



FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: FREEPORT CAPITAL INC (the “Issuer”).

Trading Symbol: FAS

Number of Outstanding Listed Securities: 21,200,284 Common Shares

Date: August 1st, 2012

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 company management for the month of July 2012 was pleased with the current status of affairs. Overseas in Asia the company’s subsidiary holding HybridPayTech Asia Inc successfully hired 2 more development programmers bringing staff count to five (5) employees. The company has engaged business discussions and proof of concept with three (3) local Banks in Manila which are currently under NDA until the live operational date is achieved through month of August 2012.

Additionally the company completed the 51% acquisition of Vault Acquiring Solutions LLc a multi-channel gateway to acquirers in the USA bringing the Hybrid PayTech strategy to full deployment in the USA adding to the existing connectivity to CT-Paiement Inc. in Canada enabling a full North America scalable model giving Hybrid Mobile App’s full interoperability with over 80% connectivity to acquirers.

In the past 30 days the company has activated an additional 20 plus merchant retailer accounts testing proof of concept in New York, California, Aruba, Japan and Hong Kong. We believe a success rate of over 60% conversion rate to customer acceptance will be achieved with the remained rolling out throughout the month of September of 2012.

Lastly the company announced a change to its annual AGM assembly in order to facilitate adequate time of its proxy mailer and announcement to a significant material change to be announced at the AGM.

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

Management was actively engaged in all general administrative and sundry duties of the Corporation.

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.

In the past month Company has continued with its business of offering the smart phone application platform to customers and Mobile Payment Solutions.

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.

In the past month there have been no new products or services that have been discontinued.

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.

The Issuer has activated an additional twenty (20) plus merchant retailer accounts testing proof of concept in New York, California, Aruba, Japan and Hong Kong.

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.

Other than what has been disclosed in Section 1 of this report, during the reporting month there have been no other contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

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..

The acquisition of 51% interest in Vault Acquiring Solutions LLC has been successfully completed. .

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

During the reporting month, the Issuer has continued to successfully issue activation codes to Processors, Acquirers and Merchants in the Payment space for evaluation and testing which should result in the acquiring of new customers. As a result, the Issuer has activated an additional twenty (20) plus merchant retailer accounts testing proof of concept in New York, California, Aruba, Japan and Hong Kong. There has been no loss of customers.

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.

During the preceding month there have been no new developments or effects on intangible products.

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

During the reporting month there has been no new hirings and there have been no terminations or lay-offs or detailed anticipated lay-offs except for five hirings by the HybridPaytech Asia Inc. a subsidiary of the Issuer.

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

The Issuer was not involved in any labour disputes in the reporting month.

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.

The Issuer was a party to one legal proceeding filed on March 11th 2010 in Quebec Court which involved a dispute regarding legal fees charged by Feldman Rolland judgment was rendered for an amount of \$7603.01, and lawsuit filed by a former consultant of the Issuer for \$23,703.75 in Quebec Court for which judgment has also been rendered. The aforementioned matters are in the process of being resolved. The Issuer is also involved in a lawsuit regarding a labour dispute for a claim totalling \$ 22,775.12 in Quebec Court (500-22-191118-127) which is currently being contested.

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

The Issuer did not incur nor pay any indebtedness in the reporting month.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	1 505 260	Conversion of debt \$0.50/Share	Payroll, professional services and commercialization
Common Shares	145 380	Conversion of Debt \$0.25/Share	Payroll, professional services and commercialization
Common Shares	7047310	Conversion of Debt \$ 0.25/Share	Payroll, professional services and commercialization
Common Shares	373334	Subscription \$ 0.60\$/Share	Payroll, professional services and commercialization

Warrants	7 047 310	\$0.30/Share expires March 31 st 2013 and \$0.40/Share expires March 31 st 2014	Payroll, professional services and commercialization
Warrants	104144	\$1.00/Share expires December 8 th 2013 and \$1.75/Share expires December 8 th 2014	Payroll, professional services and commercialization
Warrants	41236	\$0.49/Share expires on January 13, 2014	Payroll, professional services and commercialization
Warrants	1 128145	\$1.25/Share expires September 30 th 2013	Payroll, professional services and commercialization
Warrants	280 000	\$1.25/Share expires September 30 th 2013	Payroll, professional services and commercialization

(1) State aggregate proceeds and intended allocation of proceeds.

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

There were no loans to or by Related Persons in the reporting month.

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

There were no changes in directors or officers in the reporting month.

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 : August 1st 2012

Michele Tasillo
Name of Director or Senior Officer

(s) Michele Tasillo
Signature

Director/CFO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/D
Name of Issuer			
FREEPORT CAPITAL INC.		July 1 st 2011	2012/08/01
Issuer Address			
643 Notre-Dame West 3rd Floor			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
Montreal/Quebec/ H3C 1H8	514-394-7484	(514) 394-5200	
Contact Name	Contact Position	Contact Telephone No	
Massimo Barone	Manager	(514) 394-5200	
Contact Email Address	Web Site Address		
maxbarone@gosmartcard.com	www.freeportcap.com		