



MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2021

(EXPRESSED IN CANADIAN DOLLARS)

BitRush Corp.

Management's Discussion and Analysis
For the Three Months Ended March 31, 2021

The following Management's Discussion and Analysis ("MD&A") constitutes management's assessment of the factors that affected the financial condition and results of operations of BitRush Corp. ("BitRush", "We" or the "Company") for the three months ended March 31, 2021.

This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. This MD&A is supplemental to, and should be read in conjunction with the unaudited condensed interim financial statements and related notes of the Company for the three months ended March 31, 2021 and 2020 (the "Q1 2021 Financial Statements"), as well as the audited financial statements of the Company for the years ended December 31, 2020. The Q1 2021 Financial Statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In preparing this MD&A, management has taken into account information available up to May 26, 2021, and all figures are expressed in Canadian Dollars ("\$" or "CAD") unless stated otherwise.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and statements relating, but not limited to, the Company's future financial position and results of operations, strategies, plans, objectives, goals, targets, and future developments in the markets where the Company participates or is seeking to participate. Forward-looking information typically contains statements with words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" or similar words suggesting future outcomes or statements regarding an outlook, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Readers should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to differ materially from those suggested by the forward-looking information and statements, some of which may be beyond the control of management.

Factors which could cause actual results to differ materially from current expectations include, but are not limited to: the expectations and assumptions based on which the Company's strategies are founded on; the Company's ability to obtain a partial revocation order on the failure-to-file cease trade order (the "CTO"); the Company's ability to meet its working capital needs for the 12-months period ending March 31, 2022, including the cost and potential impact in complying with existing and proposed laws and regulations; and the impact of the novel coronavirus ("COVID-19") pandemic to the Company's strategies and operations. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

Although the Company believes that the expectations, estimates, and projections reflected in such forward-looking information and statements are reasonable, such forward-looking information and statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information and statements. On this basis, readers are cautioned not to place undue reliance on such forward-looking information and statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and are presented for the purpose of assisting investors and others in understanding BitRush's financial position and results of operations, as well as its objectives and strategic priorities, and may not be appropriate for other purposes. The Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Description of Business

BitRush was incorporated under the laws of the Province of Ontario and is governed by the Business Corporations Act (Ontario). The Company previously operated an online advertising platform ("AdBit") which used Bitcoin ("BTC") as a payment method, which has since been disposed of. The Company is currently looking to adopt a new

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business plan or an acquisition. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the trading symbol "BRH" but are currently suspended from trading.

The address of the Company's registered office is located at 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1, Canada.

Cease Trade Order

The Company is subject to a CTO issued by the Ontario Securities Commission (the "OSC") dated December 2, 2016. The CTO was issued due to the Company's failure to file its certification of the financial information filings for the period ended September 30, 2016 as required by National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings. As a result of the CTO, while BitRush is listed on the CSE, its common shares were suspended from trading.

On May 21, 2021, the OSC has granted an order (the "Revocation Order") fully revoking the CTO issued on December 2, 2016.

Notwithstanding the Revocation Order, the Company's common shares remain suspended from trading in accordance with the rules of the CSE which will continue until such time as the Company meets the requirements of the CSE for trading in the common shares to resume.

Outlook and Strategy

In 2021, the Company has continued to evaluate new developments in the ad tech, artificial intelligence and other technology spaces as well as the public markets. The other main order of business is to resume the trading of the Company's common shares on the CSE and its operations.

As the Company continues to assess all types of opportunities, it will likely continue in the tech space and intends on raising capital shortly now that the CTO has been lifted. BitRush believes that a well vetted opportunity will be available for the Company to build on. BitRush also intends on changing its name and ticker symbol as the CTO is lifted, as we plan to hold an annual and special general meeting of shareholders within the next three months.

During the current COVID-19 pandemic, the Board of Directors (the "Board") and management of the Company are sensitive to changes in the economy and most businesses. We are also actively looking for opportunities these changes have created. The Board and management will disclose any future plans for the Company if and when they have been decided upon. The Company is also considering adding strength and vision to its ranks by seeking additional board members, advisors and team members who will assist in implementing and executing the future plans of the Company.

Financial Information

Selected quarterly financial results

Selected financial information for the previous eight quarters as follows:

	Q1 2021	Q4 2020	Q3 2020	Q2 2020
	\$	\$	\$	\$
Operating expenses	(51,184)	(57,585)	(44,326)	(46,809)
Other income (expenses)	(473)	248,891	(31,958)	(57,794)
Net income (loss)	(51,657)	191,416	(76,284)	(104,713)
Income (loss) per share – basic and	(0.001)	0.004	(0.002)	(0.002)
Comprehensive income	163,087	97,163	8,683	14,429

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	Q1 2020	Q4 2019	Q3 2019	Q2 2019
	\$	\$	\$	\$
Operating expenses	(71,241)	(42,499)	(36,248)	(38,918)
Other income (expenses)	2,885	27,695	60,476	(159,702)
Net income (loss)	(68,356)	(14,804)	24,228	(198,620)
Income (loss) per share – basic and	(0.001)	(0.001)	0.001	(0.007)
Comprehensive income (loss)	(10,134)	-	-	-

Financial Results for the Three Months ended March 31, 2021

Results of operations

During the three months ended March 31, 2021 (“Q1 2021”) and 2020, the Company did not generate any revenues due to inactive operations.

During Q1 2021, the Company incurred total operating expenses of \$51,184 (2020 – \$72,241). The decrease in operating expenses in Q1 2021 is primarily due to a decrease in professional fees of \$18,008 (2020 – \$35,777), as a significantly lower amount of legal expenses were incurred as the Company continued work on the revocation of the CTO. In the current period, the Company had also reduced its general and administrative expenses by \$5,112, to \$4,486 (2020 – \$9,598). The decrease in expenses was partially offset by an increase of \$2,824 in filing fees to \$6,190 (2020 – \$3,366).

During Q1 2021, the Company incurred total other expenses of \$473, as compared to total other income of \$2,885 in 2020. In the current period, the Company received new financings in the form of loans, and recorded interest expense of \$1,157 (2020 – \$nil). In the comparative period in 2020, the Company recorded a fair value change of \$2,885 in the form of a decrease in other liabilities which it had since disposed of.

Net loss for Q1 2021 was \$51,657 (loss of \$0.001 per share on a basic and diluted basis), as compared to a net loss of \$68,356 (loss of \$0.001 per share on a basic and diluted basis) in the comparative period in 2020.

The Company's investments in cryptocurrency are accounted for as intangible assets and are measured initially at cost. As the Company applies the revaluation model under IAS 38 – Intangible Assets (“IAS 38”), the investments in cryptocurrency are subsequently measured at the revalued amount, being its fair value at the date of the revaluation less any accumulated amortization and impairment. As at March 31, 2021, these investments in cryptocurrency were valued at \$323,218. During the three months ended March 31, 2021, a revaluation gain on the investments in cryptocurrency of \$163,087 (2020 – revaluation loss of \$10,134) had been recorded in other comprehensive income.

Cash flows

Net cash used in operating activities during Q1 2021 was \$58,772, as compared to net cash used in operating activities of \$47,592 in the comparative period in 2020. The increase in operating spending was due to payments made to certain of the Company's consultants and suppliers, as it continued to utilize their services even though the Company's operations remained relatively inactive. The increase in the use of cash in operating activities for the current period has been partially offset by refunds received on Harmonized Sales Tax and further deferral of suppliers' balances.

Net cash provided by financing activities during Q1 2021 was \$153,006. In order to fund its operations, the Company entered into a secured loan (the “Loan”) with a lender and received proceeds of \$134,474 (USD\$107,000). The Company also received an advance of \$16,032 from an arm's length third party, as well as an additional advance of \$2,500 from a related party. During the comparative period in 2020, the Company did not participate in any financing activities.

In Q1 2021, the Company did not undertake any investing activities. In the comparative period in 2020, the Company purchased 4.37549234 BTC for \$49,990.

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Working Capital and Liquidity Outlook

The Company's primary need for liquidity is to fund working capital requirements of our business, capital expenditures, debt service and for general corporate purposes. The Company's primary source of liquidity is loans and advances from related parties, as it also relies on private and/or public financing as a source of liquidity for short-term working capital needs. The Company's ability to fund operations, to make planned capital expenditures, to repay or refinance indebtedness depends on our future operating performance and cash flows, which are subject to prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

As at March 31, 2021, the Company had total current assets of \$120,518 (December 31, 2020 – \$49,703), including cash of \$114,271 (December 31, 2020 – \$20,037) to settle current liabilities of \$460,108 (December 31, 2020 – \$337,623), for a working capital deficiency of \$339,590 (December 31, 2020 – working capital deficiency of \$287,92). In 2020, the Company had focused its efforts in further reducing its liabilities under a prudent cash management approach, and had continued the approach in 2021. Management believes there is sufficient capital in order to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at period-end. Nevertheless, management understands that the Company is dependent on additional capital by way of financing in 2021.

Key Management Compensation, Related Party Transactions and Balances

Key management personnel compensation

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executives, non-executive directors, officers and any employees. Compensation provided to key management personnel during the three months ended March 31, 2021 and 2020 were as follows:

	2021	2020
	\$	\$
Consulting and management fees	22,500	22,500
Professional fees	6,000	4,625
	28,500	27,125

On November 1, 2019, the Company and Just In-Genius Inc. ("Just In-Genius"), an entity controlled by Karsten Arend, the President, Chief Executive Officer ("CEO"), and a director of the Company, entered into a consulting agreement, for a monthly remuneration of \$7,500 in consideration of the CEO's services provided to BitRush. On November 1, 2020, the consulting agreement was renewed to October 31, 2021. During the three months ended March 31, 2021, Just In-Genius charged \$22,500 (2020 – \$22,500) for consulting services provided to the Company, which are included in management fees.

As at March 31, 2021, an aggregate amount of \$51,046 (December 31, 2020 – \$72,824), owing to Just In-Genius, for the consulting fees, the reimbursement of expenses paid on behalf of the Company, and funding of working capital, was included in accounts payables and accrued liabilities. During the three months ended March 31, 2021, the Company also received an advance of \$2,500 from Just In-Genius. As at March 31, 2021, total advances of \$3,500 (December 31, 2020 – \$1,000) owing to Just In-Genius was recorded as due to related parties on the unaudited condensed interim statements of financial position. The advances outstanding are unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2021, Branson Corporate Services Ltd. ("Branson"), where Keith Li, the Company's Chief Financial Officer ("CFO") is employed, charged \$6,000 (2020 – \$4,625) for CFO, accounting and other administrative services to the Company, which are included in professional fees. As at March 31, 2021, an amount of \$46,563 (December 31, 2020 – \$42,831) owing to Branson was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

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Other related party transactions and balances

To fund its working capital, the Company had previously received advances from HSRC Investments PTE Ltd. ("HSRC"), an entity that controls more than 10% of the Company, of which Hansjoerg Wagner, a director of BitRush, is also a director. As at March 31, 2021, total advances of \$69,500 (December 31, 2020 – \$69,500 owing to HSRC) was recorded as due to related parties on the unaudited condensed interim statements of financial position. The advances outstanding are unsecured, non-interest bearing and due on demand.

Capital Risk Management

The Company's objective in managing its capital structure is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

As at March 31, 2021, the Company's capital consists of share capital, reserve in share-based payments, accumulated deficit and accumulated comprehensive income.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2021 and the year ended December 31, 2020.

The Company is not subject to externally imposed capital requirements.

Risk Management

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Cash is held with a reputable Canadian chartered bank, which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum exposure to credit risk at year-end is limited to the accounts receivable balance.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its needs. The Company forecasts cash flows for a period of 12 months to identify financial requirements. These requirements are met through cash management, dispositions of assets and accessing financing through advances from related parties and third parties. As at March 31, 2021, the Company had a cash balance of \$114,271 (December 31, 2020 – \$20,037) to settle current liabilities of \$460,108 (December 31, 2020 – \$337,623).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at March 31, 2021:

	Carrying amount	Contractual maturities		
		Year 1	Year 2 to 3	Year 4 to 5
Accounts payable	\$ 236,037	\$ 236,037	\$ -	\$ -
Loans payable	151,071	151,071	-	-
Long-term debt	59,963	-	59,963	-

Management understands that the Company is dependent on additional capital by way of financing in 2021.

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Cryptocurrency risk

The Company is exposed to risk with respect to cryptocurrency prices and valuations which are largely based on the supply and demand of BTC and other crypto-currencies and their acceptance in the financial market. The Company adjusts its other liabilities in BTC to fair value at the end of each reporting period. This process could result in significant changes in the Company's other liabilities over one or more reporting periods, particularly during periods of overall market instability, which could have a significant unfavorable effect on the Company's financial position.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash, accounts payable, loans payable, amounts due to related parties and long-term debt. The fair value of cash, accounts payable, loans payable, and amounts due to related parties are approximately equal to their carrying value due to their short-term nature.

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that include the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	114,271	-	-	114,271

As at March 31, 2021, the Company's financial instruments carried at fair value consisted of its cash, which have been classified as Level 1. There were no transfers between Levels 2 and 3 for recurring fair value measurements during the three months ended March 31, 2021 and the year ended December 31, 2020.

Significant Accounting Judgments and Estimates

The preparation of the Company's unaudited condensed interim financial statements in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At the end of each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations.

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Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the Company's statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Holdings of cryptocurrency

As there is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for holdings of cryptocurrency, management is required to exercise significant judgement in determining the appropriate accounting treatment for the classification of its investments in cryptocurrency. Management also exercises judgment in assessing whether a holding of cryptocurrency meets the definition of an intangible asset in IAS 38 on the grounds that: (i) it is capable of being separated from the holder and sold or transferred individually; and (ii) it does not give the holder a right to receive a fixed or determinable number of units of currency.

Holdings of cryptocurrency are accounted for under IAS 38, unless they are held for sale in the ordinary course of business, in which case IAS 2 – Inventories would apply. Management has concluded that its investments in cryptocurrency are not held for sale in the ordinary course of business and has therefore accounted for the holdings of cryptocurrency as an intangible asset.

Cryptocurrency valuation

Cryptocurrencies consist of cryptocurrency-denominated assets and are included in long-term assets. Digital currency is carried at their fair market value determined by the spot rate from www.coindesk.com. The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies would have a significant impact on the Company's earnings and financial position. In addition, management estimates that selling costs will be nominal.

Warrants and options

Warrants and options are initially recognized at fair value, based on the application of the Black-Scholes valuation model. This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

Income taxes

Income taxes and tax exposures recognized in the Company's financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Summary of Significant Accounting Policies

The accounting policies applied in the Q1 2021 Financial Statements of are the same as those applied in the Company's audited financial statements for the year ended December 31, 2020, unless otherwise noted below.

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Changes in Accounting Policies

The Company adopted the following amendments, effective January 1, 2021. There was no material impact upon adoption of these amendments on the Company's unaudited condensed interim financial statements:

Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments.

In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. The Company early-adopted these amendments as permitted.

Recent Accounting Pronouncements

As at the date of authorization of the Q1 2021 Financial Statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of adopting the following amendments on its financial statements:

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”)

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

Contingencies

On June 26, 2015, MezzaCap Investments Ltd. (“MezzaCap”) acquired control of the Company through the issuance of 24,672,738 common shares and 5,361,363 warrants through a reverse takeover transaction. For financial reporting purposes, the transaction has been accounted for under IFRS 2 – Share-Based Payments and therefore the financial statements of the Company had been prepared as a continuation of MezzaCap through the period ended June 26, 2015 to December 31, 2015. MezzaCap owned approximately 70% of the Company's outstanding shares as of December 31, 2015. MezzaCap is a United Kingdom corporation for which Werner Boehm, a former Chief Executive Officer (“Boehm” or the “Former CEO”) of the Company, was the sole director.

On December 7, 2016, the Company's Board terminated the Former CEO for being in breach of his fiduciary duty to the Company. Motions were subsequently filed with the Ontario Superior Court of Justice (the “SCJ”) applying for relief under the oppression remedy against the Former CEO, MezzaCap and related parties. As the Former CEO repeatedly failed to deliver the corporate assets and property of BitRush and its subsidiaries, which included important financial information of the Company and its subsidiaries, the Company was not in a position to prepare and finalize its audited financial statements for the year ended December 31, 2016. As a result, the Board had determined there was effectively a loss of control of the Company's subsidiaries as of January 1, 2016, shortly after the time when Boehm was appointed CEO of BitRush. Accordingly, the Company recorded a charge of \$441,725 to the statements

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of income (loss) and comprehensive income (loss) for the year ended December 31, 2016, related to the loss of the Company's investment in and advances to the previously controlled subsidiaries.

On November 14, 2017, the SCJ declared that the Former CEO had breached his fiduciary duties to BitRush and caused the affairs of the Company to be conducted in an oppressive manner that unfairly disregarded and was unfairly prejudicial to the Company and its shareholders. The SCJ ordered, among other things, that Boehm and MezzaCap repay \$561,373 that had been misappropriated and ordered costs of \$225,956 payable to the Company. In the event if the damage of \$561,373 was not repaid, the SCJ ordered that the Company could cancel shares held by MezzaCap of equivalent value.

On June 29, 2018, the SCJ amended its decision of November 14, 2017 to deem the appropriate share price for the cancellation of BitRush shares held by MezzaCap at \$0.005, which resulted in an order for the cancellation of up to 112,274,600 shares held by MezzaCap. MezzaCap was the registered shareholder of 68,894,175 shares of the Company, all of which were cancelled pursuant to the order effective August 1, 2018.

Subsequent Events

On April 22, 2021, 2,500,000 options exercisable at \$0.10, expired unexercised.

On May 21, 2021, the OSC has granted Revocation Order fully revoking the CTO issued on December 2, 2016.

On May 23, 2021, the Company disposed of 3.50081676 BTC to repay the outstanding balance of USD\$111,356 on the Loan.

Issued and Outstanding Share Capital

As at May 26, 2021, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of BitRush are as follows:

Common Shares	Number Outstanding
Issued and outstanding	89,809,234
Issuable under warrants	2,889,260

Off-Balance Sheet Arrangements

As at March 31, 2021 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company.

Risk Factors

The Company faces exposure to risk factors and uncertainties relating to its business that could significantly negatively impact the Company's operations and financial results. Additional risks and uncertainties not presently known to the Company or currently deemed immaterial by the Company may also impair the Company's operations. If any such risks actually occur, shareholders of the Company could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Company could also be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. The following is a summary of risk factors that could be applicable to the business of the Company:

Additional financing

The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner to support its growth, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient,

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it will require additional financing to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all.

Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing can be negatively impacted by many factors as a result of a global financial crisis or recession. Such factors may impact the Company's ability to obtain financing in the future on favorable terms or obtain any financing at all. Additionally, unfavourable global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

The market price of securities is volatile and may not accurately reflect the long-term value of the Company

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of shares to sell their securities at an advantageous price. Market price fluctuations in the shares may be due to the Company's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the shares may decline even if the Company's investment results, underlying asset values or prospects have not changed.

Additionally, these factors, as well as other related factors, may cause decreases in investment values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the shares may be materially adversely affected.

Limited market for securities

There can be no assurance that an active and liquid market for the Company's shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

Operating risk and insurance coverage

The Company's insurance coverage is intended to address all material risks to which it is exposed and is adequate and customary in its current state of operations. However, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

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Reliance on management

The success of the Company is dependent on the performance of its senior management. The loss of services of these persons would have a material adverse effect on the Company's business and prospects in the short-term. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Digital asset and crypto currency

Since the introduction of BTC over 10 years ago, it has proven to be a highly volatile asset. All manner of theft in the form of hacking exchanges and user wallets has occurred. For many users, the best practices for safeguarding their BTC are not practical. This often opens the door to theft.

Predicting the price movements and assessing the risk of holding these assets or being liable for them is challenging. Risks in this class of asset include but are not limited to government intervention, 51% attacks and many others. As at today's date, no such threat has proven successful.

As with all new asset classes, the risks are high and prices are affected by various pressures including supply and demand, global political and economic conditions, regulation, sentiment and market structures such as availability of sending cash from banks to exchanges and the reverse.

Reliance on information technology and vulnerability to cyber-attacks

The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks. Every business is subject to cyber-attacks, however, internet businesses are particularly vulnerable given the relatively vast size of the online market for, and therefore resources available to, specific information technology providers. As such, specific information technology may be less able to thwart attempted breaches and misuses of information technology systems. A breach of the Company's computers could give rise to liabilities that result in material adverse effects to the financial condition of the Company.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's common shares.

Liability for activity of employees, contractors and consultants

The Company could be liable for fraudulent or illegal activity by its contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Company. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Company. Consequently, the Company is subject certain risks, including that contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Company.

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Disruption of business

Conditions or events including, but not limited to, those listed below could disrupt the Company's operations, increase operating expenses, resulting in delayed performance of contractual obligations or require additional expenditures to be incurred: (i) extraordinary weather conditions or natural disasters such as hurricanes, tornadoes, floods, fires, extreme heat, earthquakes, etc.; (ii) a local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu, or any other similar illness could result in a general or acute decline in economic activity (see also, "Public Health Crises, including COVID-19"); (iii) political instability, social and labour unrest, war or terrorism; or (iv) interruptions in the availability of basic commercial and social services and infrastructure including power and water shortages, and shipping and freight forwarding services including via air, sea, rail and road.

Public health crises

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises beyond our control, including the current outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a global health emergency. Many governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in business and consumer activity. While these effects are expected to be temporary, the duration of the business disruptions and related financial impact cannot be reasonably estimated at this time.

Such public health crises can result in volatility and disruptions in the supply and demand for various products and services, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to management health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak. At this point, the extent to which COVID-19 may impact the Company is uncertain; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Disclosure of Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have 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, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this MD&A. The Company's financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Company's Q1 2021 Financial Statements in all material aspects.

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The Audit Committee has reviewed the Q1 2021 Financial Statements and this MD&A with management of the Company. The Board has approved the Q1 2021 Financial Statements and this MD&A on the recommendation of the Audit Committee.

Approval

The Board of the Company has approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to BitRush can be found on the Company's SEDAR profile at www.sedar.com, or its website at www.bitrush.com.

May 26, 2021

Karsten Arend
Chief Executive Officer