ROBIX ALTERNATIVE FUELS, INC.
#3, 1406 – 3Rd Avenue South
Lethbridge, AB T1J 0K6

August 28, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS

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*The following Management's Discussion & Analysis ("**MD&A**") is management's analysis of financial and operating results for Robix Alternative Fuels, Inc. ("**Robix**" or the "**Corporation**"), and is intended to be read in conjunction with the Corporation's interim consolidated financial statements and the accompanying notes for the six months ended June 30, 2014, as well as the annual audited financial statements and related notes thereto for the year ended December 31, 2013, (the "**Financial Statements**") which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards. ("IFRS")*

FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", " intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Corporation's current beliefs and is based on information currently available to the Corporation and on assumptions the Corporation believes are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Corporation and its projects; general business, economic, competitive, political and social uncertainties; the actual results of operational activities; competition; delay or failure to receive board or regulatory approvals; changes in legislation, affecting the Corporation; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Overview

Robix was incorporated on June 9th, 2011 as 1611985 Alberta Ltd, pursuant to the *Alberta Business Corporations Act.* The Corporation was formed as a subsidiary of MLB Industries, Inc,

and subsequently became part of a Plan of Arrangement (the "**Arrangement**") between Blue Horizon Energy, Inc., MLB Industries Inc., 1603546 Alberta Ltd., 1619959 Alberta, Ltd., (which subsequently changed its name to Outrider Merchant Equities, Inc.) and the Corporation. The Corporation's articles of incorporation were amended on July 27, 2011 to remove the restrictions of share transfers of the Corporation, changing from a non-reporting issuer to a reporting issuer, pursuant to the *Alberta Business Corporations Act.* The Corporation's articles of incorporation were further amended on July 19, 2012, to change the name of the Corporation from 1611985 Alberta Ltd, to Robix Alternative Fuels, Inc.

The Company was listed for trading on the Canadian Securities Exchange (formerly Canadian National Stock Exchange) ("**CSE**") on September 26, 2013 under the trading symbol "RZX". It is also listed on the Frankfurt Stock Exchange under the symbol "R0X".

The head office is located at Bay #3, 1406 – 3rd Ave. South, Lethbridge, AB, T1J 0K6. The registered office of the Corporation is located at 10th Floor, Livingston Place, 250-2nd Street SW, Calgary, AB, T2P 0C1.

Description of the Business

Robix is an active investment holding corporation. The Corporation's primary asset is a Clean Ocean Vessel patent and related technology (the "**COV**"). Pursuant to the Arrangement, Robix purchased all intellectual property ("**IP**") associated with the COV from MLB Industries Inc. ("**MLB**"). As consideration for the purchase of the IP, the Corporation issued 3,454,035 common shares in its capital stock, which shares were distributed to the shareholders of MLB pursuant to the terms of the Arrangement.

The COV originally was held by MLB through a subsidiary of MLB called OSR Systems Ltd., which changed its name to 3049931 Canada Ltd., and on October 18, 2012, a Certificate of Dissolution of 3049931 Canada Ltd., was received by the Corporation. Thus, the COV patent became the direct property of Robix, no longer held through a subsidiary holding company.

The COV is an oil spill recovery vessel design with the capability to recover oil in rough and debris laden sea conditions through which the Corporation has recognized a worldwide market opportunity for effective containment, recovery and disposal equipment, particularly in the oil spill protection industry, and it proposes to develop a business model as a service provider, and/or equipment provider under licensing agreements with other industry participants, wherein Robix will use its COV patented design solution.

The COV is an ocean vessel, catamaran-hull barge design, capable of recovering oil from water, in virtually any conditions, especially in rough seas (40 Foot COV is stable up to Beaufort 6, or 8 feet ocean waves). Contra-rotating drums lift oil/water fluid from the surface of the ocean and scavenger blades "scrape" the oil/water fluid off the drums into storage tanks within the catamaran hulls. A prototype of the technology has been tested, is proven and scaleable. The COV has received independent verification through a Certificate of Endorsement by COPP, the USA based Committee for Oil Pollution Prevention.

By News Release dated May 7, 2014, the Corporation announced that it had completed the engineering drawings for the COV and ordered critical components to initiate construction on the COV. The engineering drawings were completed by Rayco Steel Ltd, of Sparwood, BC. The highly anticipated COV is expected to be ready for commissioning in approximately four months.

The small-scale "concept demonstration model" that was designed and built by the Corporation for use in demonstrating the validity of the COV IP, has been used a number of times in presentations by the Corporation to interested parties. The Corporation anticipates being able to carry out its intention to continue to renew interest from various oil spill response and recovery stakeholders using the COV IP, and thereby secure future potential revenue from the oil spill response and recovery industry.

On May 20th, 2014, the Corporation announced the launch of its Corris Marine Division with the opening of its Montreal office, in the Old Port of Montreal district. The Corris Marine Division intends to own and operate shipping tankers that will transport refined oil products along established global shipping routes. In addition to producing shipping revenue, it is intended that each tanker will host a Robix COV. Once installed on a tanker, the COV will be readily deployable to react to oil spills in the heavily travelled established shipping routes regionally and globally.

Robix, including its Corris Marine Division, has completed comprehensive revenue models and the financial analysis supports the creation of an initial fleet of tankers. Robix is currently in discussions with several tanker owners and the Corporation is evaluating non-dilutive financial structures to acquire these tankers.

On July 8th, 2014, the Corporation announced today that the construction of the first COV was progressing as planned. Long lead items are being received and construction of the COV unit is scheduled to begin in July at Rayco Steel Ltd, of Sparwood, British Columbia, following final approval of engineering and construction drawings. A detailed construction progress report is expected in August 2014, with testing and commissioning of the COV anticipated in Q3 2014. The first 40 foot COV prototype was built by previous owners of the technology in the 1990s, in Sturgeon Bay, Wisconsin, and tested in Leonardo, New Jersey.

Since acquiring the COV technology, Robix has designed state of the arthydraulics and electronics systems, which will be installed on the COV unit currently under construction. The new systems will allow the COV to perform more efficiently with less potential future maintenance issues.

The Corporation's sales and marketing team, led by Mr.Dale Oleksyn, is currently in discussions with a number of end users that have pre-existing relationships with the Company. These discussions are progressing well and certain end users have been identified and prioritized for COV demonstration and testing once the first unit is deployed. A more aggressive marketing campaign is scheduled to begin following deployment of the first commercial COV unit in the fall of 2014.

Summary of Quarterly Results

Description	Three months ended Jun 30 2014 $	Three months ended Mar 31 2014 $	Three months ended Dec 31 2013 $	Three months ended Sept 30 2013 $	Three months ended Jun 30 2013 $	Three months ended Mar 31 2013 $	Three months ended Dec 31 2012 $	Three months ended Sept 30 2012 $
Total Revenue	*107*	*162*	*217*	*53*	*105*	*Nil*	*Nil*	*Nil*
Total Expenses	*491,800*	*694,166*	*219,781*	*123,218*	*91,268*	*47,734*	*238,188*	*66,685*
Income (loss) total	*(491,693)*	*(694,004)*	*(219,564)*	*(123,166)*	*(91,163)*	*(47,734)*	*(238,188)*	*(66,685)*
Income (loss) per share	*(0.04)*	*(0.082)*	*(0.09)*	*(0.02)*	*(0.01)*	*(0.01)*	*(0.09)*	*(0.01)*
Total Assets	*536,071*	*214,527*	*146,524*	*191,030*	*209,044*	*52,705*	*52,838*	*62,274*
Total Current Liabilities	*91,528*	*360,043*	*108,619*	*52,943*	*126,400*	*110,831*	*71,230*	*7,238*

Results of Operations

Three and Six Months ended June 30, 2014

During the three and six months ended June 30, 2014, the Corporation received nominal revenues in the amount of $107 and $269, respectively, compared to $Nil and $Nil for the three and six months ended June 30, 2013, and reported a net loss of $491,693 and $1,185,697, respectively, compared to a net loss of $42,294 and $91,268 for the three and six months ended June 30, 2013.

The following is a breakdown of significant items from operations for the three and six months ended June 30, 2014, respectively: advertising expenses of $135,655 (2013: $2,000) and $222,810 (2013: $2,000), commissions of $48,642 (2013: $Nil) and $48,642 (2013: $Nil), consulting fees of $62,055 (2013: $2,000) and $527,603 (2013: $28,559), management fees of $25,500 (2013: $24,000) and $96,000 (2013: $44,000), rent of $3,035 (2013: $Nil) and $5,059 (2013: $Nil), transfer agent fees of $34,813 (2013: $3,515) and $38,807 (2013: $5,147), professional fees of $16,032 (2013: $247) and $46,438 (2013: $247), wages and salaries of $44,532 (2013: Nil) and $44,532 (2013: $Nil) and travel expenses of $117,758 (2013: $10,512) and $151,701 (2013: $10,512).

During the six months ended June 30, 2014, the consulting fees paid by the Corporation increased by $499,044 as a result of the engagement of additional consultants to assist in the aggressive growth phase of the Corporation. Advertising increased by $220,810 and travel costs increased by $141,189 in fiscal 2014 because the Corporation commenced an active marketing campaign. During fiscal 2014, professional fees increased by $40,406, which fees related to the Corporation obtaining a listing on the CSE. Management fees increased by $52,000 as a result of management assuming a more active role within the Corporation now that the Corporation is an actively listed issuer. Transfer agent fees increased by $33,660 during fiscal 2014 once the Corporation was listed on the CSE and the transfer agent took on a more active role with the Corporation. In addition, as a result of the Corporation's activities as an active listed issuer and

it's marketing activities, the Corporation paid commissions of $48,642 and wages and salaries of $44,523 that were not paid during the same period in fiscal 2013.

Liquidity and Capital Resources

As at June 30, 2014, the Corporation had working capital deficit of $7,832, compared to a working capital deficiency of $104,845 for the year ended December 31, 2013, total assets of $536,071 (December 31. 2013: $146,524), current liabilities of $91,528 (December 31, 2013: $108,619) and long term liabilities of $Nil (December 31, 2013: $103,137).

The Corporation has no history of earnings or the provision of a return on investment, and there is no assurance that its asset will provide a return on investment in the future. The Corporation may not realize on the future value of its primary asset, the COV, and the value of the COV may or may not be economic.

The Corporation relies solely upon the ability to raise additional capital in the short term, through the issuance of equity, debt instruments, or other such types of financing arrangements, in order to continue operations and meet its financial obligations related to promissory note repayment, management fees and continuous disclosure costs, as well as to advance the business. The Corporation's ability to generate sufficient amounts of cash and cash equivalents in the long term is dependent upon the Corporation's success in realizing on the value of the COV IP, and then recovering its anticipated costs of any proposed transaction or transactions, and any anticipated return on capital.

There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Corporation. The Corporation will be competing with other companies for available financing sources, many of which will have far greater resources and experience than the Corporation. No assurance can be given that the Corporation will be successful in raising the funds required for the costs related to advancing the viability of the COV, or any other potential business transaction.

As at the date of this MD&A, the Corporation is in need of sufficient working capital to exist as a going concern. There is no assurance that the Corporation will be able to meet those needs, and therefore may not be able to continue operations.

Transactions with Related Parties

During the six months ended June 30, 2014 and June 30, 2013, the Corporation had the following related party transactions: The following transactions were recorded with the directors and officers of the Company:

- Management fees of $25,500 (2013 - $24,000) were paid to Branson Management Corp., a company controlled by Nathan Hansen, Chief Executive Officer of the Corporation,

    - Wages of $44,532 (2013 - $Nil) paid to $16,500 To Robin Ray The Chief Financial Officer, $7,500 To Brian Gusko a Director of the Corporation, $7,500 To Dave Edwards a Director of the Corporation, $13,032 to Rick Carson a Director of the Corporation.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions only if such terms can be substantiated.

The loans payable are unsecured, non-interest bearing and without terms of repayment. It is the Corporation's intention to convert those loans into common shares in due course.

The $3,234 due from related party relates to expenses paid by the Corporation on behalf of Outrider Merchant Equities, Inc., which has common directors with the Corporation, being Nathan Hansen and Robin Ray, The amount is unsecured, non-interest bearing and without terms of repayment.

Financial Instruments and Other Instruments

The values of cash, accounts receivable, accounts payable and accrued liabilities and loans payable approximate their fair values due to the short-term maturity of these financial instruments. The values of restricted cash and promissory note payable approximate their fair values due to being amortized at the interest rates prevailing on the market.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. As at June 30, 2014, there is no financial instrument that potentially subjects the Corporation to concentrations of credit risk. The Board of Directors monitors the exposure to credit risk on an ongoing basis and does not consider such risk significant at this time. The Corporation is exposed to the credit risk through its cash and restricted cash.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Corporation does not have sufficient cash at June 30, 2014 to meet its short-term liabilities of $91,528. The Corporation requires significant additional funding to meet its administration overhead costs and the outstanding liabilities, and relies on the financial market to raise equity capital required to meet its obligations.

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risk.

<u>Interest rate risk</u>

Interest rate risk consists of two components:

(a) to the extent that payments made or received on the Corporation's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Corporation is exposed to interest rate cash flow risk; and

(b) to the extent that changes in prevailing market rates differ from the interest rate in the

Corporation's monetary assets and liabilities, the Corporation is exposed to interest rate price risk.

The Corporation is exposed to the interest rate risk through its restricted cash (interest rate cash flow risk) and promissory note payable (interest rate price risk).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is not exposed to other price risk.

Sensitivity analysis

Based on management's knowledge and experience of financial markets, the Corporation believes that movements in interest rates that are reasonably possible over the next twelve months will not have a significant impact on the Corporation.

Disclosure of Outstanding Share Data

The Corporation has an authorized share capital of an unlimited number of common shares, of which 11,770,841 common shares are issued and outstanding as of the date of this MD&A.

During the six months ended June 30, 2014, the Corporation issued the following securities:

- 2,476,646 common shares issued pursuant to the settlement of debt in the aggregate amount of $660,031.

- 1,139,000 common shares upon the exercise of stock options for aggregate proceeds of $412,050.

- 1,775,429 common shares issued pursuant to a private placement at a price of $0.33 per unit for total proceeds of $585,891. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one additional common share at a price of $0.45 per share for a period of two years after the closing. If, at any time, the closing price of the common shares on the CSE is at least $0.54 for a minimum of 10 consecutive trading days (whether or not trading occurs on all such days), the Corporation may, at its option, accelerate the expiry date of the warrants by giving written notice thereof to all holders of warrants, and, in such case, the warrants will expire on the date which is the earlier of: (i) the 30th day after the date on which such written notice is given by the Corporation; and (ii) the original expiry date.

Finder's fees totaling $44,681.93 were paid and 135,400 finder's warrants were issued in connection with the private placement. Each finders warrant entitles the holder to purchase one common share at a price of $0.33 per share for a period of two years after the closing.

The Corporation granted the following stock options during the six months ended June 30, 2014:

Date of Grant	No. of Options	Exercise Price Per Share	Expiry Date
April 1, 2014	240,000	$0.37	April 1, 2017
May 21, 2014	440,000	$0.50	May 21, 2017
June 17, 2014	261,084	$0.60	June 17, 2017
July 8, 2014	160,000	$0.64	July 8, 2017

As at the date of this MD&A, the Corporation has a total of 1,111,084 incentive stock options outstanding and unexercised.

Off-Balance Sheet Arrangements

The Corporation does not currently have any off-balance sheet arrangements.

Changes in Accounting Policies including Initial Adoption

Future accounting pronouncements

IFRS 9 Financial Instruments

The International Accounting Standard Board intends to replace IAS 39, "*Financial Instruments: Recognition and Measurements*" ("**IAS 39**") with IFRS 9, "*Financial Instruments*" ("**IFRS 9**"). IFRS 9 will be published in three phases, of which the first phase has been published. For financial assets, IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity measures its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used. For financial liabilities, the approach to the fair value option may require different accounting for changes to the fair value of a financial liability as a result of changes to an entity's own credit risk. IFRS 9 is effective for annual periods beginning on or after January 1, 2015. The Corporation has not yet assessed the impact of the standard.

Subsequent Events

Subsequent to the six months ended June 30, 2014, the Corporation settled indebtedness in the aggregate amount of $510,000 by the issuance of 680,000 common shares of the Corporation at a deemed price of $0.75 per common shares, which shares are subject to a four month hold period expiring on November 24, 2014.

On August 7th, 2014, the Corporation announced a non-brokered private placement offering of up

to 1,333,333 units at a price of $0.60 per unit for gross proceeds of up to $800,000. Each unit will consist of one common share and one common share purchase warrant entitling the holder thereof to acquire one additional common share at a price of $0.80 per share for a period of one year after the closing.

A finder's fee of up to 10% of the gross proceeds of the offering may be paid on all or any portion of the funds raised pursuant to this offering. In addition, finders will receive finders warrants equal to up to 10% of the number of units issued in connection with the offering. Each finders warrant will entitle the holder to purchase one common share at a price of $0.60 for a period of one year after the closing.

The closing of the offering is expected to occur on or about September 30, 2014, and is subject to regulatory approval. The net proceeds from the offering will be used to finance the Corporation's continuing capital program and for general working capital purposes.

Additional Information

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Corporation. This MD&A should be read in conjunction with other disclosure documents provided by the Corporation, which can be accessed at http://www.sedar.com/. No securities commission or regulatory body has reviewed the accuracy or adequacy of the information presented herein.