

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 23, 2022

For the 3 months ended October 31, 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 audited consolidated financial statements and notes thereto for the 3 months period ended October 31, 2022 ("QTR 1 2023") and 3 months period ended October 31, 2021 ("QTR 1 2022"). 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 for the 3 months period ended October 31, 2022 and October 31, 2021.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars ("CAD"), unless indicated otherwise.

The consolidated financial statements are incorporated by reference herein and form an integral part of the MD&A. The consolidated financial statements include the accounts of BlueRush and its wholly owned subsidiary, BlueRush Digital Media Corp.

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 October 31, 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.

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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.

Non-GAAP Measures

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) 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" and is headquartered at 5700 Yonge Street, Toronto, Ontario M2M 4K2. The Company also has a bilingual office in Montreal, Quebec.

OVERALL PERFORMANCE

BlueRush Highlights for the 3 months period ended October 31, 2022 ("QTR 1, 2023") as compared to 3 months period ended October 31, 2021 ("QTR 1, 2022")

- SaaS revenues grew 40.3% climbing to \$756,024 in QTR 1, 2022 versus \$538,722 in QTR 1, 2021
- Gross Profit increased by 6.1% with \$844,241 in QTR 1, 2023 versus \$795,711 in QTR 1, 2022
- Overall revenue grew 9.8% to \$1,218,627 in QTR 1, 2023 compared to \$1,110,078 in QTR 1, 2022
- Committed ARR grew 20.5% to \$3,191,841 in QTR 1, 2023 from \$2,649,492 in QTR 1, 2022
- SaaS Gross Margins of 94% and Services Margins of 29%

The decrease in Services gross margin is mainly due to the lower revenues and the full allocation of related salaries to COS as compared to partial allocation of salaries to COS in QTR 1, 2022.

Successful Financing

Against a difficult backdrop, the company was able to achieve a substantial capital raise which was partially completed in August and September 2022 and completed in QTR 1, 2023, totaling gross proceeds of USD \$3,023,995 along with a loan from BDC of CDN \$2,000,000.

The QTR 1, 2023 was a successful period for BlueRush on several fronts. We continued to delight and retain our world-class customers, revenues in our SaaS business grew substantially, our gross profit continued to improve and our IndiVideo SaaS platform developed to a point that positions the company for accelerated growth in our subscription business and new customer acquisition.

SaaS Business Continued to Grow

SaaS revenues grew 40.3% compared to QTR 1, 2022 as the company continued to grow relationships with blue chip customers and added new customers. We continued refining our platform and boast what we believe to be the most cost-efficient video delivery system in the industry, leading to improved gross margins in the SaaS business. Our superior video delivery capability also allows us to compete on price in competitive situations and creates a moat around our existing customer base.

While we incurred significant one-time expenses in QTR1 2023 related to the financing, BlueRush continues to work toward an EBITDA positive business through a combination of growth in our SaaS and Professional Services revenue lines and cost controls.

New Templated Capabilities Create a Significant Down-Market Opportunity

BlueRush recently released a new platform extension, *IndiVideo for Sales*, which allows sales and marketing resources to integrate personalized videos quickly and easily into their sales sequences, leading to higher email open rates, more meetings and, ultimately, better sales results.

The price point and the ability to use the IndiVideo platform 'out of the box' has opened a down-market opportunity for the company that brings hundreds of thousands of companies into play. Essentially any company with 5 or more salespeople and a basic marketing function can begin to deploy personalized video in their sales and marketing sequences.

It's important that our shareholders fully understand the importance of this transition. Historically, IndiVideo subscriptions were sold along with custom-developed videos and typically only affordable to larger customers.

For small and medium sized businesses, high quality and personalized videos can now be created by modifying templates. This work does not require specialized video skills. The best analogy would be building an eCommerce site on Shopify vs. building a custom site. This analogy works in terms of describing how the video content is created and describes the market expansion that becomes available.

Opportunity to Support Brokers and Wealth Managers

One area where BlueRush has seen immediate uptake on the *IndiVideo for Sales* extension has been within the Insurance Brokerage vertical. The system makes it easy for Brokers to add video to their sales sequences, driving higher action rates and ultimately better sales results.

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We recently had an insurance customer report a 5X increase in sales after arming their Brokers with IndiVideo for Sales. The campaign was focused on converting term-life customers to whole-life products.

Because the system is template-based, with the ability to lock down content, our customers are able to ensure compliance, brand and quality standards are met.

Our existing customers, most of whom have large teams of brokers, in-branch salespeople and wealth managers, represent a significant opportunity for IndiVideo for Sales. At the same time, our outbound efforts are yielding new opportunities at an unprecedented rate in this vertical.

Continuing success with market differentiation and digital transformation services

The company continues to enjoy strong differentiation in the market. While there are other platforms that allow salespeople to use video, the IndiVideo platform is unique because it is template-based, has lock-down capabilities to allow the marketing and compliance teams to control messaging, and requires an extremely light touch from the sales resources themselves.

Proprietary Technology

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

The IndiVideo platform'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 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 easily record and deliver a professional, branded video without assistance by using the IndiVideo templates.

The platform leverages both Azure and AWS cloud services to ensure performance, security and availability.

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.

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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 2022 and continuing into fiscal 2023, 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 years indicated, in Canadian dollars, which has been derived from the internally generated consolidated condensed financial statements for the periods ended October 31, 2022 and, October 1, 2021, and audited annual consolidated financial statements for a fiscal year ended July 31, 2022, which have been prepared in accordance with International Financial Reporting Standards.

	As at October 31, 2022	As at October 31, 2021	As at July 31, 2022
Total Assets	\$7,272,627	\$3,667,830	\$3,020,771
Non-current financial liabilities	6,000,843	747,527	2,390,123
Shareholders' Deficiency	(\$2,820,552)	(\$994,633)	(\$2,617,035)

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The following table summarizes BlueRush's recent results of operations for the years indicated. The selected financial information set out below is in Canadian dollars and has been derived from the compiled condensed consolidated financial statements for the 3 months periods ended October 31, 2022 and October 31, 2021, and audited consolidated financial statements for the year ended July 31, 2022 which have been prepared in accordance with International Financial Reporting Standards.

	3 months period ending October 31, 2022	3 months period ending October 31, 2021	Fiscal year ending July 31, 2020
Revenues			
Subscriptions and support	\$756,024	\$538,722	\$2,330,736
Services	462,603	571,356	2,438,505
	1,218,627	1,110,078	4,769,242
Cost of Sales			
Subscriptions and support	45,901	51,610	200,677
Services	328,139	262,757	1,034,200
	374,040	314,367	1,234,877
Gross profit	844,587	795,711	3,534,365
Net loss from operations	(\$837,047)	(\$973,636)	(\$3,519,951)
per share – basic and diluted	(\$0.005)	(\$0.006)	(\$0.02)

For the 3 months period ended October 31, 2022, BlueRush generated revenue of \$1,218,627, cost of sales of \$374,040, aggregate expenses \$1,715,217 and deferred tax recovery of \$21,189, resulting in a net loss from operations of \$837,047, or \$0.005 per share. This compares with revenue of \$1,110,078, cost of sales of \$314,367, aggregate expenses of \$1,785,311 and deferred tax recovery of \$2,566, resulting in net loss from continuing operations of \$973,636, or \$0.006 per share, for the 3 months period ended October 31, 2021.

BlueRush experienced an overall increase in revenues of 9.78%, or \$108,549 as compared to the 3 months period ended October 31, 2021. Subscriptions and support revenue increased by 40.3% or \$217,302 due to new and expansion subscription revenue. Services revenue decreased by 19.0% or \$108,753 due to delays in startin dates of a number of projects. BlueRush expects that its Subscription and support revenue will continue to increase as IndiVideo gains more traction in the market, and as committed MRR translates into recognizable revenue.

The Company's total expenses, excluding cost of sales, decreased by approximately 3.9%, or \$70,094, as compared to 3 months period ending October 31, 2021.

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Research and development costs decreased by approximately 24.3%, or \$87,973, as compared to 3 months period ended October 31, 2021, mainly due to lower salary costs caused by headcount reductions during latter part of fiscal 2022. The Company is committed to building out the IndiVideo platform, moving towards a self-serve functionality that will dramatically increase the scalability and adaptability of the platform architecture.

General and administrative expenses increased 37.6% or \$216,146, mainly due to one-time costs associated with the re-engineering of the finance function. The salary costs were lower by 33.9% of \$109,329 as compared to 3 months period ended October 31, 2021.

The Company has available \$13,836,719 of federal and Ontario income tax losses and \$14,042,747 Quebec income tax losses to offset certain future taxable income, as well as \$1,494,109 federal and \$173,184 Ontario non-refundable ITCs available to reduce future taxes payable.

SaaS Metrics

Below are selected SaaS Metrics for the 3 months period ending October 31, 2022:

Starting CARR (August 1, 2022)	\$3,011,841
New	204,000
Upsell	0
Downsell	0
Churn	(24,000)
Ending CARR	\$3,191,841
Gross churn	7.0%

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.

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EBITDA (Non-GAAP Measure)

The following table shows the Company's calculation of EBITDA for the 3 months periods ended October 31, 2022 and October 31, 2021, and fiscal year ended July 31, 2022: The column for 12 months ended July 31, 2022 or fiscal year 2022 carries the note "Unaudited", b/c the EBITDA calculation, as a non-GAAP measure, has not been audited and is based on internal management calculations and assumptions.

	3 months period ended October 31, 2022 (Unaudited)	3 months period ended October 31, 2021 (Unaudited)	Fiscal year ended July 31, 2022 (Unaudited)
Net loss	(\$837,047)	(\$973,636)	(\$3,519,951)
Share-based payments	0	90,297	501,116
Interest & bank charges	232,392	36,411	157,598
Amortisation	6,444	23,140	42,471
Depreciation	21,997	39,154	158,879
Other income	(12,394)	(13,398)	(1,427)
Deferred income tax recovery	(21,189)	(2,566)	(1,853)
EBITDA	(\$609,797)	(\$800,598)	(\$2,663,313)

The EBITDA improvement of \$190,801 or 23.8% is mainly caused by higher revenues and higher margins as well control over operating expenses.

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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 and presented in Canadian dollars, which should be read in conjunction with the financial statements of the Company:

	Three months ended (unaudited)			
	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
Total Revenue	\$1,218,627	\$1,188,758	\$1,237,919	\$1,232,487
Net loss for the period	(837,047)	(1,097,169)	(718,248)	(705,251)
Net loss per share – basic & diluted	(\$0.02)	(\$0.03)	(\$0.02)	(\$0.02)

	Three months ended (unaudited)			
	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021
Total Revenue	\$1,110,078	\$1,178,197	\$769,624	\$891,343
Net loss for the period	(984,860)	(1,183,638)	(1,046,874)	(1,396,397)
Net loss per share – basic & diluted	(\$0.02)	(0.01)	(0.01)	(0.02)

Three Months Ended October 31, 2022 and 2021

For the three months ended October 31, 2022, BlueRush generated revenue of \$1,218,627. This compares with revenue of \$1,110,078 for the three months ended October 31, 2021. For the three months ended July 31, 2022, BlueRush generated revenue of \$1,237,919 as compared to \$1,178,197 for the three months ended July 31, 2021.

CASH FLOWS

Three Months Ended October 31, 2022 and 2021

During the 3 months period ended October 31, 2022, the Company utilized \$1,012,797 of cash in its operating activities as compared to \$615,733 utilized during the 3 months period ended October 31, 2021. The increase in cash used in operating activities was primarily driven by the increase in revenues and accounts receivable in the net loss for the year.

During the 3 months period ended October 31, 2022, net cash provided by financing activities was \$3,904,002 as compared to net cash used in financing activities of \$130,204 during the 3 months period ended October 31, 2021. During the 3 months period ended October 31, 2022, on August 9, 2022, the Company concluded private placement of unsecured convertible debentures of CAD \$3,895,339, while the same period of 3 months ended October 31, 2021 did not have any financing activities.

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During the 3 months period ended October 31, 2022, net cash used by investing activities was NIL (October 31, 2021 - \$4,950, which related to the purchase of computer equipment and office furniture).

During the 3 months period ended October 31, 2022, the company experienced overall a net increase in cash of (\$893,092) as compared to a net cash increase of \$796,970 in fiscal 2021. While the net cash outflow from operating activities improved dramatically by \$620,537 or 19.2%, the financing activity generated cash was lower by \$2,303,327 or 56.5%.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Highlights	3 months ended October 31, 2022 (Unaudited)	3 months ended October 31, 2021 (Unaudited)	12 months ended July 31, 2022 (Unaudited)
Working capital surplus(deficit)	\$3,101,795	(\$438,451)	(\$327,405)
Normalised working capital <i>(excludes deferred revenues)</i>	5,154,615	1,293,088	990,560
Cash	4,139,096	1,390,036	1,247,831
Accounts receivable	2,003,751	1,472,167	939,485
Investment tax credit refundable	529,452	341,012	484,452
Total assets	7,272,627	3,667,830	3,020,771
Total liabilities	10,093,181	4,662,466	5,637,808
Total equity	(\$2,820,552)	(\$994,633)	(\$2,617,035)

Working Capital

As at October 31, 2022, the Company had a working capital surplus of \$3,101,795 as compared to a working capital deficiency of \$438,451 as at October 31, 2021. The normalized working capital (excluding items which will not crystallise and are due to timing of revenue recognition) would indicate working capital surplus of \$5,154,615.

Sources and Uses of Cash

In connection with private placement completed on August 9, 2022 with gross proceeds of \$3,895,339, the Company issued 3,065 convertible debenture units and 37,812,500 warrants. Of this amount, \$1,620,194 was received in cash in June and July 2022, prior to the end of fiscal year ended July 31, 2022. Convertible debentures were issued at a price of \$1,177 (USD \$1,000) per unit, with warrants exercisable at a price of \$0.094 (USD \$0.075). Each convertible debenture unit consisted of 20,000 to 25,000 common shares and 2,000 to 12,500 share purchase warrants entitling the holder to purchase equivalent number of additional common shares for four (4) years at price of \$0.094 per share.

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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.

During the year ended July 31, 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.

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 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.

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 ceased the lease of the office space in Toronto, Ontario located at 75 Sherbourne Street, Suite 112 as of the end of June 2022, while holding to the satellite office space in Montreal, Quebec located at 1751 Richardson, Suite 3116. The Company plans to shorten the lease commitment for its satellite office in Montreal, and exit the premises by the end of January 2023.

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 during the 3 months period ended October 31, 2022, October 31, 2021 and year ended July 31, 2022 were all paid to key management personnel and were as follows:

	October 31, 2022	October 31, 2021	July 31, 2022
Salaries and benefits	\$186,000	\$305,352	\$947,239
Stock-based compensation (i)	0	0	0
	\$186,000	\$305,352	\$947,239

i) Stock based compensation for officers/directors is comprised of the vested value of stock option granted during the year.

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

Preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Although these estimates and assumptions are based on management's best knowledge of current events, actual results may be different.

Certain estimates depend on subjective or complex judgments about matters that may be uncertain and changes in these estimates could materially impact the financial statements. The key sources of estimation uncertainty at statement of financial position date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below:

Revenue Recognition

The Company's contracts with customers often include promises to transfer multiple services. In determining how revenue should be recognized, a five-step process is used, which requires judgment and estimates. These judgments and estimates include identifying performance obligations in the contract, determining whether the performance obligations are distinct, determining the stand-alone selling price for each distinct performance obligation, determining the timing of revenue recognition for distinct performance obligations and estimating the amount of variable consideration to include in the transaction price.

In assessing whether the Company's promises to transfer services to the customer are separately identifiable, the objective is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those services individually or, instead, to transfer a combined item or items to which the promised services are inputs. To the extent that the promised services are highly interrelated, those services are considered not distinct and accounted for as single, combined performance obligation. Judgment is required to determine whether the services transferred to a customer are considered distinct and accounted for separately, or not distinct and accounted for together with the related subscription for licensing, customer analytics and support recognized over time.

Expected Credit Losses ("ECLs")

The Company performs impairment testing quarterly for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs. The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Investment Tax Credits Recoverable and Deferred Tax Assets

Investment tax credits are claimed on the Company's research and development activities and are based on a percentage of employee wages. Management is required to make judgments of the amount of investment tax credits that the Company will be able to claim. In order to make this estimate, management utilizes a specialist consultant to prepare the appropriate claim forms. These judgments will affect the reported amounts of investment tax credits refundable, intangible assets and salaries and wages expense. Management also exercises judgment in the utilization of non-refundable ITCs recorded as an asset which have not yet been applied to reduce taxes payable and in determining the portion of ITCs 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 non-refundable ITCs. The ultimate realization of the deferred tax assets and non-refundable ITCs is dependent on the generation of future taxable income during the year in which the temporary differences and non-refundable ITCs are deductible.

Impairment of Intangibles

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

Share-Based Payments and Warrants

Share-Based payments and warrants are calculated utilizing the Black-Scholes option pricing model to determine the value of options and warrants as of their grant date. Management is required to estimate the volatility of the price of its shares, the amount of future dividends that will be paid, the market's risk-free interest rate, the expected life of the options and warrants, and the expected forfeiture rate for options. These estimates will affect the reported amount of share-based payments and warrants in contributed surplus.

Convertible Debentures

Convertible debentures are compound financial instruments which components are accounted for separately as financial liabilities or equity instruments. The financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires management judgment. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Going concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes would materially impact the validity of such an assessment.

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 16,824,721 common shares and warrants outstanding exercisable for up to 109,919,813 common shares,

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.

RISK AND UNCERTAINTIES*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 as at October 31, 2022 the company recorded \$NIL provision of ECL (3 months period ended October 31, 2021 - \$21,180, fiscal year ended July 31 - \$84,153).

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

	ECL %	October 31, 2022	October 31, 2021	July 31, 2022
Current	0.5%	\$886,790	\$789,978	\$369,609
Up to 30 days past due	1.0%	142,892	304,928	\$213,247
Over 60 days past due	2.5%	861,148	377,952	\$193,967
Over 90 days past due	5.0%	204,942	28,357	\$254,684
Less: Provision for ECLs		(\$92,021)	(\$29,048)	(\$92,021)
		\$2,003,751	\$1,472,167	\$939,485

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 consolidated financial statements the existence of circumstances which would raise significant doubt about its ability to continue as a going concern.

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, its term loans and convertible debentures, which are repayable in various monthly & quarterly installments as discussed in note 14. 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 October 31, 2022, the Company had cash on hand of \$4,139,096 and accounts receivable of \$2,003,751 to meet working capital requirements.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 23, 2022

For the 3 months ended October 31, 2022

As at October 31, 2022, the Company's current assets exceeded current liabilities by \$3,101,795 (October 31, 2021 - current liabilities exceeded current assets by \$438,451, and July 31, 2022 - current liabilities exceeded current assets by \$325,405). Of this amount, \$2,052,820 (October 31, 2021 - \$1,731,539; July 31, 2022 - \$1,317,965) relates to deferred revenues, which is expected to be settled through the performance of service in the normal course of business.

The Company has no current commitments for capital expenditures as of the date hereof. Trade and other payables are due within the next 12 months.

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 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 October 31, 2022, the Company's foreign denominated monetary assets and monetary liabilities as expressed in USD total \$1,828,985 (October 31, 2021 – USD \$1,057,506 and July 31, 2022 – USD \$1,220,288) and converted at the exchange rates of 1.36. For the 3 months period ended October 31, 2022, the Company recognized a gain on foreign exchange of \$11,456 (October 31, 2021 – gain of \$16,644 and July 31, 2022 - gain of \$48,910).

Exposure to Currency Risk

		Oct 31, 2022	Oct 31, 2021	July 31, 2022
Cash	USD	\$1,828,985	\$1,057,506	\$687,608
Trade receivables		970,952	709,038	578,665
Trade payables		(15,978)	(27,633)	(45,985)
Net statement of financial position exposure	USD	\$2,783,959	\$1,738,911	\$1,220,288
Average USD to CAD exchange rate		1.33	1.26	1.27
Spot rate USD to CAD exchange rate		1.37	1.24	1.28

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 term loans and convertible debentures.

Fair Value

As at October 31, 2021, 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.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 23, 2022

For the 3 months ended October 31, 2022

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.