

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: February 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.

The Issuer continued its efforts to facilitate sales in Canada following the recently completed product testing and certification program commissioned by DSPA.NL. Testing was conducted over several months at an independent international testing agency, Kiwa Nederland 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 are important 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. It is very likely that the certification by the Underwriters Laboratories of Canada (ULC) will be required for the Issuers products to be widely accepted in the Canadian market.

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 and a national insurance underwriter related to DSPA fixed installation systems and other Issuer products.

The Issuer has continued to pursue the sale of DSPA-5 portable units and other fire suppression products and equipment to fire departments as well as to a wider commercial customer base. During the month of February the issuer secured sales of DSPA-5 units to the provincial power generation company in Quebec as well as to a nuclear power generating facility in Ontario. These are important milestones for the Issuer as it represents the first time that DSPA-5 units were procured from the Issuer by Canadian provincial crown corporations.

In February the Issuers DSPA-5 units were successfully used by fire departments in Williamsburg, ON and Hampshire, PEI. In Williamsburg the South Dundas Fire & Rescue Services used a DSPA-5 unit to suppress an advanced fire in a wood framed residential structure which allowed fire crews to gain access to the building, extinguish the fire and save contents of the home.

In Hampshire the North River Fire Department deployed a DSPA-5 unit into a single dwelling house that had flames and heavy smoke shooting out of the front window when firefighters arrived, according to North River Fire Chief Kirby Wakelin. Chief Wakelin was quoted in The Guardian, Charlottetown “this is the second time his fire department has used the device to successfully put out a fire”.

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, provincial power generation companies, 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 of the Issuer has continued to interview prospective distributors and agents for its full line of products in Canada as well as other territories.

Management has been seeking additional investments to assist in funding the operations of the Issuer.

2. 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

3. 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

4. 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

5. 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

6. 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

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

N/A

8. 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

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

N/A

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

N/A

11. 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

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

N/A

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

N/A

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

N/A

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

N/A

16. 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: **March 6, 2013**

Thomas Bell

Name of Director or Senior
Officer

"Thomas Bell"

Signature

President and CEO

Official Capacity

Name of Issuer AFG Flameguard Ltd.	For Month End February 2013	Date of Report (YY/MM/DD) 13/03/06
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City/Province/Postal Code Vancouver, BC V6C 2T8	Issuer Fax No. (604) 638-8106	Issuer Telephone No. (604) 629-8629
Contact Name Thomas Bell	Contact Position President	Contact Telephone No. (604) 629-8631
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