

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: AFG Flameguard Ltd.  
("AFG" or the "Issuer")

Trading Symbol: AFG

Number of Outstanding Listed Securities: 29,782,992

Date: January 2013

#### 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.

**An extensive testing and certification program commissioned by DSPA.NL is now complete. Testing was conducted over several months at an independent international testing agency, Kiwa Netherland B.V., ("KIWA") (<http://www.kiwa.nl>). Aerosol Generators DSPA 11-1, DSPA 11-2, DSPA 11-3, DSPA 11-4, DSPA 11-5, DSPA 11-6 and DSPA 8-1 received declarations of conformity based on parts of CEN/TR 15276-1, ISO15779 and UL 2775 from KIWA. The tests included, among other attributes, the durability, reliability and measurement of the effectiveness of our DSPA installed unit. The new certifications issued as a result of the tests conducted represent a significant milestone for the Issuer and its line of DSPA fixed installation systems. As a result of the KIWA tests and related certifications the Issuer believes that this may facilitate the future sales of DSPA fixed systems.**

**KIWA is accredited by the Dutch Accreditation Council. The Standards Council of Canada (SCC), by virtue of its membership in the International Accreditation Forum's (IAF) Mutual Recognition Agreement (MRA), recognizes accreditation certificates issued by the Dutch Accreditation Council to certification bodies, including KIWA, equivalent to the certificates issued by SCC to its own accredited organizations. However, acceptance of the certificates issued by KIWA with respect to the products distributed by the Issuer ultimately depends on those individuals or organizations that will be procuring or mandating the use of these products in Canada.**

**The Issuer can now actively market and pursue sales of DSPA fixed installation systems for use in circumstances where installed fire suppression systems are used or required. The Issuer is currently in discussions with various industrial, manufacturing and commercial businesses as well as an airport authority and provincial power generation companies related to DSPA fixed installation systems and other Issuer products.**

**The Issuer has continued to pursue the sale of DSPA-5 units to fire departments and as well as DSPA-5 units and other fire suppression equipment packaged as Remote Response Station “Lock Boxes” to cottage owners in Ontario. Lock Boxes hold two DSPA-5 units and a variety of other fire suppression and safety equipment.**

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

**Management of the Issuer has continued to focus on day-to-day operations, specifically planning and sales efforts related to HCA fire retardant paints and coatings and DSPA-5 sales to fire departments, campgrounds, resort, marinas and boat owners and Lock Box sales to cottage owners and remote businesses.**

**Management has also been focused on preparations related to the marketing and sales of DSPA fixed installation systems as a result of the new certifications issued by KIWA.**

**Management has continued to interview prospective distributors and agents for its full line of products in Canada as well as other territories.**

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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.

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

## 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 were 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: February 3, 2013

Thomas Bell

Name of Director or Senior  
Officer

"Thomas Bell"

Signature

President and CEO

Official Capacity

Name of Issuer <b>AFG Flameguard Ltd.</b>	For Month End <b>January 2013</b>	Date of Report (YY/MM/DD) <b>13/02/03</b>
Issuer Address <b>1150 – 750 West Pender Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6C 2T8</b>	Issuer Fax No. <b>(604) 638-8106</b>	Issuer Telephone No. <b>(604) 629-8629</b>
Contact Name <b>Thomas Bell</b>	Contact Position <b>President</b>	Contact Telephone No. <b>(604) 629-8631</b>
Contact Email Address <b>thomas@afg5.com</b>	Web Site Address <b>www.afg5.com</b>	