

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: VAI

Number of Outstanding Listed Securities: **106,508,822 common shares and 6,250,418 common shares reserved for issuance as options as of March 31, 2020.**

Date: April 6, 2020

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.

**In November the Company entered into a scheduled revenue purchase agreement with Complete Business Solutions Group with total purchase amounts under the facility equaling \$84,453.78 in March, \$800,929.80 of the aggregate purchase amounts repaid by end of the reporting period and the remaining total purchase amount of \$255,694.85 payable over the subsequent 33 business days.**

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

**On March 12, 2020, the Issuer granted a total of 6,020,418 options to purchase common shares of the Issuer at an exercise price of \$0.04 per share, expiring March 11, 2025. See Schedule B below.**

VirtualArmour International Inc.

Schedule B—New Options under 2018 Plan

Optionee	Status	# of Shares Subject to Option	Type of Option	Grant Date	Strike Price CDN\$	Vesting Schedule	Expiration Date
Andrew Douthwaite	UK staff	712,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Chad Schamberger	Employee	712,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Todd Kannegieter	Director	701,517	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Chris Blisard	Director	749,901	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Andrew Douthwaite	UK staff	250,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Chad Schamberger	Employee	250,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Chris Storer	Employee	150,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Jon Chaplow	Employee	50,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Alan Thorne	UK staff	50,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Jordan Durham	UK staff	25,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Ross Martin	Employee	25,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Bob Morrison	Director	50,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Jim Engstrom	Director	50,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Ryan McKinney	Director	50,000	NSO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Tianyi Lu	Employee	100,000	ISO	March 12, 2020	CDN \$0.04	Immediately upon grant	March 11, 2025
Kyle Duffy	Employee	100,000	ISO	March 12, 2020	CDN \$0.04	91,250 immediately vested, with the remaining 8,750 vesting on March 23, 2020	March 11, 2025
Russ Armbrust	Employee	1,000,000	ISO	March 12, 2020	CDN \$0.04	912,500 immediately vested, with the remaining 87,500 vesting on March 23, 2020	March 11, 2025
Miguel Quian	UK staff	25,000	NSO	March 12, 2020	CDN \$0.04	22,813 immediately vested, with the remaining 2,187 vesting on March 23, 2020	March 11, 2025
Peter Minza	UK staff	25,000	NSO	March 12, 2020	CDN \$0.04	22,813 immediately vested, with the remaining 2,187 vesting on March 23, 2020	March 11, 2025
Andrea Hyndman	UK staff	10,000	NSO	March 12, 2020	CDN \$0.04	9,125 immediately vested, with the remaining 875 vesting on March 23, 2020	March 11, 2025
Tom Mann	UK staff	25,000	NSO	March 12, 2020	CDN \$0.04	22,813 immediately vested, with the remaining 2,187 vesting on March 23, 2020	March 11, 2025
Gabe Mouritsen	Employee	25,000	ISO	March 12, 2020	CDN \$0.04	22,813 immediately vested, with the remaining 2,187 vesting on March 23, 2020	March 11, 2025
Jim Harrison	Employee	25,000	ISO	March 12, 2020	CDN \$0.04	22,813 immediately vested, with the remaining 2,187 vesting on March 23, 2020	March 11, 2025

Optionee	Status	# of Shares Subject to Option	Type of Option	Grant Date	Strike Price CDN\$	Vesting Schedule	Expiration Date
Andrew Douthwaite	UK staff	50,000	NSO	March 12, 2020	CDN \$0.04	41,250 immediately vested, with 4,375 vesting on March 12, 2020 and the remaining 4,375 vesting on June 12, 2020	March 11, 2025
Jon Chaplow	Employee	100,000	ISO	March 12, 2020	CDN \$0.04	82,500 immediately vested, with 8,750 vesting on March 12, 2020 and the remaining 8,750 vesting on June 12, 2020	March 11, 2025
Tianyi Lu	Employee	50,000	ISO	March 12, 2020	CDN \$0.04	41,250 immediately vested, with 4,375 vesting on March 12, 2020 and the remaining 4,375 vesting on June 12, 2020	March 11, 2025
Ross Martin	Employee	100,000	ISO	March 12, 2020	CDN \$0.04	82,500 immediately vested, with 8,750 vesting on March 12, 2020 and the remaining 8,750 vesting on June 12, 2020	March 11, 2025
Chad Schamberger	Employee	50,000	ISO	March 12, 2020	CDN \$0.04	41,250 immediately vested, with 4,375 vesting on March 12, 2020 and the remaining 4,375 vesting on June 12, 2020	March 11, 2025
Chris Storer	Employee	50,000	ISO	March 12, 2020	CDN \$0.04	41,250 immediately vested, with 4,375 vesting on March 12, 2020 and the remaining 4,375 vesting on June 12, 2020	March 11, 2025
Kyle Duffy	Employee	300,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on April 9, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
Michael Murdoch	Employee	5,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on April 9, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
Brent Taylor	Employee	25,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on April 9, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
Garrett Stanley	Employee	5,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on April 9, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
Tianyi Lu	Employee	100,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on July 30, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
John Judge	Employee	25,000	ISO	March 12, 2020	CDN \$0.04	30% vesting on September 14, 2020, 8.75% every three months thereafter. Fully vested after 36 months	March 11, 2025
<b>TOTAL:</b>		<b>6,020,418</b>					

Todd Kannegieter (the “Acquiror”), a director of VirtualArmour International Inc. (the “Company”), announces that, further to the news release dated March 11, 2020, he has acquired ownership of 14,303,125 common shares (the “Shares”) and 7,151,563 non-transferable common share purchase warrants (the “Warrants”) pursuant to a non-brokered private placement (the “Private Placement”) of units (the “Units”) at a price of CAD\$0.048 (USD\$0.034957395674) per Unit. Each Warrant is exercisable by the Acquiror into Shares of the Company at an exercise price of CAD\$0.048 per Share until March 10, 2025.

Christopher Blisard (the “Acquiror”), a director of VirtualArmour International Inc. (the “Company”), announces that, further to the news release dated March 11, 2020, he has acquired ownership of 28,606,250 common shares (the “Shares”) and 14,303,125 non-transferable common share purchase warrants (the “Warrants”) pursuant to a non-brokered private placement (the “Private Placement”) of units (the “Units”) at a price of CAD\$0.048 (USD\$0.034957395674) per Unit. Each Warrant is exercisable by the Acquiror into Shares of the Company at an exercise price of CAD\$0.048 per Share until March 10, 2025.

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

**None**

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: **April 6, 2020**\_\_\_\_\_.

Russ Armbrust  
Name of Director or Senior Officer

"Russ Armbrust"  
Signature

CEO  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
<b>VirtualArmour International Inc.</b>	<b>March 2020</b>	<b>20/04/06</b>
Issuer Address <b>Suite 720 – 999 West Broadway</b>		
City/Province/Postal Code <b>Vancouver, BC V5Z 1K5</b>	Issuer Fax No. <b>None</b>	Issuer Telephone No. <b>(720) 300-3235</b>
Contact Name <b>Russ Armbrust</b>	Contact Position <b>CEO</b>	Contact Telephone No. <b>(720) 300-3235</b>
Contact Email Address <a href="mailto:russ.armbrust@virtualarmour.com">russ.armbrust@virtualarmour.com</a>	Web Site Address <a href="http://www.virtualarmour.com">www.virtualarmour.com</a>	