BITRUSH CORP (Formerly The Streetwear Corporation)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BITRUSH CORP
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

CONTENTS

Management's Responsibility

To the Shareholders of BitRush Corp ("**BitRush**" or the "**Corporation**"):

The accompanying financial statements of the Corporation are the responsibility of management.

These financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, these financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

November 30, 2015

/s/ Peter Lukesch
Peter Lukesch
Director, Chief Executive Officer

BITRUSH CORP (Formerly The Streetwear Corporation)
Interim Consolidated Statements of Financial Position
(Expressed In Canadian Dollars)

As at	September 30, 2015 $	December 31, 2014 $
Assets	**(Unaudited)**	
Current		
Cash	**516,596**	3,154
Sundry receivables	**16,429**	504
Related Party Receivable (Note 13)	**4,408**	1,903
Available-for-sale financial assets (Note 5)	**0**	0
Total current assets	**537,433**	5,561
Property and equipment	**292**	546
Intangibles (Note 6)	**275,495**	254,405
Investments in joint ventures (Note 15)	**6,727**	6,307
Total Assets	**819,947**	266,819
Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6)	**68,730**	20,848
Related party payable (Note 13)	**20,000**	287
Total current liabilities	**88,730**	21,135
Subordinated convertible debentures (Note 7)	**-**	262,816
Total Liabilities	**88,730**	283,951
Shareholders' Equity (Deficiency)		
Capital stock (Note 8)	**4,902,192**	14,722
Equity portion of convertible debentures	**373,869**	80,958
Foreign exchange losses	**(4,806)**	(2,554)
Contributed surplus (Note 9)	**344,198**	-
Deficit	**(4,884,236)**	(110,258)
Total Shareholders' Equity (Deficiency)	**731,217**	(17,132)
Total Liabilities and Shareholders' Equity (Deficiency)	**819,947**	266,819

GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Note 14)
SUBSEQUENT EVENTS (Note 17)

APPROVED ON BEHALF OF THE BOARD:

Signed /s/ "*Peter Lukesch*"_____, Director

Signed /s/ "*Franz Kozich*"______, Director

See accompanying notes to the unaudited interim consolidated financial statements.

BITRUSH CORP (Formerly The Streetwear Corporation)
Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed In Canadian Dollars)
(Unaudited)

For the periods ended September 30,	Three months ended 2015 $	2014 $	Nine months ended 2015 $	2014 $
Revenue	**-**	7,551	**37,075**	50,157
Expenditures				
General and administrative expenses				
Share-based payments	**92,443**	-	**92,443**	-
Administrative	**63,121**	930	**75,543**	4,336
Business development	**(4,805)**	(468)	**22,786**	34,065
Selling expenses	**-**	1,925	**36,656**	2,480
Professional fees	**17,668**	5,204	**34,489**	9,296
Depreciation	**-**	203	**283**	389
Total general and administration expenses	**168,427**	7,794	**262,200**	50,566
Loss before the following items:	**(168,427)**	(243)	**(225,125)**	(409)
Foreign exchange loss	**(3,720)**	-	**(3,720)**	-
Accretion expense	**-**	(13,800)	**(12,148)**	-
Interest income	**-**	7	**-**	7
Deemed share listing expenses and transaction costs	**(4,532,984)**	-	**(4,532,984)**	-
Net loss for the period	**(4,701,411)**	(14,036)	**(4,773,977)**	(402)
Effect of foreign currency translation	**-**	-	**(2,478)**	-
Net loss and comprehensive loss for the period	**(4,701,411)**	-	**(4,776,455)**	-
Loss per share – basic and diluted	**(0.04)**	(0.00)	**(0.09)**	(0.00)
Weighted average number of common shares outstanding[1]	**114,794,739**	22,994,748	**55,043,522**	22,994,748

[1] *Post-consolidation of shares on a 1-for-3 basis*

See accompanying notes to the unaudited interim consolidated financial statements.

BITRUSH CORP (Formerly The Streetwear Corporation)
Interim Consolidated Statements of Cash Flows
(Expressed In Canadian Dollars)
(Unaudited)

For the periods ended September 30,	2015 $	2014 $
Cash flows (used in) from:		
Operating activities		
Net loss for the period (excluding foreign exchange loss)	**(4,773,977)**	(402)
Adjust for: operating items not involving cash		
Share-based payments	**92,443**	-
Depreciation	**283**	389
Accretion expense	**12,148**	-
Deemed share listing expenses and transaction costs	**4,414,225**	-
Change in non-cash working capital:		
Sundry receivables	**(15,925)**	-
Prepaid expenses and deposits	**(2,505)**	(9,197)
Accounts payable and accrued liabilities	**68,508**	(1,431)
	(204,800)	(10,641)
Financing activities		
Proceeds received from issuance of shares	**725,000**	-
	725,000	-
Investing activities		
Investing in intangible assets	**(6,684)**	-
	(6,684)	-
(Decrease) increase in cash	**513,516**	(10,641)
Differences due to foreign exchange translation	**(74)**	826
Cash at beginning of period	**3,154**	11,202
Cash at end of period	**516,596**	1,387
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	**-**	-
Taxes paid	**-**	-

See accompanying notes to the unaudited interim consolidated financial statements.

BITRUSH CORP (Formerly The Streetwear Corporation)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed In Canadian Dollars)
(Unaudited)

	Number of Shares[1]	Capital Stock $	Contributed Surplus $	Equity Portion of Convertible Debentures $	Accumulated Comprehensive Loss $	Deficit $	Total Shareholder's Equity $
Balance January 1, 2014	24,672,738	14,722	-	80,958	(2,306)	(63,174)	30,200
Net loss for the period	-	-	-	-	-	-	-
Balance September 30, 2014	24,672,738	14,722	-	80,958	(2,306)	(63,174)	30,200
Net loss for the period	-	-	-	-	(248)	(47,085)	(47,333)
Balance December 31, 2014	24,672,738	14,722	-	80,958	(2,554)	(110,259)	(17,133)
Net loss for the period	-	-	-	-	(2,478)	(4,773,977)	(4,776,455)
Shares issued in RTO (Note 3)	88,284,501	4,414,225	-	-	226	-	4,414,451
Issuance of common shares	7,350,000	473,245	251,755	-	-	-	725,000
Waive subordinated debentures	-	-	-	292,911	-	-	292,911
Options granted	-	-	92,443	-	-	-	92,443
Balance September 30, 2015	120,307,239	4,902,192	344,198	373,869	(4,806)	(4,884,236)	731,217

[1] *Post-consolidation of shares on a 1-for-3 basis*

See accompanying notes to the unaudited interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

BitRush Corp (Formerly, “The Streetwear Corporation”) (“BitRush”, the “Corporation” or the “Company”) was incorporated under the laws of the Province of Ontario and is governed by the Business Corporation Act (Ontario). The Corporation’s registered office is located at 133 Richmond Street West, Suite 403, Toronto, Ontario.

The Corporation was created by the amalgamation of The Streetwear Corporation and Conquest Capital Corp. continuing under the name of The Streetwear Corporation. The amalgamation was consummated on January 21, 1999. Effective December 30, 2013, the Corporation completed a transaction with ARC Exploration Inc. (“ARC”), an entity incorporated under the Business Corporations Act (Ontario). This transaction was accounted for as a reverse takeover as the control of the Corporation was acquired by the former shareholders of ARC.

The Corporation was in the business of exploration and formerly held a mineral evaluation and exploration property in Canada. However, during the period ended September 30, 2015, the Corporation changed the scope of its business to become a high-tech issuer. The shareholders of the Corporation approved the change of business on June 26, 2015, which was finally approved by the Canadian Securities Exchange (“CSE”) on September 8, 2015, upon the successful completion of a financing of a minimum of $250,000. The Corporation closed its financing on September 9, 2015 after it raised $725,000 in equity financing (Note 6). In connection with the change of business scope, the Corporation changed its name to BitRush Corp. (“BitRush”)

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern must be disclosed. As at September 30, 2015, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company’s liabilities as they become payable and ultimately to generate profitable future operations. As at September 30, 2015, the Company had a working capital of $448,703 (December 31, 2014 – working capital deficiency of $15,574) and cumulative losses of $4,884,236 (December 31, 2014 - $110,259). These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

(i) Statement of compliance

These unaudited condensed interim consolidated financial statements (“interim consolidated financial statements”) of BitRush Corp and its subsidiaries, as at and for the periods ended September 30, 2015 and 2014, have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for full annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed.

These interim consolidated financial statements of the Company for the three and nine months ended September 30, 2015 were approved and authorized for issue by the Board of Directors on November 30, 2015.

(ii) Significant accounting judgements, estimates and assumptions

The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies

Refer to Note 15.

(iii) Basis of consolidation

The interim consolidated financial statements of the Company include the accounts of its 100% owned subsidiary, Mezzacap GmbH ("Mezzacap") and Campus Loosdorf GmbH; both are companies incorporated in Austria as well as the accounts of START-IT Ltd. ("Start-It"), incorporated and registered in Manchester, United Kingdom as of September 30, 2015). Unrealized gains and losses on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in those entities. Amounts reported in the financial statements of jointly controlled entities have been adjusted where necessary to ensure consistency with the accounting policies of the Company.

(iv) Basis of measurement

These interim consolidated financial statements were prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in

Note 2 to the Audited Annual Financial Statements for the years ended December 31, 2014 and 2013. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

The functional currency of BitRush Corp is the Canadian dollar. As Mezzacap operates mainly in Eastern and Western Europe, the functional currency of Mezzacap is the Euro. On a consolidated basis, as most of the Company's overall costs are incurred in Canadian dollars, the functional currency of the group is the Canadian dollar and the financial statements of the Company are presented in Canadian Dollars. Hence the assets and liabilities for the consolidated financial statements as of September 30, 2015 (as well as at December 31, 2014) were translated at the closing rate at September 30, 2015 and December 31, 2014. An average exchange rate for the period is used to translate the income and expense items for the three and nine months ended September,30, 2015 and 2014, and for presenting cash flow information for the respective periods. Foreign exchange gains and losses on monetary transactions are recognized on the Statements of Loss for the periods ended September 30, 2015. Differences related to currency translation adjustments are recognized in other comprehensive loss.

Bitcoins (BTC) are accounted for at the exchange rate at the purchase date; expenses are accounted for at the rate in effect on the transaction date. Bitcoin revenue is accounted for at the exchange rate ruling at the date when the Bitcoins are transferred to the Company´s accounts.

(v) Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for the Company's accounting periods beginning on January 1, 2016 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The amendments to IFRS 9 are effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company has yet to assess the full impact of IAS 1 on its financial statements.

3. REVERSE TAKEOVER TRANSACTION

On June 26, 2015, BitRush shareholders approved the acquisition of Mezzacap Investments Ltd. ("Mezzacap") pursuant to which BitRush will issue 83,287,265 post-consolidation common shares in the capital of the Corporation to acquire 100% of the issued and outstanding shares of Mezzacap. An additional 4,997,236 shares were issued to an unrelated third party as a finder's fee in connection with the Transaction.

(Expressed in Canadian dollars)

BitRush's acquisition of MezzaCap resulted in the shareholders of MezzaCap owning 69.2% of the outstanding shares of the Corporation. In accordance with IFRS 3, the substance of this transaction is a reverse take-over in combination with a change of business.

Accordingly, the reverse take-over of BitRush is accounted for under IFRS 2 at the fair value of the equity instruments of the Company issued to the shareholders of MezzaCap. The difference between the net assets acquired and the fair value of the consideration granted has been classified as a share listing and transaction cost expense on the consolidated statements of loss and comprehensive loss for the period ended September 30, 2015.

The fair value of the consideration is determined based on the percentage of ownership that BitRush has in the combined entity after the reverse take-over. This represents the fair value of the shares that MezzaCap would have issued for the ratio of ownership interest in the combined entity to be the same, if the transaction had been a straight acquisition by MezzaCap of 100% of the shares of the Corporation.

The purchase price of the transaction can be allocated as follows:

Fair value of consideration issued to MezzaCap shareholders:	4,414,225
Cash	193
Sundry receivables	8,330
Prepaids	1,833
Accounts payables	(109,115)
Related party payable	(20,000)
Net assets acquired	(118,759)
Excess of consideration paid over net assets acquired, representing a cost of the transaction	**4,532,984**

4. SUNDRY RECEIVABLES

As at		**September 30, 2015**		December 31, 2014
HST/GST receivable	**$**	**11,018**	$	504
Trade receivable		**5,411**		-
	$	**16,429**	$	504

5. INTANGIBLES

The Corporation had intangible assets at September 30, 2015 of $275,495 (December 31, 2014 - $254,405), which relate which relate to Investments in intellectual property represent acquired "sui generis" database rights (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases) and copyrights relating to creative databases, websites and domains. These investments are recorded at the acquisition costs. In general, those database rights are legally valid for 15 years, but as the Company modifies theses databases in developing its business and as a new set of rights are created for each modification of the database, infinite lifetime is assumed for these investments acquired. During the nine months ended September 30, 2015 the Company invested in the crypto-currency payment service provider start-up company, CoinEx Ltd. ("CoinEx").

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	**September 30, 2015**	December 31, 2014
Trade payables	**$ 58,730**	$ 20,848
Accruals	**10,000**	-
	$ 68,730	$ 20,848

7. SUBORDINATED CONVERTIBLE DEBENTURES

On November 30, 2013, MezzaCap GmbH issued interest-free, unsecured subordinated convertible loans with a principal amount of € 220,000 (CAD$310,904).

These convertible debentures were subordinated to all other existing and future liabilities of the Company, with the exception of liabilities to shareholders of the Company. The debentures were senior to the liabilities to shareholders.

As of June 15, 2015, MezzaCap Investments Ltd., a company wholly-owned by Alfred Dobias, acquired the outstanding subordinated convertible debentures and agreed with the Company to waive the debentures in full effective July 1, 2015. Consequently, shareholders' equity increased by the debt portion of the subordinated convertible debt in the amount of $292,911 and the liabilities decreased by $262,816 as of July 1, 2015.

8. CAPITAL STOCK

(i) As at September 30, 2015 and December 31, 2014, the Company's authorized number of common shares was unlimited without par value.

(ii) **Common Shares**

Issued 120,307,239 common shares	**Number of Shares**[1]	**Amount**
Balance at December 31, 2014 and 2013	24,672,738	$ 14,722
Shares issued in acquisition of MezzaCap (Notes 3, 8(a)(b))	88,284,501	4,414,225
Issuance of common shares in concurrent financing (Notes 8(a)(b))	7,350,000	473,245
Balance at September 30, 2015	**120,307,239**	**$ 4,902,192**

[1]*Post-consolidation of common shares on a 1-for-3 basis*

a. Pursuant to the reverse takeover transaction and change of business, the Corporation was required to complete a financing of a minimum of $250,000 concurrent with the transaction in order to meet the approval of the CSE. This condition was met and the transaction received Exchange approval on September 8, 2015.

On September 4, 2015, BitRush completed a private placement through the issuance of 7,250,000 units (the "Units") of the Company for gross proceeds of $725,000. Each Unit consists of one common share (the "Common Shares") of the Corporation and one common share purchase warrant (the "Warrants"). Each Warrant is exercisable into one Common Share of the Corporation at a price of $0.15 per Common

(Expressed in Canadian dollars)

Share, for a period of three years from the date of close of the financing. In connection with the transaction, the Corporation issued 100,000 Units as a finder's fee to Shine Your Light Communications Ltd.

b. A total of 4,997,236 shares were issued to third parties as a finders' fee in connection with the Reverse Takeover Transaction. An additional 100,000 Units consisting of one common share and one common share purchase warrant were issued as a finders' fee in connection with the financing concurrent with the Transaction.

On September 22, 2014, the Corporation listed its common shares on the Canadian Stock Exchange ("CSE"), and in accordance with CSE policies the common shares held by insiders were placed in escrow, being 19,485,617 common shares at the time of listing. As of September 30, 2015, 8,768,529 common shares remained in escrow and will be released as follows:

Date of Release	Quantity
March 13, 2016	2,922,843
September 22, 2016	2,922,843
March 13, 2016	2,922,843

9. CONTRIBUTED SURPLUS

	Number of Options	Weighted Average Exercise Price	**Grant Date Value of Options**	Number of Warrants[1]	Weighted Average Exercise Price[1]	**Grant Date Value of Warrants**	**Total Value**
Balance December 31, 2014 and 2013	-	-	**$ -**	-	$ -	**$ -**	**$ -**
Granted/issued	9,000,000	0.10	**92,443**	7,350,000	0.15	**251,755**	**344,198**
Expired	-	-	**-**	-	-	**-**	**-**
Balance September 30, 2015	9,000,000	0.10	**$ 92,443**	7,350,000	$ 0.15	**$ 251,755**	**$ 344,198**

[1]*Post-consolidation of shares on a 1-for-3 basis*

Warrants

Pursuant to the issuance of Units on September 10, 2015, the Company issued 7,250,000 common share purchase warrants. Each warrant is exercisable to purchase one common share at a price of $0.15 per common share for a period of three years following the closing of the Offering. The grant date fair value of all outstanding warrants was estimated using the Black-Scholes option-pricing model assuming the following parameters:

Expiry Date	Grant date share price $	Exercise price $	Expected volatility %	Expected option life (Years)	Expected dividend yield %	Risk-free interest rate %
08-Sep-2017	0.15	0.15	100	3.0	0	0.44

Options

The Company's stock option plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed five years at exercise prices not less than the closing sale price of the shares on the Canadian Securities Exchange on the trading day immediately preceding the date the options are granted, and are not transferrable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued and outstanding common shares.

(Expressed in Canadian dollars)

During the period ended September 30, 2015, BitRush granted 9,000,000 options to directors, officers and consultants of the Corporation. The options vest as to 1,500,000 immediately and 1,500,000 each quarter thereafter until they are fully vested. Options outstanding to purchase common shares at September 30, 2015 have a weighted average exercise price of $0.10. Individual options grants carry exercise prices and remaining terms to maturity as follows:

Number of options	Options Exercisable	Exercise price	Grant Date Fair Value of Vested Options	Expiry date	Remaining Contractual Life Outstanding
#	#	$	$		(Years)
9,000,000	1,500,000	0.10	92,443	17-Sep-2018	2.94

The fair values of options granted have been estimated on the date of grant using the Black-Scholes option-pricing model. Assumptions used in the pricing model are as follows:

Expiry Date	Grant date share price $	Exercise price $	Expected volatility %	Expected option life (Years)	Expected dividend yield %	Risk-free interest rate %
17-Sep-2018	0.10	0.10	100	3	0	0.44

10. GENERAL AND ADMINISTRATIVE EXPENSES

Following is a breakdown of general and administrative expenses for the three and nine months ended September 30, 2015 and 2014:

For the periods ended September 30, 2015	Three months ended,		Nine months ended,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Office and general	**17,745**	930	**14,742**	4,336
Management fees	**30,000**	-	**45,000**	-
Other consulting fees	**15,000**	-	**15,000**	-
Bank charges	**376**	-	**801**	-
	63,121	930	**75,543**	4,336

11. CAPITAL MANAGEMENT AND LIQUIDITY

The Corporation manages its cash, common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue its stated business objectives, to continue to develop its platform for processing crypto-currency transactions, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.
The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts in the crypto-currency financial services business, the

(Expressed in Canadian dollars)

Corporation does not pay out dividends. The Corporation's investment policy, in general, is to invest its short-term excess cash in highly liquid, short-term, interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The nature of the industry in which the Corporation operates is very capital intensive. As a result, the Corporation prepares annual capital expenditure budgets and utilizes authorizations for expenditures for projects to manage capital expenditures.

The Corporation's strategy is to satisfy its liquidity needs using cash on hand, cash flows generated from operating activities and through private equity financings. Revenue, available cash balances, and financing are the Corporation's principal sources of capital used to pay operating expenses and recurring capital costs in its business.
The principal liquidity needs for periods beyond the next twelve months are for non-recurring capital expenditures, development costs and potential acquisition costs of similar, financial services companies operating in crypto-currency. The Corporation's strategy is to meet these needs with one or more of the following: cash flows from operations, common share and warrants offerings, and proceeds from sales of assets.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended September 30, 2015 or 2014.

12. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 2 to the Annual Audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013.

Fair Value of Non-Derivative Financial Instruments

Fair value is the amount that willing parties would accept to exchange a financial instrument based on the current market for instruments with the same risk, principal and remaining maturity. The fair value of interest- bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risk. Carrying values of the Corporation's financial assets and financial liabilities approximate their fair values as at September 30, 2015 and December 31, 2014.

Carrying values of financial assets and financial liabilities as at September 30, 2015, and December 31, 2014 were as follows:

September 30, 2015	Fair value through profit and loss	Loans and receivables	Other liabilities	Total
Cash	$ 516,596	$ -	$ -	$ 516,596
Sundry receivables	-	16,429	-	16,429
Related party receivables	-	4,408	-	4,408
Accounts payable and accrued liabilities	-	-	(68,730)	(68,730)
Related party payable	-	-	(20,000)	(20,000)
	$ 516,596	$ 20,837	$ (88,730)	$ (448,703)

(Expressed in Canadian dollars)

December 31, 2014	Fair value through profit and loss	Loans and receivables	Other liabilities	Total
Cash	$ 3,154	$ -	$ -	$ 3,154
Sundry receivables	-	504	-	504
Related party receivables	-	1,903	-	1,903
Accounts payable and accrued liabilities	-	-	(20,848)	(20,848)
Related party payable	-	-	(287)	(287)
	$ 3,154	$ 2,407	$ (21,135)	$ (15,574)

Fair Value Hierarchy
The Corporation values instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Corporation maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The following table outlines financial assets and liabilities measured at fair value in the consolidated financial statements and the level of the inputs used to determine those fair values in the context of the hierarchy as defined above:

September 30, 2015	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 516,596	$ -	$ -	$ 516,596
Sundry receivables	-	16,429	-	16,429
Related party receivables	-	4,408	-	4,408
Accounts payable and accruals	(68,730)	-	-	(68,730)
Related party payable	-	(20,000)	-	(20,000)
	$ 447,866	$ 837	$ -	$ 448,703

December 31, 2014	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,154	$ -	$ -	$ 3,154
Sundry receivables	-	504	-	504
Related party receivables	-	1,903	-	1,903
Accounts payable and accruals	(20,848)	-	-	(20,848)
Related party payable	-	(287)	-	(287)
	$ (17,694)	$ 2,120	$ -	$ (15,574)

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures as at and during the periods ended September 30, 2015 and 2014.

Credit risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet

liabilities when due. As at September 30, 2015, the Company had cash and sundry receivables of $533,025 (December 31, 2014 - $3,658) to settle current liabilities of $88,730 (December 31, 2014 - $21,135). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at September 30, 2015 and December 31, 2014, no amounts were held in short-term deposit certificates. Interest rates on the debentures and loans are fixed and therefore interest rate risk is considered by Management to be low.

(b) Foreign currency risk

The Corporation's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Corporation is exposed to some foreign currency fluctuations as its subsidiary, MezzaCap, is located in Austria and mainly transacts in Euros and its functional currency is the Euro. Some reimbursable employee expenses paid by the parent company, BitRush, are in Euros, however, the amount is not significant and related foreign exchange gains and/or losses on payment of such amounts have no material impact on the Corporation’s financial results. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. Each entity within the consolidated group maintains bank accounts and makes payments in their respective functional currencies. No single entity holds significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Crypto-currency risk

The Company is exposed to risk with respect to crypto-currency prices and valuations which are largely based on the supply and demand of bitcoins and other crypto-currencies and their acceptance in the financial market.

Development of Crypto-currency: BitRush intends to focus its business on the development and servicing of crypto-currency-based platforms. Crypto-currency is a young and rapidly growing business area. Although it is widely predicted that crypto-currency will become a leading means of digital payment, it cannot be assured that this will in fact occur. Our future success is dependent on the widespread acceptance of crypto-currency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation, and uncertainties regarding proprietary rights and other legal issues, it can’t be ruled out that such crypto-currency activities may prove in the long run to be unprofitable means for businesses.

(d) Fair value

Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, sundry receivables, related party receivables, accounts payable and accrued liabilities, and related party payables on the statement of financial position approximate fair value because of the limited term of the instruments.

At September 30, 2015 and December 31, 2014 the Company had no financial instruments that are carried at fair value.

(Expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

The amounts due to related parties of the Company at the reporting date, as disclosed in the table below, arose because of transactions entered into with the related parties in the ordinary course of business.

Amounts due from (owed to) related parties for the periods ended:	**September 30, 2015**	December 31, 2014
Related party receivable	**$ 4,408**	$ 1,903
Related party payable	**($ 20,000)**	($ 287)

In June 2015, the Corporation entered into a loan agreement with a company that is a related party with BitRush through common directorship. The amount of the loan was $20,000 and incurred interest charges of 6% for a six-month period. The Corporation repaid the loan in full within three months; interest of $600 is included on the Statements of Loss and Comprehensive Loss for the three and nine months ended September 30, 2015. As at December 31, 2014, the Corporation was indebted to the president of Mezzacap in the amount of $287 for travel expenses.

Compensation of key management personnel of the Company
The remuneration of directors and other members of key management personnel during the periods ended September 30, 2015 and 2014 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2015 **$**	2014 $	**2015** **$**	2014 $
Salaries including bonuses	**30,000**	-	**30,000**	-
Share-based payments[1]	**66,765**	-	**66,765**	-
	96,765	-	**96,765**	-

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company. [1]Share-based payments were paid to key management personnel during the period ended September 30, 2015 in the form of 6,500,000 options. See Note 9 for options terms.

14. BUSINESS DEVELOPMENT

Formation of Start-It Ltd. and Investment in CoinAdvert

On September 30, 2015, BitRush announced the formation of its wholly-owned subsidiary START-IT Ltd. (“Start-It”) Incorporated and registered in Manchester, United Kingdom. The Company is positioned as a business incubator and investment company in the area of crypto-currency and/or crypto business startups. It closely cooperates with business angels, investment companies and non-profit organizations to find, incubate, develop and finance promising start-ups. Centerpiece of the incubator and investment business is to be the “start-it incubator platform”, a blockchain-based platform that will offer bitcoin based lending and investment services to start-up companies. As previously announced, the Start-It Network has managed to attract more than a million registered crypto-currency users with more than 1,000 websites registered in the Network. Just recently Start-It invested into CoinAdvert (www.coinadvert.net), a bitcoin based ad broker service in which website owners can buy and sell advertising space using crypto-currency. Via Start-It BitRush has invested into the Ukrainian crypto-currency exchange and the consumer-to-consumer (C2C) payment services start-up company, Bitcoin Obmen (www.bitcoin-obmen.com), having secured, among other things, the right to use their technology for BitRush’s proprietary BitCore FinTech platform. Managing Director of Start-It is Werner Boehm, a director of BitRush, who is also in charge of the Corporation’s business development activities.

CoinEx Ltd.

On September 21, 2015, the Corporation announced its agreed-on investment into the crypto-currency payment service provider start-up company, CoinEx Ltd. ("CoinEx"), in line with continuously developing Start-It, the incubator network on www.start-it.co. Through its London-based subsidiary Start-It, BitRush intends to invest into promising blockchain and crypto-currency projects and start-ups providing incubating services. The fees to be generated will vary between 0.5% to 1% of the transaction value. BitRush will pay $15,000 in bitcoins over the next 6 months as consideration for the acquisition. CoinEx will be operated by Start-It.

15. INTEREST IN JOINT VENTURES

As at September 30, 2015, the Corporation had interest in joint ventures of $6,727 (December 31, 2014 - $6,306). Investments in joint ventures represent acquisition costs for a 50% investment in database rights and copyrights requesting the joint control for some cryptocurrency entertainment websites (Coincheckin, CoinDigger) as well as in a Bitcoin technology project (Coinadvert, an ad broker) totaling 16 bitcoins paid (CAD$5,623). Revenues and expenses totaling to 12.04 bitcoins (CAD$4,231) for the three months period ended September 30, 2015 (2014: $Nil) were shared between the partners of the joint ventures when incurred on a monthly net basis and are included in business development expenses.

16. EXPLORATION AND EVALUATION ASSETS

During the period ended September 30, 2015, the Corporation's exploration licenses of Lac Colombet had expired. Management decided to cease activities on its exploration property due to current market conditions and the difficulty in raising the necessary funds needed to advance exploration activities on the property. During the period then ended, BitRush filed a Fundamental Change and switched its business focus to be a financial technology issuer providing crypto-currency payment processing services. BitRush recorded a write-down on the statement of loss and comprehensive loss for the period ended September 30, 2015 of $82,042 representing the full amount of the exploration and evaluation assets.

17. SUBSEQUENT EVENTS

a) Subsequent to the period ended September 30, 2015, announced the launch of a Bitcoin gaming joint venture within a strategic partnership. In the Spring of 2015 BitRush signed a co-operation agreement with Airwin GmbH, (a company incorporated in Vienna, Austria ("Airwin")), and agreed to form a joint venture. This joint venture, Lucky Symbols Entertainment GmbH ("LSE"), was formed subsequent to the period ended September 30, 2015.

b) On October 13, 2015, BitRush announced its successful acquisition ("the Transaction") of all of the assets of an advertising platform, AdBit (www.adbit.co), which is an ad network (ad broker services) within the bitcoin ecosphere. The Transaction will be paid for with cash and shares and is subject to CSE approval. Pursuant to the Transaction, BitRush acquired the domain, www.adbit.co, along with the platform applications and the business itself. For additional details regarding this acquisition, readers are encouraged to visit the Corporation's website; a copy can also be found on www.sedar.com.