annual run rate for all contracts including those that were signed in the same period.

- New – ARR generated new customers within the period
- Upsell – ARR generated from a new contract or a contract renewal at an increased price with an existing customer
- Downsell – ARR decrease from losing a contract or renewing at a decreased rate with an existing retained customer
- Churn – ARR lost when all existing contracts with a customer cease

Gross churn is annualized churn (in $) experienced within a period against the beginning period CARR.

Logo retention is the percentage of logos active at both the beginning and end of the period.

A significant portion of the downsell of $273,523 in the first nine months of fiscal year 2022 was replaced by upsell contracts of greater value with the same customers resulting in a net CARR growth for these customers.

EBITDA (Non-GAAP Measure)

The following table shows the Company's calculation of EBITDA for the three and nine month periods ended April 30, 2022 and 2021:

	Three months ended		Nine months ended	
	April 30, 2022	April 30, 2021	April 30, 2022	April 30, 2021
Net loss	$ (718,198)	$ (1,046,874)	$ (2,408,310)	$ (3,018,653)
Interest and finance charges	31,754	46,187	102,889	744,863
Share-based payments	125,934	49,980	363,225	109,820

Foreign exchange (gain)/loss	(9,239)	29,603	(49,636)	83,769
Amortization	46,272	64,064	154,352	191,045
Investor relations	50,285	-	140,045	-
Other income	(123)	(102,458)	(13,866)	(382,246)
Deferred income tax recovery	(2,646)	(2,489)	(7,818)	(22,220)
EBITDA	**$ (475,961)**	**$ (961,986)**	**$ (1,719,119)**	**$ (2,293,621)**

CASH FLOWS

For the Nine months ended April 30, 2022 and 2021

During the nine months ended April 30, 2022, the Company utilized $1,606,111 in net cash from its operating activities, as compared to $2,217,421 utilized during the nine months ended April 30, 2021. The decrease in cash used in operating activities was primarily driven by the net cash inflow from changes in non-cash working capital in 2022 compared to a net outflow in 2021 as well as the lower net loss in 2022 versus in 2021.

During the nine months ended April 30, 2022, net cash provided by financing activities was $154,900, as compared to $4,185,314 for the nine months ended April 30, 2021. The change year-over-year is primarily due to proceeds from the $5 million private placement through issuance of 47,619,046 common shares issued in the first two months of 2021.

During the nine months ended April 30, 2022, net cash used in investing activities was $13,696, as compared to the nine months ended April 30, 2021 when net cash used in investing activities was $23,129. This year over year change in cash used is primarily driven by the decrease in purchase of equipment in fiscal year 2022.

For the nine months ended April 30, 2022, the Company has an overall net decrease of cash of $1,464,907. In comparison, for the nine months ended April 30, 2021, the Company had an overall net increase in cash of $3,233,221. The variance is primarily attributable to the funds raised through the private placement transaction completed in Q3 2021.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights		April 30, 2022		July 31, 2021
Working capital (deficit)	$	(1,029,943)	$	381,303
Cash		676,111		2,140,923
Accounts receivable		1,241,468		730,351
Investment tax credits refundable		312,487		372,241
Total assets		2,565,688		3,675,586
Total liabilities		4,280,972		3,787,883
Total Equity (deficiency)		(1,643,284)		(112,296)

Working Capital

As at April 30, 2022, the Company had a working capital deficit of $1,029,943 as compared to a working capital surplus of $381,303 as at July 31, 2021. The adjusted working capital is a surplus of $655,552 once adjusted for deferred revenue of $1,685,495 representing payments in advance by customer expected to settle through performance in normal course and will not be crystallized as a cash outflow.

Sources and Uses of Cash

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 requirements. 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 $16,667 plus interest were paid until January 2021. During the year ended July 31, 2020, the Company both renegotiated the payment terms of the remaining balance of $283,319 ($383,321 as at July 31, 2019) while also receiving a moratorium on all outstanding principal for 6 months due to COVID-19 beginning March 2020. Monthly principal payments of $3,000 plus interest are due from September 2020 to January 2021. Following this, the Company's monthly principal payments were $12,000 plus interest from February 2021 to June 2021, thereafter $20,000 plus interest until November 2021 with the final payment of $105,319 due in December 2021. The loan is secured by a universal mortgage on all present and future assets, including a first ranking on tax credits. Two current directors/officers of the Company have personally guaranteed a total of $50,000 of the loan. This loan was repaid in full in December 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 paid in July 2016, thereafter monthly principal payments of $4,160 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of $120,640. In March 2020, the Company again renegotiated the payment terms of the remaining balance of $107,640. Monthly principal payments of $1,000 plus interest are due from September 2020 to January 2021, thereafter monthly principal payments of $9,300 plus interest were required until November 2021, with the final payment of $9,640 due in December 2021. Two current directors / officers of the Company personally guaranteed 64% of the outstanding balance of the loan, and the Company guaranteed the full amount of the outstanding commitment of the loan. This loan was repaid in full in December 2021.

In October 2016, the Company received from BDC 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 was paid in September 2017, thereafter monthly principal payments of $1,660 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of $71,380. In March 2020, the Company again renegotiated the payment terms of the remaining balance of $63,280. Monthly principal payments of $2,100 plus interest are due from September 2020 to January 2023, with the final payment of $2,380 due in February 2023. As at April 30, 2022, the remaining principal was $21,280, compared to $40,180 as at July 31, 2021.

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.

During fiscal year 2020, warrant holders exercised 2,059,169 warrants at $0.05 and 585,140 warrants at $0.0675 for total gross proceeds of $142,455. During fiscal year 2019, warrant holders exercised 1,624,149 warrants at $0.05 for total proceeds of $81,207. In fiscal year 2020, the remaining unexercised warrants from the private placement in October 2017 expired totaling 1,919,044 warrants at $0.05 and 1,196,580 warrants at $0.0675 for a total of $176,721, impacting share capital and contributed surplus by $73,804.

In September 2018, the Company received approval for new bridge loans from IQ of up to $337,900 by way of two separate loans ($172,400 and $165,500). The loans were used to fund working capital requirements and are secured against the expected refundable portion of the Company's fiscal 2018 ($172,400) and 2019 ($165,500) SRED claims. The loans bear interest at prime rate plus 2.25% per annum, where prime rate is the rate used by the majority of six Canadian Chartered banks as chosen by IQ. During YTD 2020, the Company repaid the fiscal 2018 loan of $118,520 once the refundable SRED claim for that fiscal year was obtained from the government. As at July 31, 2020, the Company had $165,500 outstanding, representing the fiscal 2019 SRED claim. The remaining balance of $165,500 was repaid in fiscal year 2021.

In October 2018, the Company completed a non-brokered private placement of convertible debentures (the “Debentures I”) raising gross proceeds of $2,000,000. The Notes accrue interest at a rate of 10% per annum and were to mature on October 31, 2023. In January 2021, $1,250,000 in principal amount of the Debenture I’s were converted by their holders resulting in the issuance of 11,904,759 common shares of the Company resulting in a reduction in the principal amount outstanding of Debenture I to $750,000. In addition, as an incentive to convert, the holders were issued warrants of the Company exercisable for up to 5,952,378 common shares of the Company at $0.18 per share until January 29, 2024. All interest owing on the principal amount of the converted Debenture I was paid to the holders in cash concurrently with the issuance of the securities.

In July 2020, the Company completed a non-brokered private placement financing raising gross proceeds of $1,450,000 through the issuance of unsecured convertible debentures (the " Debentures II "). The Notes accrue interest at a rate of 10% per annum and were to mature on May 31, 2023. In January 2021, $1,450,000 in principal amount of the Debenture II’s were converted by their holders resulting in the issuance of 24,166,664 common shares of the Company. In Q2 2021, the Company accrued the interest amounts of $35,356 plus previously accrued interest of $48,123 for the underlying Debenture II holder which was paid to the Debentures II holders concurrently upon conversion.

In February 2021, the Company completed a non-brokered private placement financing raising gross proceeds of $5 million through the issuance of 47,619,046 units of the Company at $0.105 per unit. Each unit consisted of (i) one common share of the Company, and (ii) one transferable common share purchase warrant with each warrant entitling the holder thereof to acquire one additional common share of the Company at a price of $0.18 per share until the date that is 36 months from issuance, subject to acceleration.

In April 2022, the Company completed a non-brokered private placement consisting of 8,434,375 units at a price of $0.064 per share for gross proceeds of $539,800. Each unit consists of one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase one additional common share for four years at a price of $0.096 per share with conditions to accelerate.

During the year ended July 31, 2021 and the nine months ended April 30, 2022, no warrants were exercised by warrant holders.

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 Street, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 3116. Lease commitments are outlined in BlueRush’s unaudited condensed consolidated interim financial statements, Note 9.

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 three and nine-months ended April 30, 2022 and 2021 were all paid to key management personnel and were as follows:

	Three months ended April 30, 2022	Three months ended April 30, 2021	Nine months ended April 30, 2022	Nine months ended April 30, 2021
Salaries and benefits	$ 186,000	$ 301,450	$ 552,167	$ 956,743
Contractor and consulting fees	39,000	-	176,000	-
Stock-based compensation (i)	121,647	23,293	329,698	61,803
	$ 346,647	$ 324,743	$ 1,057,864	$ 1,018,546

i) Stock-based compensation for officers/directors is comprised of the vested value of stock options expensed during the three months ended April 30, 2022 and 2021.

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and, as of the date hereof, has 170,501,086 common shares issued and outstanding, incentive stock options outstanding and exercisable for up to 16,674,721 common shares, warrants outstanding exercisable for up to 61,407,313 common shares, and the October 2023 Notes which are exercisable for up to 7,142,857 common shares, assuming conversion at $0.105.

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.

On May 11, 2022, the Company granted 150,000 stock options to employees of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.05. One-third, or 83,333, of the options vest on May 11, 2023, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

On December 22, 2021, the Company granted 250,000 stock options to employees of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.105. One-third, or 83,333, of the options vest on December 22, 2022, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

On December 1, 2021, the Company granted 1,000,000 stock options to an officer of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.125. One-third, or 333,333, of the options vest on December 1, 2022, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

On October 31, 2021, an option holder exercised 10,000 options at $0.10 for total gross proceeds of $1,000 and 1,000 common shares. No options were exercised during the three months ended October 31, 2020.

On September 17, 2021, the Company granted 575,000 stock options to employees of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.095. One-third, or 191,666, of the options vest on September 17, 2022, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

On April 23, 2021, the Company granted 7,250,000 stock options to certain directors and officers of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.160. One-third, or 2,416,667, of the options vest on April 23, 2022, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

On January 13, 2021, the Company granted 1,450,000 stock options to certain employees of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of $0.120. One-third, or 483,333, of the options vest on January 13, 2022, and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

RISKS AND UNCERTAINTIES

COVID-19

The COVID-19 pandemic continues to present a significant source of economic uncertainty to the Company. The duration and impact of the pandemic on the Company is currently unknown and it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Company. The Company issued a directive that all employees are to work from home until further notice with some employees voluntarily returning to the office under limited circumstances where it is safe to do so and local governmental guidance supports a return to the office. The Company continues to closely monitor the situation as it evolves and may take further actions in response to directives of government and public health authorities or that are in the best interests of its employees, customers, suppliers or other stakeholders.

Additional changes by customers, suppliers and regulators in response to COVID-19 could materially impact the Company’s financial results and may include impacts on: timing and collectability of receivables, supply chains and distribution channels, restrictions on cross-border commerce and travel, greater currency volatility, and increased risks to IT systems, networks and digital services. These uncertain economic conditions may adversely impact operations and the financial performance of the Company and its customers, negatively impacting demand for the Company’s products and services or the equity markets, which could adversely affect the Company's financial performance. While we have seen increased revenue in subscription and service offerings attributable to the pandemic, we cannot make any assurances that we will continue to experience increased demand for BlueRush’s platform subscription or services throughout the duration of the pandemic or thereafter.

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 pre-dominantly 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 monitoring the age and balances outstanding. Payment terms with customers are normally 30 days from invoice date. For the nine months ended April 30, 2022, the Company has recorded a provision for Expected Credit Losses of $7,912 (July 31, 2021 - $7,868). As at April 30, 2022, approximately 59% of the Company’s accounts receivable are due from 3 customers (July 31, 2021 – 69% from 3 customers).

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

	ECL %		April 30, 2022	ECL %		July 31, 2021
Current	0.0%	$	898,405	0.5%	$	485,916
Over 30 days past due	0.5%		43,666	1.0%		216,452
Over 60 days past due	1.0%		19,123	2.5%		15,658
Over 90 days past due	2.5%		288,186	5.0%		20,193
Less: Provision for ECLs			(7,912)			(7,868)
		$	1,241,468		$	730,351

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing. The Company has disclosed in Note 2 to these interim consolidated financial statements the existence of circumstances which would raise significant doubt about its ability to continue as a going concern.

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, 2022, the Company had cash on hand of $676,111 and accounts receivable of $1,241,468 to meet working capital requirements.

Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is Canadian dollar (CAD). The currencies in which transactions are primarily denominated are Canadian or US dollars (USD).

In respect of monetary assets and liabilities denominated in foreign currencies, the Company policy is to ensure that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short-term imbalances and business needs.

As at April 30, 2022, the Company's foreign denominated monetary assets and monetary liabilities as expressed in USD total $999,529 (July 31, 2021 – USD 1,177,013) and converted at the fiscal year end exchange rates of 1.28 and 1.25, respectively. For the quarter ended April 30, 2022, the Company recognized a gain on foreign exchange of $9,239 (July 31, 2021 – loss of $62,683) as a result of appreciation/depreciation of US dollar.

Exposure to Currency Risk

		April 30, 2022	July 31, 2021
Cash	USD	$ 278,850	$ 802,759
Trade receivables		821,339	406,546
Trade payables		(100,660)	(32,292)
Net statement of financial position exposure	USD	$ 999,529	$ 1,177,013
Average USD to CAD exchange rate		$ 1.26	$ 1.27
Spot rate USD to CAD exchange rate		$ 1.28	$ 1.25

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

As at April 30, 2022, the carrying value and fair value amounts of the Company's financial instruments are approximately the same. Unless otherwise indicated, the Company does not believe there would be any material movements as a result of changes in interest rates or foreign exchange rates.

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.

Subsequent Event - Private Placement Financing of Convertible Debentures

On June 6, 2022, the Company announced that it intends to complete a proposed non-brokered private placement (the "Offering") up to 5,000 convertible debenture units (the "Convertible Debenture Units") at a price of US$1,000 per Convertible Debenture

Unit, for aggregate gross proceeds of up to US$5,000,000. Each Convertible Debenture Unit will consist of US$1,000 principal amount of a 10.0% unsecured convertible debenture (the "Convertible Debentures") and 12,500 common share purchase warrants (the "Warrants") of the Company.

Each Convertible Debenture shall mature on the date which is 48 months from the closing of the Offering and will be convertible into common shares of the Company ("Common Shares") at a conversion price of US$0.04 per Common Share (the "Conversion Price"). Each Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of US$0.075 per share until the date that is forty-eight (48) months from the closing of the Offering.

The Company may force the conversion of the Convertible Debentures in the event (i) the volume weighted average price of the Common Shares on the TSX Venture Exchange (the “TSXV”) is greater than US$0.15 for any twenty (20) consecutive trading days, (ii) the Company is uplisted in the U.S., and (iii) the Company is current with its securities and TSXV filing requirements. Interest on the principal amount of the Convertible Debentures will be paid on June 30 of each year commencing on June 30, 2023. In addition, the principal amount of the Convertible Debentures may be redeemed by the Company at any time upon payment of a 25% prepayment penalty and subject to a maximum per annum interest return of 24% (including, without limitation, interest and the prepayment penalty).

Subscribers, including Canadians, may subscribe in Canadian dollars. In the event, the entire Offering is completed in Canadian dollars the Offering would be at C$0.05 per Convertible Debenture Unit, for aggregate gross proceeds of up to C$6,289,500 with each Convertible Debenture convertible at C$0.05 and each whole Warrant exercisable at C$0.094 per share.

As a condition to receiving TSXV approval for the Offering, within six months of closing of the Offering, the Company will be required, and intends, to consolidate the Common Shares on the basis of one (1) post-consolidation Common Share for a minimum of two (2) pre-consolidation Common Shares (the “Consolidation”), or such greater number of pre-consolidation shares as may be determined by the board of directors or may be required to obtain approval of the Offering and the Consolidation from the TSXV. Accordingly, subsequent to closing of the Offering, the Company intends on calling a special shareholders’ meeting seeking shareholder approval for the Consolidation. Additional information relating to the proposed Consolidation will be included in a management information circular of the Company which will be available on SEDAR at www.sedar.com.

In the event the Consolidation does not occur on or before the date that is six months from the closing of the Offering, the Conversion Price will be increased to US$0.08 (C$0.10) on the date that is 24 months from the closing of the Offering.

The Company intends to use the net proceeds from the Offering for general working capital.

In connection with the Offering, the Company will pay participating registered dealers a cash commission equal to 8.0% of the aggregate gross proceeds of the Offering. In addition, registered dealers will receive non-transferable warrants (the “Broker Warrants”) exercisable at US$0.04 or C$0.05, as applicable, at any time prior to the date that is 48 months from the closing to acquire that number of Common Shares equal to 15.0% of the number of Common Shares issuable under Convertible Debentures placed by such dealer pursuant to the Offering. In addition, the Company shall pay registered dealers a fee equal to 2.0% of the aggregate amount converted by a referred subscriber, if applicable, and a fee equal to 3.0% of the aggregate exercise price of Warrants exercised by a referred subscriber, if applicable.

The Offering is to be issued in the United States pursuant to available exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "1933 Act"), and in the provinces of Canada, and such other jurisdictions as may be determined by the Company, by way of private placement exemptions from prospectus requirements, subject to the receipt of necessary regulatory approvals.

The Convertible Debentures and Warrants forming part of the Convertible Debenture Units, and any securities issuable upon conversion or exercise thereof, will be subject to a statutory hold period of four months and one day from the date of issuance of the Convertible Debenture Units. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSXV.

OFF-BALANCE SHEET ARRANGEMENTS

BlueRush has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 3 to the July 31, 2021 annual and April 30, 2022 interim financial statements.

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. Significant estimates made by management include the carrying values of accounts receivable, impairment assessment of assets, fair value measurement of share-based payments, useful lives of property and equipment, and valuation of deferred income tax assets. 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.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are no further IFRS changes that have been issued by the IASB that may affect the Company, but not yet effective.

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.