

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: VirtualArmour International Inc. (the "Issuer").

Trading Symbol: VAI

Number of Outstanding Listed Securities: **63,599,447 common shares and 6,250,418 common shares reserved for issuance as options as of July 31, 2019.**

Date: **August 7, 2019**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

VirtualArmour continued to generate revenue through ongoing Managed Security Services as well as professional services and additional hardware sales within the existing customer base.

2. Provide a general overview and discussion of the activities of management.

The Issuer's management continued sales and marketing efforts applicable to its products and services.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers.

None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

On July 30, 2019, the Issuer granted a total of 100,000 options to purchase common shares of the Issuer at an exercise price of \$0.145 per share, expiring July 30, 2024 to employees of the Issuer. See Schedule A below.

Schedule A—Option Grants

<u>Optionee</u>	<u>Status</u>	<u># of Shares Subject to Option</u>	<u>Type of Option</u>	<u>Grant Date</u>	<u>Strike Price CAD</u>	<u>Vesting Schedule</u>	<u>Expiration Date</u>
Tianyi Lu	Employee	100,000	Incentive Stock Option	July 30 2019	\$ 0.145	30% after 12 months, 8.75% every three months thereafter. Fully vested after 35 months	July 30, 2024
TOTAL:		100,000					

15. Provide details of any loans to or by Related Persons.

During July 2019, the Company entered into a short-term unsecured Promissory Note in the amount of \$80,000 with the CFO. That amount remained outstanding as of July 31, 2019.

During July 2019, the Company repaid \$2500 on an existing LOC with a Director of the Company, with an outstanding amount due under the LOC of \$232,694 as of June 30, 2019.

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 7, 2019

Russ Armbrust
Name of Director or Senior Officer

/s/Russ Armbrust
Signature

CEO
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/DD
VirtualArmour International Inc.	July 2019	19/08/07
Issuer Address Suite 720 – 999 West Broadway		
City/Province/Postal Code Vancouver, BC V5Z 1K5	Issuer Fax No. None	Issuer Telephone No. (720) 300-3235
Contact Name Russ Armbrust	Contact Position CEO	Contact Telephone No. (720) 300-3235
Contact Email Address russ.armbrust@virtualarmour.com	Web Site Address www.virtualarmour.com	