

MCIG, INC.

FORM 10-K (Annual Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED APRIL 30, 2016

Commission file number: 333-175941

MCIG, INC.

(Exact name of registrant as specified in its charter)

NEVADA (State or other jurisdiction of incorporation or organization)	27-4439285 (I.R.S. Employer Identification No.)
2831 St. Rose Parkway, Suite 200, Henderson , NV (Address of principal executive offices)	89052 (Zip Code)
Registrant's telephone number, including area code	570-778-6459

Securities registered under Section 12(b) of the Act:

None

Securities registered under Section 12(g) of the Act:

Common Stock, par value \$0.0001 per share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
 Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
 Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/> Accelerated filer	<input type="checkbox"/>
Non-accelerated filer (Do not check if smaller reporting company)	<input type="checkbox"/> Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$5,862,585. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of August 31, 2016, there were 326,755,392 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended April 30, 2016).

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FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA") regarding management's plans and objectives for future operations including plans and objectives relating to our planned marketing efforts and future economic performance. The forward-looking statements and associated risks set forth in this Annual Report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends and regulations in the our industry, (c) our ability to obtain and retain sufficient capital for future operations, and (d) our anticipated needs for working capital. These statements may be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Business" Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors". In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.

The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions described herein. The assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, although we believe that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed in "Risk Factors", there are a number of other risks inherent in our business and operations, which could cause our operating results to vary markedly and adversely from prior results or the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause us to alter marketing, capital investment and other expenditures, which may also materially adversely affect our results of operations. In light of significant uncertainties inherent in the forward-looking information included in the report statement, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.

Any statement in this report that is not a statement of an historical fact constitutes a "forward-looking statement".

Further, when we use the words “may”, “expect”, “anticipate”, “plan”, “believe”, “seek”, “estimate”, “internal”, and similar words, we intend to identify statements and expressions that may be forward-looking statements. We believe it is important to communicate certain of our expectations to our investors. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions that could cause our future results to differ materially from those expressed in any forward-looking statements. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements. Important factors that may cause our actual results to differ from such forward-looking statements include, but are not limited to, the risks outlined under “Risk Factors” herein. The reader is cautioned that our Company does not have a policy of updating or revising forward-looking statements and thus the reader should not assume that silence by management of our Company over time means that actual events are bearing out as estimated in such forward-looking statements.

OTHER INFORMATION

Unless specifically set forth to the contrary, when used in this report, the terms “mCig, Inc.”, “mCig”, “we”, “our”, the “Company” and similar terms refer to mCig, Inc., a Nevada corporation. In addition, when used herein and unless specifically set forth to the contrary, “2015” refers to the year ended April 30, 2015, and “2016” refers to the year ended April 30, 2016.

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PART I

Item 1. Business

General Overview

We were incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. All agreements related to the Lifetech business were terminated and closed as of April 30, 2014. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." The Company's common stock is traded under the symbol “MCIG.” The Company is based in Beverly Hills, California.

Since 2013, the Company manufactures, markets, and distributes electronic cigarettes, vaporizers, and accessories under the mCig brand name in the United States. It offers electronic cigarettes and related products through its online store mcig.org, as well as through the company's wholesale, distributor, and retail programs. In FY 2016 the Company expanded its products and services to include construction management. The Company continues to look at strategic acquisitions and product and service developments for future growth.

mCig Construction Division

We develop, design, engineer, and construct modular buildings with unique and proprietary elements that assist cannabis growers in the market. Each modular building is uniquely designed for each customer. The Company began construction on its first contract in April 2016. We will continue to expand our offering in the construction and modular facilities in multiple facets as the industry continues to seek better and improved ways of production.

mCig Commercial Division

We manufacture, distribute, and retail the mCig – an affordable loose-leaf eCig. Designed in the USA – the mCig provides a smoking experience by heating plant material, waxes, and oils delivering, in the Company's opinion, a smoother inhalation experience. The Company also maintains an investment in Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through VitaCig, Inc., a Florida Company, a wholly owned subsidiary, the Company is engaged in the manufacturing and retailing of a nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

DESCRIPTION OF SUBSIDIARIES

Scalable Solutions, LLC

The Company organized Scalable Solutions, LLC (“SS”) on March 7, 2016 under the laws of the state of Nevada. mCig has been issued 40 membership units and Zoha Development, LLC (“ZOHA”) has been issued 20 units. ZOHA has a ten year option to purchase 40 additional units which expires March 6, 2026.

mCig Internet Sales, Inc.

On June 1, 2016, subsequent to this reporting period, the Company incorporated mCig Internet Sales, Inc., (“mCig Internet”) in order to consolidate all online retail sales from various websites and to provide streamlining of administrative and documentation services, consolidation of inventories, and support economy of scale.

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Vapolution, Inc.

On January 23, 2014, the Company signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement, mCig, Inc. acquired 100% of Vapolution, Inc. As part of this transaction, mCig, Inc. issued 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retained the right to rescind the transaction, which expired on January 23, 2015 but was extended to May 23, 2015 based on an Amended Stock Purchase Agreement executed on May 23, 2014. Subsequently, on August

25, 2015, the final payment to the shareholders of Vapolution as extended to September 30, 2015 and the right to rescind the transaction was extended to June 30, 2017. On April 30, 2015 the Company impaired the \$625,000 initial investment into Vapolution, Inc., but maintains the \$67,500 investment on its balance sheet.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg were cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

Vapolution, Inc., is wholly owned by mCig, Inc., and is reported in the consolidated financial statements as an investment of the Company. The financial statements of Vapolution, Inc. are not consolidated with the consolidated financial performance of mCig as expressed in this Form 10-K.

VitaCig, Inc.

On February 24, 2014, the Company entered into a Contribution Agreement with VitaCig, Inc. In accordance with this agreement, VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term “VitaCig” filed with the USPTO and \$500 in cash as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc. mCig now owns approximately 46% of VitaCig shares.

On November 28, 2014, mCig completed the spin-off of VitaCig, Inc. (the “Spin-off”). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the “Distribution Date”), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share (“VitaCig Common Stock”), to holders of mCig’s stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. mCig retained 230,000,000 shares of common stock and remains a shareholder. The shares of common stock to be received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

On June 22, 2016, the Company and VitaCig, Inc., entered into a Separation and Share Transfer Agreement whereby VitaCig transferred the assets and operations of the business of VitaCig, Inc., to Company in exchange for the return of 172,500,000 shares of VitaCig Common Stock to the treasury of VitaCig, Inc., and for a reduction of the amount owed to the Company in excess of \$95,000.

VitaCig, Inc., a Nevada Corporation, is a public company trading under VTCQ.

Business Model

mCig specializes in products and services within the cannabis and eCig markets. Since October 2013, mCig, Inc. has positioned itself as an industry leader and technology company focused on two long-term secular trends:

(1) The decriminalization and legalization of marijuana for medicinal or recreational purposes. Legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally. Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty-three states and the District of Columbia currently have laws legalizing marijuana in some form (See <http://www.governing.com/gov-data/safety-justice/state-marijuana-laws-map-medical-recreational.html>, which website is not incorporated into this filing).

(2) The adoption of electronic vaporizing cigarettes (commonly known as “eCigs”), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking is addictive, and the most difficult part is cessation. The Company contends that E-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits.

The Company’s business model focuses on three specific divisions in the overall cannabis and eCig industries. It manufactures products that may be sold individually or as system components. We engineer and construct structural components of commercial buildings. We provide consultation in business development and financial strategies.

Employees and Consultants

As of April 30, 2016, the Company had no employees and 14 consultants, of whom 9 are primarily administrative and executive personnel, with 3 in Scalable Solutions, and 11 in the operations of mCig. The Company has utilized consultants for non-recurring work. The Company intends to bring a number of the consultants on as employees in the near future. Management believes its relationship with our consultants is good.

Available Information

All reports of the Company filed with the SEC are available free of charge through the SEC's Web site at www.sec.gov. In addition, the public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

MCIG CONSTRUCTION DIVISION

Description

The Company Construction Division constructs commercial buildings and modular buildings according to plans supplied by the customer, or act as a design/build firm taking the customer from concept to full turnkey occupancy, typically utilizing modular technology and structural insulated panels. The Company has experienced project managers who can take single buildings or entire projects from infancy to occupancy for those customers who desire to have a comprehensive building solution without their actual day-to-day involvement.

Competitive Strengths

The Company has competitive strength in that it maintains the ability to take projects from concept to occupancy, to provide architectural and engineering designs for the construction of commercial buildings. This one stop full service line of comprehensive building solutions differentiates the Company within the marketplace.

Market

The Company maintains current construction arms in Las Vegas, Nevada. This market continues to see growth, even during this current time of economic downturn. The Company has licensed General Contractors on staff who build commercial structures in Nevada. The Company utilizes architects and engineers who are qualified in all 48 continental states.

Sales

The Company currently has 4 projects under contract, with 3 under construction prior to April 30, 2016. One of the contracts have been suspended until the customer obtains the necessary approvals to proceed. The focus of the construction division is on cultivation and grow facilities within the State of Nevada at this time. We will continue to look to expand our sales to other states in which cultivation and grow has been authorized, in a methodical approach to continue to keep in line with the Company's desire of no toxic debt instruments.

Competition

The Company continues to compete for construction work with many different builders. The construction industry in the United States alone is more than \$1 trillion annually. Approximately 2% of the market utilizes structural insulated panels in its construction. This industry is projected to grow 60% per year over the next five years. The potential for growth, even with strong competition, with effective marketing indirectly assists the Company in educating the public, and increasing sales opportunities.

MCIG COMMERCIAL DIVISION

We are engaged in the business of marketing and distributing electronic cigarettes, vaporizers and accessories under the mCig brands.

- mCig 2.0 is available for purchase through the mCig website (www.chillcbdoil.com) and through companies who've ordered them in bulk through the Company's wholesale, distributor and retail programs;
- mCig 3.0 is available for purchase through the mCig owned website (www.chillcbdoil.com) and through companies who've ordered them in bulk through the Company's wholesale, distributor and retail programs;
- mCig 4.0 is available for purchase through the mCig owned website (www.chillcbdoil.com) and through companies who've ordered them in bulk through the Company's wholesale, distributor and retail programs;

In development:

mCig, Inc. is currently in the process of researching and developing a future line of products including the mCig 3.5 and the LiqCig, respectively. These products are still in the conceptual phase, as we hope to have these out sometime in 2016.

The Market for Electronic Cigarettes

We compete in a highly competitive market that includes other e-cigarette marketing companies, as well as traditional tobacco companies. In this highly fragmented market, we have focused on building brand awareness early through viral adoption and word of mouth. In the future, we expect to employ additional marketing strategies while continuing to develop our supply chain and fulfillment capabilities.

We market our electronic cigarettes and vaporizers as an alternative to traditional tobacco cigarettes. We offer our

products in three flavor combinations. Because electronic cigarettes offer a “smoking” experience without the burning of tobacco leaf, electronic cigarettes offer users the ability to satisfy their traditional cigarette cravings without smoke, tar, ash or carbon monoxide. In many cases electronic cigarettes may be used where tobacco-burning cigarettes may not. Electronic cigarettes may be used in some instances where for regulatory or safety reasons tobacco burning cigarettes may not be used. However, we cannot provide any assurances that future regulations may not affect where electronic cigarettes may be used.

According to the U.S. Centers for Disease Control and Prevention, in 2010, an estimated 45.3 million people, or 19.3% of adults, in the United States smoke cigarettes. According to the Tobacco Vapor Electronic Cigarette Association, an industry trade group, more than 3.5 million people currently use electronic cigarettes in the United States. In 2011, about 21% of adults who smoke traditional tobacco cigarettes had used electronic cigarettes, up from about 10% in 2010, according to the U.S. Centers for Disease Control and Prevention. Annual sales of electronic cigarettes in the United States are estimated to increase to \$1 billion in 2013 from \$500 million in 2012. Annual sales of traditional tobacco cigarettes, according to industry estimates, were \$80 billion in 2012.

Advertising

Currently, we advertise our products primarily through our direct marketing campaign, on the Internet. We also attempt to build brand awareness through social media marketing activities, web-site promotions, and pay-per-click advertising campaigns.

We intend to strategically expand our advertising activities in 2016 and also increase our public relations campaigns to gain editorial coverage for our brands. Some of our competitors promote their brands through print media and through celebrity endorsements, and have substantial resources to devote to such efforts. We believe that our and our competitors’ efforts have helped increase our sales, our product acceptance and general industry awareness.

Distribution and Sales

We offer our electronic cigarettes and related products through our online store at www.mcig.org, which website is expressly not incorporated by reference into this filing, and through a Wholesale Distributor Reseller (WDR) program for large bulk orders. Since their introduction to the U.S. market, electronic cigarettes have predominantly been sold online, while tobacco products, most notably cigarettes are currently sold in approximately 400,000 retail locations.

An online store of mCig, Inc. was officially launched on September 17, 2013 and our online store for VitaCig, Inc. was beta-launched on April 1, 2014, and officially launched on April 15, 2014. We believe that future growth of electronic cigarettes is dependent on higher volume, lower margin sales channels, such as the broad based distribution network through which traditional cigarettes are sold.

Government Regulation

Based on the December 2010 U.S. Court of Appeals for the D.C. Circuit’s decision in *Sottera, Inc. v. Food & Drug Administration*, 627 F.3d 891 (D.C. Cir. 2010), the United States Food and Drug Administration (the “FDA”) is permitted to regulate electronic cigarettes as “tobacco products” under the Family Smoking Prevention and Tobacco Control Act of 2009 (the “Tobacco Control Act”).

Under this Court decision, the FDA is not permitted to regulate electronic cigarettes as “drugs” or “devices” or a “combination product” under the Federal Food, Drug and Cosmetic Act unless they are marketed for therapeutic purposes.

Because we do not market our electronic cigarettes for therapeutic purposes, and our electronic cigarettes do not contain nicotine, we believe that our products should not fall under the regulatory oversight of the FDA. Nevertheless we believe it is important for any existing or potential investors to understand recent trends in government regulation relating to nicotine-based electronic cigarettes.

The Tobacco Control Act grants the FDA broad authority over the manufacture, sale, marketing and packaging of tobacco products, although the FDA is prohibited from issuing regulations banning all cigarettes or all smokeless tobacco products, or requiring the reduction of nicotine yields of a tobacco product to zero.

The Tobacco Control Act also requires establishment, within the FDA’s new Center for Tobacco Products, of a Tobacco Products Scientific Advisory Committee to provide advice, information and recommendations with respect to the safety, dependence or health issues related to tobacco products.

The Tobacco Control Act imposes significant new restrictions on the advertising and promotion of tobacco products. For example, the law requires the FDA to finalize certain portions of regulations previously adopted by the FDA in 1996 (which were struck down by the Supreme Court in 2000 as beyond the FDA’s authority). As written, these regulations would significantly limit the ability of manufacturers, distributors and retailers to advertise and promote tobacco products, by, for example, restricting the use of color, graphics and sound effects in advertising, limiting the use of outdoor advertising, restricting the sale and distribution of non-tobacco items and services, gifts, and sponsorship of events and imposing restrictions on the use for cigarette or smokeless tobacco products of trade or brand names that are used for non-tobacco products. The law also requires the FDA to issue future regulations regarding the promotion and marketing of tobacco products sold or distributed over the internet, by mail order or through other non-face-to-face transactions in order to prevent the sale of tobacco products to minors.

It is likely that the Tobacco Control Act could result in a decrease in tobacco product sales in the United States, including sales of our electronic cigarettes.

While the FDA has not yet mandated electronic cigarettes be regulated as tobacco products, during 2012, the FDA indicated that it intends to regulate electronic cigarettes under the Tobacco Control Act through the issuance of deeming regulations that would include electronic cigarettes under the definition of a “tobacco product” under the Tobacco Control Act subject to the FDA’s jurisdiction. The FDA initially announced that it would issue proposed deeming regulations by April 2013 and then extended the deadline to October 31, 2013. As of the date of this prospectus, the FDA had not taken such action.

The application of the Tobacco Control Act to electronic cigarettes could impose, among other things, restrictions on the content of nicotine in electronic cigarettes, the advertising, marketing and sale of electronic cigarettes, the use of certain flavorings and the introduction of new products. We cannot predict the scope of such regulations or the impact they may have on our company specifically or the electronic cigarette industry generally, though if enacted, they could have a material adverse effect on our business, results of operations and financial condition.

In this regard, total compliance and related costs are not possible to predict and depend substantially on the future requirements imposed by the FDA under the Tobacco Control Act. Costs, however, could be substantial and could have a material adverse effect on our business, results of operations and financial condition. In addition, failure to comply with the Tobacco Control Act and with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products. At present, we are not able to predict whether the Tobacco Control Act will impact us to a greater degree than competitors in the industry, thus affecting our competitive position.

State and local governments currently legislate and regulate tobacco products, including what is considered a tobacco product, how tobacco taxes are calculated and collected, to whom and by whom tobacco products can be sold and where tobacco products may or may not be smoked. Certain municipalities have enacted local ordinances which preclude the use of electronic cigarettes where traditional tobacco burning cigarettes cannot be used and certain states have proposed legislation that would categorize electronic cigarettes as tobacco products, equivalent to their tobacco burning counterparts. If these bills become laws, electronic cigarettes may lose their appeal as an alternative to cigarettes; which may have the effect of reducing the demand for our products and as a result have a material adverse effect on our business, results of operations and financial condition.

The Tobacco industry expects significant regulatory developments to take place over the next few years, driven principally by the World Health Organization’s Framework Convention on Tobacco Control (“FCTC”). The FCTC is the first international public health treaty on tobacco, and its objective is to establish a global agenda for tobacco regulation with the purpose of reducing initiation of tobacco use and encouraging cessation. Regulatory initiatives that have been proposed, introduced or enacted include:

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- the levying of substantial and increasing tax and duty charges;
 - restrictions or bans on advertising, marketing and sponsorship;
 - the display of larger health warnings, graphic health warnings and other labeling requirements;
 - restrictions on packaging design, including the use of colors and generic packaging;
 - restrictions or bans on the display of tobacco product packaging at the point of sale, and restrictions or bans on cigarette vending machines;
 - requirements regarding testing, disclosure and performance standards for tar, nicotine, carbon monoxide and other smoke constituents levels;
 - requirements regarding testing, disclosure and use of tobacco product ingredients;
 - increased restrictions on smoking in public and work places and, in some instances, in private places and outdoors;
 - elimination of duty free allowances for travelers; and
 - encouraging litigation against tobacco companies.

If electronic cigarettes are subject to one or more significant regulatory initiatives enacted under the FCTC, our business, results of operations and financial condition could be materially and adversely affected.

Electronic cigarettes may become subject to regulation by the FDA.

The FDA did not appeal the decision of the U.S. Court of Appeals for the D.C. Circuit in *Sottera, Inc. v. Food & Drug Administration* (2010) which held that e-cigarettes and other nicotine-containing products are not drugs or devices unless they are marketed for therapeutic purposes. The Court held further that electronic cigarettes and other nicotine-containing products can be regulated as “tobacco products” under the Food, Drug and Cosmetic Act. Consequently, the FDA may choose to develop regulations governing the manufacture, marketing and sale of e-cigarettes. For example, pursuant to the Family Smoking Prevention and Tobacco Control Act, the FDA has proposed rules that would extend the agency’s tobacco authority to cover additional tobacco products, including our products. Potential FDA regulations or significant costs to comply with potential FDA regulations could have a materially adverse effect on our company’s operations and profitability.

As part of its implementation of the Family Smoking Prevention and Tobacco Control Act signed by the President in 2009, the U.S. Food and Drug Administration proposed a new rule that would extend the agency’s tobacco authority to cover additional tobacco products. Products that would be “deemed” to be subject to FDA regulation are those that

meet the statutory definition of a tobacco product, including currently unregulated marketed products, such as electronic cigarettes (e-cigarettes), cigars, pipe tobacco, nicotine gels, waterpipe (or hookah) tobacco, and dissolvables not already under the FDA's authority. The FDA currently regulates cigarettes, cigarette tobacco, roll-your-own tobacco, and smokeless tobacco.

Consistent with currently regulated tobacco products, under the proposed rule, makers of newly deemed tobacco products would, among other requirements:

- Register with the FDA and report product and ingredient listings;
- Only market new tobacco products after FDA review;
- Only make direct and implied claims of reduced risk if the FDA confirms that scientific evidence supports the claim and that marketing the product will benefit public health as a whole; and
- Not distribute free samples.

In addition, under the proposed rule, the following provisions would apply to newly "deemed" tobacco products:

- Minimum age and identification restrictions to prevent sales to underage youth;
- Requirements to include health warnings; and
- Prohibition of vending machine sales, unless in a facility that never admits youth.

The FDA proposes different compliance dates for various provisions so that all regulated entities, including small businesses, will have adequate time to comply with the requirements of the proposed rule.

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Products that are marketed for therapeutic purposes will continue to be regulated as medical products under the FDA's existing drug and device authorities in the Food, Drug & Cosmetic Act.

While all comments, data, research, and other information submitted to the docket will be considered, the FDA is requesting comments in certain areas, including:

- The FDA recognizes that different tobacco products may have the potential for varying effects on public health and is proposing two options for the categories of cigars that would be covered by this rule. The FDA specifically seeks comment on whether all cigars should be subject to deeming, and which other provisions of the proposed rule may be appropriate or not appropriate for different kinds of cigars.
- The FDA seeks answers to the many public health questions posed by products, such as e-cigarettes, that do not involve the burning of tobacco and inhalation of its smoke, as the agency develops an appropriate level of regulatory oversight for these products. The FDA seeks comment in this proposed rule as to how such products should be regulated.

Failure to comply with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products.

Direct Competitors

We believe that our products afford us a competitive advantage which makes our product unique. Companies that are our closest competitors include OpenVAPE and Vaporbrands International, Inc. We view many of these companies as potential acquisition targets.

Competitive Advantages

We believe we are positioned to show a strong performance in our industry for the following reasons:

- We believe we are a market leader in the niche for electronic cigarettes related products.
- We compete primarily on the basis of product quality, brand recognition, brand loyalty, service, marketing, advertising and price.
- We believe that through our continuous product upgrades and new product and service offerings, we can distinguish ourselves from the competition.
- We have developed various product offerings that allow us to provide high quality products/services and maintain a great customer experience.
- We believe we have a solid business model that relies on multiple revenue streams and has been extended by adding multiple products/services through the acquisitions that took place in 2014.
- We pride ourselves on providing well above average customer service to our customers thus generating a high degree of loyalty and involvement of members to the brand.

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- We are adverse to toxic financing and plan to grow organically and through accretive acquisitions.
- We have a marketing skill set that enables us to continue to grow virally and attract new customers at a low cost.

Research and Development Activities

We have invested approximately \$5,000 and \$37,000 for the years ended April 30, 2016 and 2015, respectively on website and product development activities.

ITEM 1A. RISK FACTORS.

Investing in our securities involves a high degree of risk. You should carefully consider the following risk factors as well as other information contained herein, including our financial statements and the related notes. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could materially and adversely affected. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.

We have incurred losses in the past and cannot assure you that we will achieve or maintain profitable operations.

As of April 30, 2016, we had an accumulated deficit of \$6,658,558. Our accumulated deficit is primarily due to, among other reasons, the establishment of our business infrastructure and operations, stock-based compensation expenses and increases in our marketing expenditures to grow sales. For the year ended April 30, 2016, we had net loss of \$1,391,145 compared to a net loss of \$4,869,448 for the year ended April 30, 2015. However, we cannot assure you that we will generate operating profits now or in the immediate future, or be able to on a sustainable basis, continue to expand our infrastructure, further develop our marketing efforts and otherwise implement our growth initiatives.

The market for electronic cigarettes is a niche market, subject to a great deal of uncertainty and is still evolving.

Electronic cigarettes, having recently been introduced to market, are at an early stage of development, represent a niche market and are evolving rapidly and are characterized by an increasing number of market entrants. Our future sales and any future profits are substantially dependent upon the widespread acceptance and use of electronic cigarettes. Rapid growth in the use of and interest in, electronic cigarettes is recent, and may not continue on a lasting basis. The demand and market acceptance for these products is subject to a high level of uncertainty.

Therefore, we are subject to all of the business risks associated with a new enterprise in a niche market, including risks of unforeseen capital requirements, failure of widespread market acceptance of electronic cigarettes, in general or, specifically our products, failure to establish business relationships and competitive disadvantages as against larger and more established competitors.

Electronic cigarettes may become subject to regulation by the FDA.

The FDA did not appeal the decision of the U.S. Court of Appeals for the D.C. Circuit in *Sottera, Inc. v. Food & Drug Administration* (2010) which held that e-cigarettes and other nicotine-containing products are not drugs or devices unless they are marketed for therapeutic purposes. The Court held further that electronic cigarettes and other nicotine-containing products can be regulated as “tobacco products” under the Food, Drug and Cosmetic Act. Consequently, the FDA may choose to develop regulations governing the manufacture, marketing and sale of e-cigarettes. Potential FDA regulations or significant costs to comply with potential FDA regulations could have a materially adverse effect on our company’s operations and profitability. Failure to comply with FDA regulatory requirements could result in significant financial penalties and could have a material adverse effect on our business, financial condition and results of operations and ability to market and sell our products.

New product faces intense media attention and public pressure .

Our product is new to the marketplace and since its introduction certain members of the media, politicians, government regulators and advocate groups, including independent doctors have called for an outright ban of all electronic cigarettes, pending regulatory review and a demonstration of safety. A ban of this type would likely have the effect of terminating our United States’ sales and marketing efforts of certain products which we may currently market or have plans to market in the future. Such a ban would also likely cause public confusion as to which products are the subject of the ban and which are not and would have a material adverse effect on our business, financial condition and performance.

The recent development of electronic cigarettes has not allowed the medical profession to study the long-term health effects of electronic cigarette use.

Because electronic cigarettes were recently developed, the medical profession has not had a sufficient period of time to study the long-term health effects of electronic cigarette use. Currently, therefore, there is no way of knowing whether or not electronic cigarettes are safe for their intended use. If the medical profession were to determine conclusively that electronic cigarette usage poses long-term health risks, electronic cigarette usage could decline, which could have a material adverse effect on our business, results of operations and financial condition.

If we experience product recalls, we may incur significant and unexpected costs and our business reputation could

be adversely affected.

We may be exposed to product recalls and adverse public relations if our products are alleged to cause illness or injury, or if we are alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures that could exceed our product recall insurance coverage limits and harm to our reputation, which could have a material adverse effect on our business, results of operations and financial condition. In addition, a product recall may require significant management time and attention and may adversely impact on the value of our brands. Product recalls may lead to greater scrutiny by federal or state regulatory agencies and increased litigation, which could have a material adverse effect on our business, results of operations and financial condition.

We face intense competition and our failure to compete effectively could have a material adverse effect on our business, results of operations and financial condition.

Competition in the electronic cigarette industry is intense. We compete with other sellers of electronic cigarettes, most notably Lorillard, Inc., Altria Group, Inc. and Reynolds American Inc., through their electronic cigarettes business segments; the nature of our competitors is varied as the market is highly fragmented and the barriers to entry into the business are low.

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We compete primarily on the basis of product quality, brand recognition, brand loyalty, service, marketing, advertising and price. We are subject to highly competitive conditions in all aspects of our business. The competitive environment and our competitive position can be significantly influenced by weak economic conditions, erosion of consumer confidence, competitors' introduction of low-priced products or innovative products, cigarette excise taxes, higher absolute prices and larger gaps between price categories, and product regulation that diminishes the ability to differentiate tobacco products.

Our principal competitors are "big tobacco", U.S. cigarette manufacturers of both conventional tobacco cigarettes and electronic cigarettes like Altria Group, Inc., Lorillard, Inc. and Reynolds American Inc. We compete against "big tobacco" who offers not only conventional tobacco cigarettes and electronic cigarettes but also smokeless tobacco products such as "snus" (a form of moist ground smokeless tobacco that is usually sold in sachet form that resembles small tea bags), chewing tobacco and snuff.

Furthermore, we believe that "big tobacco" will devote more attention and resources to developing and offering electronic cigarettes as the market for electronic cigarettes grows. Because of their well-established sales and distribution channels, marketing expertise and significant resources, "big tobacco" is better positioned than small competitors like us to capture a larger share of the electronic cigarette market. We also compete against numerous other smaller manufacturers or importers of cigarettes. There can be no assurance that we will be able to compete successfully against any of our competitors, some of whom have far greater resources, capital, experience, market penetration, sales and distribution channels than us. If our major competitors were, for example, to significantly increase the level of price discounts offered to consumers, we could respond by offering price discounts, which could have a materially adverse effect on our business, results of operations and financial condition.

We may not be unable to promote and maintain our brands.

We believe that establishing and maintaining the brand identities of our products is a critical aspect of attracting and expanding a large customer base. Promotion and enhancement of our brands will depend largely on our success in continuing to provide high quality products. If our customers and end users do not perceive our products to be of high quality, or if we introduce new products or enter into new business ventures that are not favorably received by our customers and end users, we will risk diluting our brand identities and decreasing their attractiveness to existing and potential customers.

Moreover, in order to attract and retain customers and to promote and maintain our brand equity in response to competitive pressures, we may have to increase substantially our financial commitment to creating and maintaining a distinct brand loyalty among our customers. If we incur significant expenses in an attempt to promote and maintain our brands, our business, results of operations and financial condition could be adversely affected.

We rely primarily on a Chinese factory for the production of our products.

We rely almost exclusively on a Chinese factory, specifically our principle supplier, Bauway H.K. Investments, for the manufacturing of mCig's. Therefore, our ability to maintain operations is dependent on this third-party manufacturer. Bauway H.K. Investments has the capacity to produce 20,000 mCig's per week. Currently, it takes our manufacturer approximately 8 hours to produce 1,000 mCig's.

It currently involves the following raw materials: Stainless Steel Tubing for Battery housing and Atomizing Chambers. Atomizing Chambers are composed of a battery powered wire assembly housed on top of a ceramic base. Battery type used is Lithium Polymer 360mAh which is housed inside of the stainless steel tubing. The mouthpiece is made of food grade silicon.

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Plastic USB Charger for battery assembly holds a small PCB to regulate charging. Another small PCB controls the battery function and voltage which is controlled by a clickable plastic power button seated in the stainless steel tubing that can be pressed rapidly in succession to power on/power off the battery and adjust its voltage. A small stainless

steel cleaning tool is included along with cardboard for packaging and plastic blister packaging printed with instructions and branding.

Significantly all of our raw materials are provided by Shenzhen Bauway Technology Co., Ltd. from the factory of Bauway H.K. Investment Limited in Shenzhen, China.

Further, the following represent the processes in this production by the manufacturer. Our average mCig orders of 5,000 units take around 3 weeks to come in to our warehouse from the time of the original order placement from our Chinese manufacturer. Furthermore, we do not currently have any exclusive product or distribution arrangements with our manufacturer and the loss or disruption of the production of our products could have a material adverse effect on our business, financial condition and results of operations.

The dollar amount of backlog orders believed to be firm, as of a recent date and as of a comparable date in the preceding fiscal year, together with an indication of the portion thereof not reasonably expected to be filled within the current fiscal year, and seasonal or other material aspects of the backlog. (There may be included as firm orders government orders that are firm but not yet funded and contracts awarded but not yet signed, provided an appropriate statement is added to explain the nature of such orders and the amount thereof. The portion of orders already included in sales or operating revenues on the basis of percentage of completion or program accounting shall be excluded.)

Potential Risks in Public Perception Associated with Chinese Factories.

Should Chinese factories continue to draw public criticism for exporting unsafe products, we may be adversely and materially affected by the stigma associated with Chinese production. This in turn would negatively affect our business operations, our revenues, and our financial projections and prospects.

We expect that new products and/or brands we develop will expose us to risks that may be difficult to identify until such products and/or brands are commercially available.

We are currently developing, and in the future will continue to develop, new products and brands, the risks of which will be difficult to ascertain until these products and/or brands are commercially available. For example, we are developing new formulations, packaging and distribution channels. Any negative events or results that may arise as we develop new products or brands may adversely affect our business, financial condition and results of operations.

Internet security poses a risk to our e-commerce sales.

At present we generate a portion of our sales through e-commerce sales on our websites. We manage our websites and e-commerce platform internally and as a result any compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, financial condition and results of operations. We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure Internet transmission of confidential information, such as credit and other proprietary information.

Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss and/or litigation. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may result in consumer distrust and may adversely affect our business, results of operations and financial condition.

Credit card payment processors and merchant account pose a risk.

We accept credit cards as a means of payment for the sale of our products. If we are unable to find suitable providers or an alternative method of payment for our customers, our cash-flow will be constrained and our sales may be effected which may have a material adverse effect on our performance, financial condition and results of operations.

Product exchanges, returns, warranty claims, defect and recalls may adversely affect our business.

Any and all products are subject to customer service claims, malfunctions and defects, which may subject us to requests for product exchanges, returns, warranty claims and recalls. If we are unable to maintain a certain degree of quality control of our products we will incur costs of replacing and or recalling our products and servicing our customers. Any product returns, exchanges, and or recalls we may make will have a material adverse effect on our business, our operations and our profitability and will likely result in the loss of customers and goodwill.

Moreover products that do not meet our quality control standards and or those products that do not comply with U.S. safety and health standards or that may be defective may reduce the effectiveness, enjoyment and or cause harm to property, person and or death to persons who use the product. Any such instance will likely result in claims against us and potentially subject us to liability and legal claims which may cause injury to our reputation, goodwill and operating results.

Warranties

Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact our evaluation of historical data. We review our reserves at least quarterly to ensure that our accruals are adequate in meeting expected future warranty obligations, and we will adjust our estimates as needed. Initial warranty data can be limited early in the launch of a product and accordingly, the adjustments that we record may be material. Because of the nature of our products, customers are made aware that as soon as a mCig is packed with marijuana, they automatically void their warranty, primarily because it is against federal laws to mail a product that has been in proximity of marijuana. As a result, the products that can be returned as a warranty replacement is extremely limited. As a result, due to the Company's warranty policy, the Company did not have any significant warranty expenses to report as of Fiscal Year End April 30, 2016. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2015 was at \$0. Any adjustments to warranty reserves are to be recorded in cost of sales.

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It is likely that as we start selling higher priced products, that are not affected by federal shipping laws and/or are not single use items (such as eLiquid Juice Vaporizer), we will acquire additional information on the projected costs to service work under warranty and may need to make additional adjustments. Further, a small change in our warranty estimates may result in a material charge to our reported financial results.

Product exchanges and product returns

The total for product exchanges and product returns as of April 30, 2016 were immaterial. As a result, all product exchanges and product returns were recorded as a reduction to revenues.

Risks Associated with Our Common Stock

The market price of our common stock has been and may continue to be volatile or may decline regardless of the Company's operating performance, and you may not be able to resell your shares at or above the initial public offering price and the price of our common stock may fluctuate significantly.

Since the commencement of trading of our common stock on the OTC Markets, the market price of our common stock has been volatile, and fluctuates widely in price in response to various factors, which are beyond our control. Since the commencement of trading of our common stock on the OTC Markets, the price of our common stock went from approximately \$0.08 / per share to almost \$0.90 / per share in less than 3 months. However, after experiencing growth, the stock declined by almost 50% within the next 3 months (where the price of the stock as of fiscal year ending April 30, 2016 we are trading approximately at \$0.03 / per share). We attribute this large fluctuation especially on the industry that we operate in. Management believes that our price is also affected by the industry in which we operate such that, when the industry is doing well, we believe our stock price will benefit but when the industry is experience a down turn, we will not be immune from the decline.

Furthermore, we must note that the price of our common stock is not necessarily indicative of our operating performance or long-term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. Factors such as the following could cause the market price of our common stock to fluctuate substantially:

Volatility in our common stock price may subject us to securities litigation.

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities to us and could divert our management's attention and resources from managing our operations and business.

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The Company may issue more shares in connection with future mergers or acquisitions, which could result in substantial dilution to existing shareholders.

Our Certificate of Incorporation authorizes the issuance of 560,000,000 shares of common stock. Any future merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then-current stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our Board of Directors has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of common stock or preferred stock are issued in connection with a future business combination or otherwise, dilution to the interests of our stockholders will occur, and the rights of the holders of common stock could be materially and adversely affected.

The Company's Series A Preferred Stock is held by our CEO and carries super majority voting rights and became convertible in April 2015.

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the chief executive officer of mCig, Inc., for the cancellation of 230,000,000 shares of our common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of our company's Series A Preferred Stock. As of April 30, 2016 Mr. Rosenberg owned 20,900,000 Series A Preferred. The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc's common shares carry one (1) vote per each share outstanding. Consequently, the result of all matters to be voted upon by the shareholders may be controlled by Mr. Rosenberg, who can base his vote upon his best judgment and his fiduciary duty to the shareholders. Mr. Rosenberg has a lock up contractual agreement to not convert the Series A Preferred shares until April 30, 2015. After this time (and as of the date of the filing of this report), he may convert the shares to common stock, substantially diluting the common shareholders. As the sole director and the holder of the majority of capital voting shares there is a risk that Mr. Rosenberg can reverse his decision or convert his Series A Convertible Shares after April 30, 2015, significantly diluting the common stock. There are no plans or intentions for Mr. Rosenberg to convert his Series A Preferred Stock at present or after April 30, 2016.

We do not anticipate paying cash dividends for the foreseeable future, and therefore investors should not buy our stock if they wish to receive cash dividends.

We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future, and any return on investment may be limited to potential future appreciation on the value of our common stock.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including without limitation, our financial condition, operating results, cash needs, growth plans, and the terms of any credit agreements that we may be party to at the time. To the extent we do not pay dividends, our stock may be less valuable because a return on investment will only occur if and to the extent our stock price increases, which may never occur. In addition, investors must rely on sales of their common stock after price appreciation as the only way to realize their investment, and if the price of our stock does not appreciate, then there will be no return on investment. Investors seeking cash dividends should not purchase our common stock.

Our officers, directors, and principal stockholders (greater than 5% stockholders) collectively control approximately 50% of our outstanding common stock. As a result, these stockholders will be able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. In particular, this concentration of ownership of our common stock could have the effect of delaying or preventing a change in control of us or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of us. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of common stock. Moreover, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders, and accordingly, they could cause us to enter into transactions or agreements that we would not otherwise consider.

Our common stock may be considered a "penny stock," and thereby be subject to additional sale and trading regulations that may make it more difficult to sell.

Our common stock is considered to be a "penny stock." It does not qualify for one of the exemptions from the definition of "penny stock" under Section 3a51-1 of the Exchange Act. Our common stock is a "penny stock" because it meets one or more of the following conditions (i) the stock trades at a price less than \$5.00 per share; (ii) it is not traded on a "recognized" national exchange or (iii) it is not quoted on the NASDAQ Global Market, or has a price less than \$5.00 per share. The principal result or effect of being designated a "penny stock" is that securities broker-dealers participating in sales of our common stock are subject to the "penny stock" regulations set forth in Rules 15-2 through 15g-9 promulgated under the Securities Exchange Act. For example, Rule 15g-2 requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document at least two business days before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives. Compliance with these requirements may make it more difficult and time consuming for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

FINRA sales practice requirements may limit a shareholder's ability to buy and sell our common shares.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment

objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Rule 144 sales in the future may have a depressive effect on the company's stock price as an increase in supply of shares for sale, with no corresponding increase in demand will cause prices to fall.

All of the outstanding shares of common stock held by the present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act of 1933 and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1.0% of a Company's issued and outstanding common stock. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of six months if the Company is a current reporting company under the Securities Exchange Act of 1934. A sale under Rule 144 or under any other exemption from the Securities Act of 1933, if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

Future issuances of shares for various considerations including working capital and operating expenses will increase the number of shares outstanding which will dilute existing investors and may have a depressive effect on the company's stock price.

There may be substantial dilution to our shareholders purchasing in future offerings as a result of future decisions of the Board to issue shares without shareholder approval for cash, services, payment of debt or acquisitions.

There may in all likelihood be little demand for shares of our common stock and as a result investors may be unable to sell at or near ask prices or at all if they need to liquidate their investment.

There may be little demand for shares of our common stock on the OTC Bulletin Board, or OTC Markets.com, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that it is a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if the Company came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early stage company such as ours or purchase or recommend the purchase of any of our Securities until such time as it became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in the Company's securities is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on the securities price. We cannot give investors any assurance that a broader or more active public trading market for the Company's common securities will develop or be sustained, or that any trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if they need money or otherwise desire to liquidate their securities of the Company.

Public disclosure requirements and compliance with changing regulation of corporate governance pose challenges for our management team and result in additional expenses and costs which may reduce the focus of management and the profitability of our company.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

We currently lease our office facilities at 433 North Camden Drive, 6th Floor, Beverly Hills, California 90210. We

lease the office at a cost of \$99 per month and our lease is month to month. Rent expenses totaled approximately \$1,190 for the fiscal year 2016.

We believe the space available at our headquarters will be sufficient to meet the needs of our operations for the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth below we are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) Market Information

Our common stock is quoted on the OTC Markets under the symbol MCIG. The following table sets forth for the periods indicated the range of high and low bid quotations per share as reported by the OTCQB. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

Period	High	Low
May 1, 2014 through July 31, 2014	\$ 0.555	\$ 0.379
August 1, 2014 through October 31, 2014	\$ 0.471	\$ 0.249
November 1, 2014 through January 31, 2015	\$ 0.266	\$ 0.136
February 1, 2015 through April 30, 2015	\$ 0.140	\$ 0.060
May 1, 2015 through July 31, 2015	\$ 0.105	\$ 0.036
August 1, 2015 through October 31, 2015	\$ 0.045	\$ 0.018
November 1, 2015 through January 31, 2016	\$ 0.052	\$ 0.018
February 1, 2016 through April 30, 2016	\$ 0.057	\$ 0.028

The closing price of our common stock as reported on the OTCQB Marketplace was \$0.03 on August 15, 2016.

(b) Holders

As of August 15, 2016, there were approximately 80 owners of record for our common stock. This does not include an indeterminate number of stockholders whose shares may be held by brokers in street name. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Transfer Agent and Registrar

Our independent stock transfer agent is Island Stock Transfer, 15500 Roosevelt Blvd., Suite 301 Clearwater, FL 33760 Telephone: (727) 289-0010.

(c) Dividends

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the expansion of our business, and we do not anticipate paying any cash dividends for the foreseeable future following this offering. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.

(d) Securities Authorized for Issuance under Equity Compensation Plans

None

Recent Sales of Unregistered Securities

In the year ended April 30, 2016, we issued an aggregate of 25,552,599 shares of common stock valued at approximately \$927,493 for professional services. In addition, the Company issued 2,500,000 common shares for investments in the amount of \$67,500 as final payment for Vapolution, Inc.

The issuance of such shares of our common stock was effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 promulgated under the Securities Act of 1933, as amended (the "Securities Act") and in Section 4(2) of the Securities Act, based on the following: the investors confirmed to us that they were "accredited investors," as defined in Rule 501 of Regulation D promulgated under the Securities Act and had such background, education and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the securities; (b) there was no public offering or general solicitation with respect to the offering; (c) the investors were provided with certain disclosure materials and all other information requested with respect to our company; (d) the investors acknowledged that all securities being purchased were "restricted securities" for purposes of the Securities Act, and agreed to transfer such securities only in a transaction registered under the Securities Act or exempt from registration under the Securities Act; and (e) a legend was placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequent registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

Issuer Purchases of Equity Securities

None.

ITEM 6. SELECTED FINANCIAL DATA.

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's Discussion and Analysis of Results of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the financial statements included herein. Further, this MD&A should be read in conjunction with the Company's Financial Statements and Notes to Financial Statements included in this Annual Report on Form 10-K for the years ended April 30, 2016 and 2015, as well as the "Business" and "Risk Factors" sections within this Annual Report on Form 10-K. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles.

Management's Discussion and Analysis may contain various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-K, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company has adopted the most conservative recognition of revenue based on the most stringent guidelines of the SEC. Management will elect additional changes to revenue recognition to comply with the most conservative SEC recognition on a forward going accrual basis as the model is replicated with other similar markets (i.e. SBDC). The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

Any future equity financing will cause existing shareholders to experience dilution of their interest in our Company. In the event we are not successful in raising additional financing, we anticipate that we will not be able to proceed with our business plan. In such a case, we may decide to discontinue our current business plan and seek other business opportunities in the resource sector. Any business opportunity would require our management to perform diligence on possible acquisitions.

During this period, we will need to maintain our periodic filings with the appropriate regulatory authorities and will incur legal and accounting costs. In the event no other such opportunities are available and we cannot raise additional capital to sustain operations, we may be forced to discontinue business. We do not have any specific alternative business opportunities in mind and have not planned for any such contingency.

The Company's MD&A is comprised of significant accounting estimates made in the normal course of its operations, overview of the Company's business conditions, results of operations, liquidity and capital resources and contractual obligations. The Company's only off balance sheet arrangement is its ownership of VitaCig, Inc. As of April 30, 2016 the Company owned 230,000,000 shares of VitaCig, Inc. Currently, the Company owns 57,500,000 common shares of VitaCig, Inc.

The discussion and analysis of the Company's financial condition and results of operations is based upon its financial statements, which have been prepared in accordance with generally accepted accounting principles generally accepted in the United States (or "GAAP"). The preparation of those financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities at the date of its financial statements. Actual results

may differ from these estimates under different assumptions or conditions.

Overview

mCig, Inc. (mCig) was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model. Since October 2013, we have positioned ourselves as a technology company focused on two long-term secular trends:

(1) The decriminalization and legalization of marijuana for medicinal or recreational purposes - legalizing medicinal and recreational marijuana usage is steadily on the rise not only domestically but also internationally.

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Marijuana has been decriminalized in over twenty countries, in over five continents. Twenty three states and the District of Columbia currently have laws legalizing marijuana in some form (<http://www.governing.com/govdata/safetyjustice/statemarijuanalawsmappedmedicalrecreational.html>). Management believes that by 2017 it is very likely that many more states, including Alaska, California, Arizona, Maine, and Oregon, will legalize the use and sale of recreational marijuana the way Washington and Colorado have; and

(2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes. Smoking tobacco causes numerous health problems, including disease and death. Smoking becomes very addicting quickly, and the most difficult part is cessation. We contend that e-cigarettes offer a safer and healthier alternative to traditional tobacco cigarettes. E-cigarettes operate by heating a mixture of liquid nicotine and flavoring, which is then inhaled and exhaled in the same manner as a cigarette. However, e-cigarettes do not contain any tobacco or other dangerous additives. Scientific research has shown that the leading cause of cancer in smokers comes from the carcinogens in tobacco. As the movement towards personal health grows, smokers are trying to quit their harmful habits. Management believes that e-cigarettes provide a safe transition from harmful traditional cigarettes.

On January 23, 2014, we signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement mCig, Inc. acquired 100% of Vapolution, Inc.; as part of this transaction mCig, Inc. agreed to issue 5,000,000 shares to shareholders of Vapolution, Inc. The shareholders of Vapolution, Inc. retain the right to rescind the transaction, which expires on January 23, 2015 but was extended to May 23, 2015 based on an Amended Stock Purchase Agreement executed on May 23, 2014. Subsequently, on August 25, 2015, the final payment to the shareholders of Vapolution was extended to September 30, 2015 and the right to rescind the transaction was extended to March 26, 2016. Subsequently an extension was granted extending the right to rescind until June 30, 2017.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares issued from the treasury to complete the purchase of Vapolution, Inc.

In December, 2015 the Company expanded its services to include construction. On March 7, 2016 the Company incorporated Scalable Solutions, LLC. The Company owns 80% of Scalable Solutions, Inc.

Results of Operations

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

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We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected.

Revenue Recognition Policy

Revenues are presented net of discounts. In general, we recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the customer, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured. Where arrangements have multiple elements, revenue is

allocated to the elements based on the relative selling price method and revenue is recognized based on our policy for each respective element. We generate revenue primarily from sales of the electronic cigarettes, components for electronic cigarettes and related accessories. We recognize revenue when the product is shipped.

The Company measures construction revenue as a Cost-type contract in accordance with ASC 605, which discusses accounting for performance of construction contracts. The Company recognizes revenue on a cost-plus basis, provisions for reimbursable costs (which are generally spelled out in the contract), overhead recovery percentages, and fees. A fee may be a fixed amount or a percentage of reimbursable costs or an amount based on performance criteria. Generally, percentage fees may be accrued as the related costs are incurred, since they are a percentage of costs incurred, and profits therefore are recognized as costs are incurred.

Amounts billed or collected in excess of revenue recognized are recorded as deferred revenue.

Our operating results for the years ended April 30, 2016 and 2015 are summarized as follows:

	For the year ended April 30,	
	2016	2015
Revenue	\$ 1,723,421	\$ 509,957
Cost of Goods Sold	1,432,648	401,906
Gross Profit	290,773	108,051
Expenses	1,699,728	4,374,385
Net Loss from operations	\$ (1,408,955)	\$ (4,266,334)

Revenue

Our revenue from continuing operations for the year ended April 30, 2016 was \$1,723,421 compared to \$509,957, an increase of \$1,213,464 or approximately 238%, from the year ended April 30, 2015. Revenues consist primarily of results from the sales of the electronic vaporisers, the components for vaporisers and related accessories and construction.

Cost of Goods Sold

Our cost of goods sold for the year ended April 30, 2016 was \$1,432,648 compared to \$401,906 for the year ended April 30, 2015. The increase is primarily due increase in sales and the purchase of better quality products.

Gross Profit

Our gross profit for the year ended April 30, 2016 was \$290,773 compared to \$108,051 for the year ended April 30, 2015. The gross profit of \$290,773 for the year ended April 30, 2016 represents approximately 17% as a percentage of total revenue. The gross profit of \$108,051 for the year ended April 30, 2015 represents approximately 21% as a percentage of total revenue. This decrease in the gross profit is primarily attributed to the higher costs of the better quality products, the increase in wholesale distribution, and the implementation of our construction services.

Operating Expenses

Our operating expenses decreased by \$2,674,657 to \$1,699,728 for the year ended April 30, 2016, from \$4,374,385 for the year ended April 30, 2015.

The decrease was primarily due to the decrease in stock based compensation of \$2,683,909, a decrease in research and development of \$31,484, a decrease in professional fees of \$13,799, a decrease in selling, general and administrative expenses of \$102,079, and increase in consulting fees of \$155,408.

Our total operating expenses for the year ended April 30, 2016 of \$1,699,728 consisted of \$1,339,058 of stock based compensation, \$163,249 of selling, general and administrative expenses, \$28,445 in professional fees, \$155,408 in consulting fees, \$5,516 in research and development, and \$8,052 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net loss

Our net loss decreased by \$3,478,033 to \$1,391,415 for the year ended April 30, 2016 from \$4,869,448 for the year ending April 30, 2015. The decrease in net loss compared to the prior year is a result of the increase in gross profit of \$182,722, the decrease in operating expenses of \$2,674,657 and the decrease in impairments of 638,658.

Liquidity and Capital Resources

Introduction

During the year ended April 30, 2016, while our operating cash flow \$46,322 in cash, our cash on hand as of April 30, 2016 was \$80,542.

Cash Requirements

We had cash available of \$80,542 as of April 30, 2016. Based on our revenues, cash on hand and current monthly burn rate, around \$10,277 in cash plus stock based compensation, we will continue to require the use of equity based compensation and the raising of capital, both in equity and debt, to continue operations. Without stock based compensation and/or the raising of capital, the company projects it has enough capital to sustain operations for a period of approximately six months.

Sources and Uses of Cash

Operations

We had cash used in continuing operating activities of \$46,322 for the year ended April 30, 2016, as compared to net cash used in continuing operation of \$212,005 for the year ended April 30, 2015. Cash used in discontinued operating activities was \$0 for the year ended April 30, 2016, compared to \$35,545 for the year ended April 30, 2015.

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Investments

We had cash provided by investing activities of \$0 for the year ended April 30, 2016, as compared to \$4,872 for the year ended April 30, 2015.

In the year ended April 30, 2016 the company issued stock in a non-cash investing activity of \$67,500 in the acquisition of Vapolution, Inc. In the year ended April 30, 2015 the net cash used by investing activities related to the acquisition of property of \$1,792 and website development costs of \$3,080.

Financing

We had net cash provided by continuing financing activities of \$24,173 for the year ended April 30, 2016, as compared to \$264 for the year ended April 30, 2015. Our financing activities consisted of borrowings from a related party.

Off-Balance Sheet Arrangements

As of April 30, 2016 the Company owned 230,000,000 of VitaCig, Inc., with a value of \$2,300,000. Subsequently to the end of the fiscal year, the Company has reduced its ownership in VitaCig, Inc., by 172,500,000 common shares to 57,500,000 as part of its acquisition of the VitaCig business.

Going Concern

Our financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a short history and relatively few sales, no certainty of continuation can be stated. The accompanying consolidated financial statements for the years ended April 30, 2016 and 2015 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has a working capital deficit, which raises substantial doubt about its ability to continue as a going concern

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA. INDEX TO FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
mCig, Inc.
Beverly Hills, California

We have audited the accompanying consolidated balance sheet of mCig, Inc. and its subsidiaries (collectively, the "Company") as of April 30, 2016, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of mCig, Inc. and its subsidiaries as of April 30, 2016 and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company suffered recurring losses from operations. These conditions raise significant doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
Houston, Texas
August 31, 2016

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**SADLER GIBB**

To the Board of Directors
mCig, Inc.

We have audited the accompanying balance sheet of mCig, Inc. ("the Company") as of April 30, 2015 and the related statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of mCig, Inc. as of April 30, 2015, and the results of their operations and cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Sadler, Gibb & Associates, LLC

**mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets**

	<u>April 30, 2016</u>	<u>April 30, 2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 80,542	\$ 102,691
Accounts Receivable	6,120	22,141
Other Receivable	-	15,000
Inventory	7,268	40,547
Prepaid Expenses	-	411,566
Total Current Assets	<u>93,930</u>	<u>591,945</u>
Property, Plant, and Equipment, Net	1,334	1,770
Due From Related Party	186,276	100,264
Cost-Basis Investment	67,500	-
Intangible Assets	488	8,104
Total Assets	<u>\$ 349,528</u>	<u>\$ 702,083</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 45,385	\$ 14,653
Due to Shareholder	24,173	-
Deferred Revenue	6,502	-
Total Current Liabilities	<u>76,060</u>	<u>14,653</u>
Total Liabilities	<u>76,060</u>	<u>14,653</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized; 23,000,000 shares outstanding.	2,300	2,300
Common stock, \$0.0001 par value; 560,000,000 shares authorized; 306,314,216 and 278,261,617 issued and outstanding as of April 30, 2016 and 2015, respectively.	30,631	27,826
Additional Paid in Capital	6,916,635	5,924,447
Accumulated Deficit	(6,658,558)	(5,267,143)
Total Stockholders' Equity	<u>291,008</u>	<u>687,430</u>
Non-Controlling Interest	(17,540)	-
Total Equity	<u>273,468</u>	<u>687,430</u>
Total Liabilities and Stockholders' Equity	<u>\$ 349,528</u>	<u>\$ 702,083</u>

See accompanying notes to consolidated financial statements.

**mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations**

	Fiscal Year Ended April 30,	
	<u>2016</u>	<u>2015</u>
Sales	\$ 1,723,421	\$ 509,957
Cost of Sales	<u>1,432,648</u>	<u>401,906</u>

Gross Profit	290,773	108,051
Selling, general, and administrative	163,249	265,328
Professional Fees	28,445	42,244
Research and Development	5,516	37,000
Stock based compensation	1,339,058	4,022,967
Consultant Fees	155,408	-
Amortization and Depreciation	8,052	6,846
Total Operating Expenses	1,699,728	4,374,385
Loss From Operations	(1,408,955)	(4,266,334)
Impairment on investment in VitaCig	-	(13,658)
Impairment on investment in Vapolution	-	(625,000)
Net Loss from Continuing Operations	(1,408,955)	(4,904,992)
Net Income from Discontinuing Operations	-	35,544
Net Loss Before Non-Controlling Interest	(1,408,955)	(4,869,448)
Loss Attributable to Non-Controlling Interest	17,540	-
Net Loss Attributable to Controlling Interest	<u>\$ (1,391,415)</u>	<u>\$ (4,869,448)</u>
Basic and Diluted (Loss) Per Share:		
Income(Loss) per share from Continuing Operations	\$ (0.00)	\$ (0.02)
Income(Loss) per share from Discontinued Operations	\$ -	\$ 0.00
Income(Loss) Per Share	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>
Weighted Average Shares Outstanding - Basic and Diluted	<u>293,680,673</u>	<u>271,793,396</u>

See accompanying notes to consolidated financial statements.

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**mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity**

	Preferred Stock		Common Stock		Additional	Non-controlling	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-in Capital	Interest	Deficit	Stockholders' Equity (Deficit)
Balance – April 30, 2014	<u>23,000,000</u>	<u>\$ 2,300</u>	<u>270,135,000</u>	<u>\$ 27,014</u>	<u>\$ 1,394,137</u>	<u>\$ -</u>	<u>\$ (381,653)</u>	<u>\$ 1,041,798</u>
Common stock issued for cash	-	-	-	-	\$ 100,000	-	-	100,000
Common stock issued for services	-	-	8,126,617	\$ 812	\$ 4,430,310	-	-	4,431,122
Dividend related to VitaCig spin-off	-	-	-	-	-	-	\$ (16,042)	(16,042)
Net loss	-	-	-	-	-	-	(4,869,448)	(4,869,448)
Balance – April 30, 2015	<u>23,000,000</u>	<u>\$ 2,300</u>	<u>278,261,617</u>	<u>\$ 27,826</u>	<u>\$ 5,924,447</u>	<u>\$ -</u>	<u>\$ (5,267,143)</u>	<u>\$ 687,430</u>
Common stock issued for services	-	-	25,552,599	\$ 2,555	\$ 924,938	-	-	\$ 927,493
Common stock for investing acquisition	-	-	2,500,000	\$ 250	\$ 67,250	-	-	\$ 67,500
Net loss	-	-	-	-	-	\$ (17,540)	\$ (1,391,415)	\$ (1,408,955)
Balance – April 30, 2016	<u>23,000,000</u>	<u>\$ 2,300</u>	<u>306,314,216</u>	<u>\$ 30,631</u>	<u>\$ 6,916,635</u>	<u>\$ (17,540)</u>	<u>\$ (6,658,558)</u>	<u>\$ 273,468</u>

See accompanying notes to consolidated financial statements.

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**mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Cash Flows**

	For the Years Ended	
	April 30,	
	2016	2015
Cash Flows From Operating Activities:		
Net (Loss)	\$ (1,408,955)	\$ (4,869,448)

Adjustments to Reconcile Net Loss to Net

Cash Provided By (Used In) Operating Activities:

Depreciation and Amortization	8,052	6,846
Bad Debt Expense	5,000	-
Common Stock Issued for Services	927,493	4,022,647
Loss on Impairment of Investments	-	638,658
<i>Changes in operating assets and liabilities:</i>		
Accounts Receivable	26,021	17,843
Receivable Related Party	(86,012)	-
Receivable Other	-	(15,000)
Inventories	33,279	21,649
Prepaid Expenses and Other Current Assets	411,566	3,162
Accounts Payable, Accrued Expenses and Taxes Payable	30,732	(38,362)
Deferred Revenue	6,502	-
Total Adjustment to Reconcile Net Loss to Net Cash	(1,362,633)	4,657,443
Provided by (Used in) Continuing Operating Activities	(46,322)	(212,005)
Provided by (Used in) Discontinued Operating Activities	-	(35,545)
Provided by (Used in) Operating Activities	(46,322)	(247,550)

Cash Flows From Investing activities:

Adjustments to Reconcile Net Investing Activities to Net

Cash Provided By (Used In) Investing Activities:

Intangibles	-	(3,080)
Acquisition of Property, Plant and Equipment	-	(1,792)
Net Cash Used in Investing Activities	-	(4,872)

Cash Flows From Financing Activities:

Issuance of Common Stock for Cash	-	100,000
Advances to Related Party	-	(105,264)
Borrowing on debt from Related Party	24,173	5,000

Net Cash Provided by (Used in) Financing Activities 24,173 (264)

Net Increase (Decrease) in Cash (22,149) (252,686)

Cash at Beginning of Year 102,691 355,377
Cash at End of Period \$ 80,542 \$ 102,691

Supplemental Disclosure of Cash Flows Information:

Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>
Dividend related to VitaCig spin-Off	<u>\$ -</u>	<u>\$ 16,042</u>
Cash Paid for Taxes	<u>\$ -</u>	<u>\$ -</u>

Non-Cash Investing and Financing Activities:

Shares Issued for Acquisition of Vapolution	<u>\$ 67,500</u>	<u>\$ -</u>
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See accompanying notes to consolidated financial statements.

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mCig, Inc.

And SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Note 1. Organization and Basis of Presentation

The accompanying consolidated audited financial statements of mCig, Inc., (the "Company", "we", "our"), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC").

Description of Business

The Company was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting the new business model.

Since 2013, the Company has been involved in the marijuana and cannabinoid (CBD) industry. It currently markets, sales, services, and distributes electronic cigarettes, vaporizers, and accessories internationally and in the United States. The Company offers its products through its wholesale distribution and online storefronts, www.mcig.org, www.vitacig.org, www.vitacbd.com, and www.justchill.com. In FY 2016 the Company expanded its products and services to include construction management, where it builds marijuana grow and dispensary facilities for its clients.

All agreements related to the Lifetech business are terminated and closed as of April 30, 2014. It will not have any

impact on the current and future operations because all of these agreements are related to the previous business directions of the Company.

Subsidiaries of the Company

The Company currently operates, in addition to the mCig product line under mCig, Inc., four subsidiaries; Scalable Solutions, LLC, Vapolution, Inc., VitaCig, Inc., and mCig Internet Sales, Inc.

mCig, Inc.

We distribute and wholesale the mCig product lines – affordable loose-leaf eCigs . Designed in the USA – with unique formulas, trade secrets, the mCig products provide a smoking experience by heating plant material, waxes, and oils delivering a smoother inhalation experience.

VitaCig, Inc.

Subsequent to this reporting period, we distribute and wholesale the VitaCig product lines – affordable loose-leaf eCigs . Designed in the USA – with unique formulas, trade secrets, VitaCig provides a smoking experience by heating plant material, waxes, and oils delivering a smoother inhalation experience.

On February 24, 2014 the company entered into a Contribution Agreement with VitaCig, Inc. In accordance with this agreement VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term “VitaCig” filed with the USPTO and \$500 in cash as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc.

On November 28, 2014, the Company distributed to its shareholders 270,135,000 shares of Common Stock of VitaCig, Inc. owned by the Company, a shareholder of VitaCig. The shareholders of the Company received one share of VitaCig common stock for every one share of mCig common stock that they held as of the record date.

For the years ended April 30, 2016 and April 30, 2015 the Company accounted for its investment in VitaCig, Inc. under the equity method.

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On June 22, 2016 the Company acquired the business operations from VitaCig, Inc., in exchange for 172,500,000 shares of stock of VitaCig, Inc., owned by the Company and \$95,000, which was a drawdown of the outstanding balance owed by VitaCig, Inc., to the Company. (see Subsequent Events).

Vapolution, Inc.

The Company maintains an investment in Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0.

On January 23, 2014, the Company signed a Stock Purchase Agreement with Vapolution, Inc. which manufactures and retails home-use vaporizers. In accordance with this agreement mCig, Inc. acquired 100% of Vapolution, Inc.; as part of this transaction mCig, Inc. has agreed to issue 5,000,000 shares to shareholders of Vapolution, Inc.

On October 30, 2015 the Company issued the final installment of 2,500,000 shares to the prior owners of Vapolution, Inc.

Vapolution, Inc., has the right to rescind the transaction in exchange for returning 5,000,000 shares of mCig stock to the treasury until June 30, 2017. As such, the Company continues to treat the investment into Vapolution, Inc., as an investment, not a consolidation.

Scalable Solutions, LLC

Scalable Solutions, LLC was organized by the Company on March 6, 2016, provides construction services in the cultivation and grow industry. Scalable began operations in December 2015, but was not officially incorporated until March 2016. The Company owns 80% of Scalable. Zoha Development, LLC maintains an option to acquire 40% of Scalable for a nominal fee.

mCig Internet Sales, Inc.

On June 1, 2016, subsequent to this reporting period, the Company incorporated mCig Internet Sales, Inc., (“mCig Internet”) in order to consolidate all online retail sales from various websites and to provide streamlining of administrative and documentation services, consolidation of inventories, and support economy of scale.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the majority owned subsidiary of Scalable Solutions, LLC for the year ended April 30, 2016. Significant intercompany balances and transactions have been eliminated. The Company had consolidated VitaCig, Inc. through November 28, 2014 at which time VitaCig was spun-off and is no longer consolidated into the Company’s financial statements. See Note 11.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates include: revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation and recoverability of long-lived assets; property and equipment; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Revenue Recognition Policy

Our revenue recognition policy is in accordance with generally accepted accounting principles, which requires the recognition of sales when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determined and the collectability of revenue is reasonably assured.

The Company recognizes revenue for sales online either direct to consumer or through our Wholesaler, Distributor, Reseller (WDR) program. For online sales, revenue is recognized by the Company at the time of order fulfillment. Since mCig collects payment for each online order at the time of sale, the point of shipping revenue recognition method ensures that the Company recognizes the revenue collected within 24-48 hours after the order is received and the funds are collected.

The Company measures construction revenue as a Cost-type contract in accordance with ASC 605, which discusses accounting for performance of construction contracts. The Company recognizes revenue on a cost-plus basis, provisions for reimbursable costs (which are generally spelled out in the contract), overhead recovery percentages, and fees. A fee may be a fixed amount or a percentage of reimbursable costs or an amount based on performance criteria. Generally, percentage fees may be accrued as the related costs are incurred, since they are a percentage of costs incurred, and profits therefore are recognized as costs are incurred.

Stock-Based Compensation

The Company accounts for share-based awards issued to employees in accordance with FASB ASC 718. Accordingly, employee share-based payment compensation is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite service period. Additionally, share-based awards to non-employees are expensed over the period in which the related services are rendered at their fair value. The Company applies ASC 505-50, "Equity Based Payments to Non-Employees", with respect to options and warrants issued to non-employees.

Deferred Revenue

Payments received by the Company in advance are recorded as deferred revenue until the merchandise has shipped to the customer.

Cost of Goods Sold

The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as cost of goods sold in the accompanying statement of operations.

Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes the company concentrates its cash holdings in an account at Bank of America. The Company had no cash equivalents at April 30, 2016 or 2015.

Inventory

Inventory consists of finished product, mCig products valued at the lower of cost or market valuation under the first-in, first-out method of costing.

	April 30, 2016	April 30, 2015
Finished goods	\$ 7,268	\$ 45,547
Allowance for obsolescence	-	(5,000)
Total inventory	\$ 7,268	\$ 40,547

As of April 30, 2016, the Company had no allowance for obsolescence. The level of inventory maintained by the Company is insignificant and is typically ordered on an as needed basis, or just-in-time.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements and major replacements that extend the life of the asset are capitalized.

Depreciation and amortization is recorded using the straight-line method over the estimated useful lives of depreciable assets, which are generally three to five years.

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Accounts Receivable

The Company's accounts receivable is primarily from its construction and grow division. As the retail division is either paid through credit card processing and prepaid wholesale purchases, the Company does not project to have any outstanding accounts receivable for its retail division. The Company recognizes receipt of payment at the time the funds are deposited with the merchant services account of the Company. When the merchant services vendor determines to maintain a reserve for potential refunds and chargebacks, the Company allocated the reserve for bad debt. Once the vendor releases the funds, the bad debt reserve is appropriately reversed. At the end of the fiscal year the Company had zero in reserves.

	2016	2015
Accounts Receivable	6,120	22,141
Total	\$ 6,120	\$ 22,141

Advertising Costs and Expense

The advertising costs are expensed as incurred. During the years ended April 30, 2016 and 2015, the advertising costs were \$53,981 and \$14,865, respectively.

Foreign Currency Translation

The Company's functional currency and its reporting currency is the United States Dollar.

Intangible Assets

The Company's intangible assets consist of certain website development costs and are amortized over its useful life.

Research and Development

The costs of research and development are expensed as incurred. During the years ended April 30, 2015 and 2016, the advertising costs were \$37,000 and \$5,516, respectively.

Financial Instruments

The carrying amounts reflected in the balance sheets for cash, accounts receivable, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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The three levels of the fair value hierarchy are described below:

Level 1—Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

Income Taxes

Income taxes are accounted for under the assets and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

Basic and Diluted Net Loss Per Share

The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per share (“EPS”) calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

There is no potential dilutive security as of April 30, 2016 or 2015.

Concentration of Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of cash and trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the clients that comprise our customer base and their dispersion across different business and geographic areas. We estimate and maintain an allowance for potentially uncollectible accounts and such estimates have historically been within management's expectations.

We rely almost exclusively on one Chinese factory as our principle supplier, for the manufacturing of mCig's. Therefore, our ability to maintain operations is dependent on this third-party manufacturer.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of \$250,000. The risk is managed by maintaining all deposits in high quality financial institutions. The Company had no deposits in excess of federally insured limits at April 30, 2016 and 2015.

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Impairment of Long-lived Assets

The Company accounts for long-lived assets in accordance with the provisions of FASB Topic 360, “*Accounting for the Impairment of Long-Lived Assets*”. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset.

Cost-Basis Investments

The Company's non-marketable equity investment in Vapolution is recorded using the cost-basis method of accounting, and is classified within other long-term assets on the accompanying balance sheet as permitted by FASB ASC 325, “Cost Method Investments”. During 2016 there were no impairment losses. During 2015 the Company recorded an impairment loss of \$625,000 related to the investment in Vapolution.

Equity-Basis Investments

The Company accounts for its approximately 46% ownership of VitaCig, Inc., (Nevada) as an equity-basis investment. As of April 30, 2016 and April 30, 2015, there is no net book value of the ownership of VitaCig, due to the pro-rata value after the Spin-off and the impairment of the investment in VitaCig.

On June 22, 2016 the Company reduced its ownership of VitaCig, Inc., to 57,500,000 through a Separation and Transfer Agreement where the Company acquired the business operations of VitaCig in exchange for selling back to the treasury of VitaCig, Inc., (Nevada) 172,500,000. As a condition to the action, the Company's shares are non-dilutive for a period of 12 months.

Warranties

Warranty reserves include management's best estimate of the projected costs to repair or to replace any items under warranty, based on actual warranty experience as it becomes available and other known factors that may impact the Company's evaluation of historical data. Management reviews mCig's reserves at least quarterly to ensure that its accruals are adequate in meeting expected future warranty obligations, and the Company will adjust its estimates as needed. Initial warranty data can be limited early in the launch of a product and accordingly, the adjustments that are recorded may be material. As a result, the products that can be returned as a warranty replacement are extremely limited. As a result, due to the Company's warranty policy, the Company did not have any significant warranty expenses to report for the year ended April 30, 2016. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2016 and April 30, 2015 were at \$0. Any adjustments to warranty reserves are to be recorded in cost of sales.

It is likely that as we start selling higher priced products, that are not affected by federal shipping laws and/or are not single use items (such as eLiquid Juice Vaporizer), we will acquire additional information on the projected costs to service work under warranty and may need to make additional adjustments. Further, a small change in the Company's warranty estimates may result in a material charge to the Company's reported financial results.

Recent Accounting Pronouncements

The Company evaluated all recent accounting pronouncements issued and determined that the adoption of these pronouncements would not have a material effect on the financial position, results of operations, or cash flows of the Company.

In April 2014, the FASB issued ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Components of an Entity*, which updates the definition of discontinued operations. Going forward, only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results will be reported as discontinued operations in the financial statements. Previously, a component of an entity that is a reportable segment, an operating segment, a reporting unit, a subsidiary, or an asset group was eligible for discontinued operations presentation. Additionally, the condition that the entity not have any significant continuing involvement in the operations of the component after the disposal transaction has been removed. The effective date for the revised standard is for applicable transactions that occur within annual periods beginning on or after December 15, 2014. We do not expect the guidance to have a material impact on the Company.

In June 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-10, which eliminated certain financial reporting requirements of companies previously identified as "Development Stage Entities" (Topic 915). The amendments in this ASU simplify accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs by eliminating the requirement for development stage entities to present inception-to-date information in the statements of income, cash flows, and shareholder equity. Early application of each of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities). Upon adoption, entities will no longer present or disclose any information required by Topic 915. The Company has adopted this standard and will not report inception-to-date information.

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On May 28, 2014, the FASB issued ASU No. 2014-08 a standard on recognition of revenue from contracts with customers (Topic 606). An issue discussed relates to when another party, along with the entity, is involved in providing a good or a service to a customer. In those circumstances, Topic 606 requires the entity to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). This determination is based upon whether the entity controls the good or the service before it is transferred to the customer. Topic 606 includes indicators to assist in this evaluation. The Company evaluated all its contracts to determine if the Company was a principal or agent. The Company has determined it was the principal in all its contracts.

In March 2016, the FASB issued ASU No. 2016-03 implementing the effective dates of Intangible – Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810) and Derivatives and Hedging (Topic 815) immediately. The Company has reviewed the topics and in compliance. The effects of the immediate implementation of these topics have had no effect on the financial statements of the Company.

In March 2016, the FASB issued ASU No. 2016-09, Compensation-Stock Compensation (Topic 718): "Improvements to Employee Share-Based Payment Accounting." This ASU makes targeted amendments to the accounting for employee share-based payments. This guidance is to be applied using various transition methods such as full retrospective, modified retrospective, and prospective based on the criteria for the specific amendments as outlined in the guidance. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. Early

adoption is permitted, as long as all of the amendments are adopted in the same period. The Company is currently evaluating the provisions of this guidance and assessing its impact on the Company's financial statements and disclosures.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." ASU 2014-15, which is effective for annual reporting periods ending after December 15, 2016, extends the responsibility for performing the going-concern assessment to management and contains guidance on how to perform a going-concern assessment and when going-concern disclosures would be required under GAAP. We do not anticipate that the adoption of ASU 2014-15 will have a material impact on our consolidated financial condition or results from operations. Management's evaluations regarding the events and conditions that raise substantial doubt regarding our ability to continue as a going concern as discussed in the notes to our consolidated financial statements included elsewhere.

We have implemented all other new accounting pronouncements that are in effect and that may impact our financial statements and we do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our consolidated financial position or results of operations.

Note 3. Going Concern

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history, no certainty of continuation can be stated. The accompanying financial statements for the years ended April 30, 2016 and 2015 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has a nominal working capital surplus, which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time in the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

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Note 4. Property, Plant and Equipment

The following is a detail of equipment at April 30, 2016 and 2015:

	2016	2015
Furniture and fixtures	\$ 1,792	\$ 1,792
Total property	1,792	1,792
Less: accumulated depreciation	(458)	(22)
Total property, net	<u>\$ 1,334</u>	<u>\$ 1,770</u>

Depreciation expense on property, plant and equipment was \$436 and \$22 for the years ended April 30, 2016 and 2015, respectively.

Note 5. Intangible Assets:

Intangible assets, net consisted of the following:

	2016	2015
Intangible assets	\$ 19,511	\$ 19,511
Additional website development	3,080	3,080
Total Intangible Assets	<u>22,591</u>	<u>22,591</u>
Less amortization	(22,102)	(14,487)
Net intangible assets	<u>\$ 488</u>	<u>\$ 8,104</u>

Amortization expense on intangible assets was \$7,616 and \$6,824 for the years ended April 30, 2016 and 2015, respectively. The weighted average remaining useful life on intangible assets at April 30, 2016 is approximately 2 months.

The table below represents the estimated amortization of intangible assets for each of the next five years.

Year	Amortization
2017	\$ 488
2018	-

2019	-
2020	-
2021	-
Total	\$ 488

Note 6. Related Parties and Related Party Transactions

During the year ended April 30, 2016, the Company advanced to VitaCig \$86,012 for internet product sales, and inventory purchases bringing the total outstanding due the Company to \$186,276, which is recorded as due from related party.

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The Company entered into various agreements with Zoha Development, LLC in the management and ownership of Scalable Solutions, LLC. The principal owner of Zoha Development, LLC is Ronald Sassano, Scalable CEO and Board member. Zoha Development, LLC owns 20% of Scalable Solutions, Inc., and has an option to acquire 40% additional membership units of Scalable Solutions, LLC.

The Company entered into a Line of Credit with Paul Rosenberg (see Subsequent Events) for up to \$100,000 in funding. Throughout the fiscal year, the Company had various transactions in which Paul Rosenberg, the Company's CEO and Chairman of the Board personally paid expenses on behalf of the Company. As of April 30, 2016 the Company borrowed \$24,173 from Paul Rosenberg. On May 1, 2016 the Company entered into a Line of Credit and Convertible Promissory Note for up to \$100,000 in funding by Paul Rosenberg to accurately record the day-to-day transactions of the Company and Paul Rosenberg.

During the year ended April 30, 2015, the Company advanced to VitaCig \$105,264 for professional fees and inventory purchases and VitaCig repaid \$5,000 of that advance during the year ended April 30, 2015.

As of April 30, 2015, the balance of the advances to VitaCig was \$100,264 and is recorded as due from related party.

Note 7. Commitments and Contingencies

The Company had a one year lease for a storage facility located in Falls Church, Virginia that expired in August 2015. As of April 30, 2015, we had \$3,167 remaining on this one year lease. As of April 30, 2016, the Company has not renewed this lease.

Rent expense for the year ended April 30, 2016 and 2015 was \$501 and \$7,628, respectively.

	2016	2015
Commitments	\$ -	\$ 3,167
Total Commitments	\$ -	\$ 3,167

Note 8. Stockholders' Equity

Common Stock

As of April 30, 2016, the Company was authorized to issue 560,000,000 common shares at a par value of \$0.0001. As of April 30, 2015 the Company had issued and outstanding 278,261,617 common shares.

During the year ended April 30, 2016 the Company issued 25,552,599 shares of common stock for services rendered valued at \$927,493 and issued 2,500,000 shares of common stock valued at \$67,500 for investment purposes. As of April 30, 2016 the total issued and outstanding of common stock was 306,314,216.

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During the year ended April 30, 2015, the Company issued 8,126,617 shares of common stock as compensation. The shares were issued from the Company. The fair values of the shares were a total of \$4,431,122 and were recorded at the market price on the date of grant.

On January 23, 2014, the Company completed the investment acquisition of Vapolution, Inc. by acquiring all of its' issued and outstanding shares in exchange for 5,000,000 shares of mCig's common stock at a market value of \$0.25 per share on the date of the acquisition, where Vapolution became a controlled subsidiary.

Since only half of the agreed upon shares had been paid out by mCig, Inc. to the previous owners of Vapolution, Inc. as of April 30, 2014 as part of the agreed upon purchase price, only half of the purchase price (\$625,000) was reported on the Company's balance sheet as Investment in Vapolution, Inc. at the year-end date. On April 30, 2015 the investment of \$625,000 was impaired. The remaining purchase price of 2,500,000 shares (\$67,500 value) was recognized on the Company's balance sheet on October 30, 2015.

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled to offset the 2,500,000 new shares

issued from the treasury to complete the purchase of Vapolution, Inc.

Stock Split

On December 12, 2013, the company made an amendment of Certificate of Incorporation to decrease the number of authorized shares of Common stock, \$0.0001 par value per share, from 1,000,000,000 shares to 560,000,000 shares.

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Preferred Stock

The Company has authorized 50,000,000 shares of preferred stock, at \$0.0001 par value and 23,000,000 are issued and outstanding as of April 30, 2016 and 2015. Each share of the Preferred Stock has 10 votes on all matters presented to be voted by the holders of the Company's common stock. All 23,000,000 shares of preferred stock were granted to the Company's Chief Executive Officer on September 23, 2013, which was valued at \$2,300, the price of the common stock of \$0.0001 exchanged in the transaction.

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the chief executive officer of mCig, Inc., for the cancellation of 230,000,000 shares of our common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of our company's Series A Preferred Stock.

Under the terms of the Agreement the Preferred Shares only have voting rights and no right to convert to common stock in accordance with the Certificate of Certification filed with the State of Nevada on September 10, 2013. The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc.'s common shares carry one (1) vote per each share outstanding.

On April 10, 2014, the Share Cancellation / Exchange / Return to Treasury Agreement was amended. Under terms of the amended agreement, all or any part of the Preferred Shares held by Shareholder can be converted at any time or from time to time, and can be exchanged for a stated number of the company's Common Stock Shares. The amendment was rejected by the State of Nevada as the conversion did not have a stated number of shares that converts and thus was invalid.

On July 16, 2014, the Board of Directors approved the conversion rate of ten for one (ten shares of common stock for each share of Series A Preferred Stock). In addition, the Board of Directors reduced the number of shares of Series A Preferred Stock to the amount issued and outstanding (23,000,000) and executed a lock up agreement such that Mr. Rosenberg cannot convert the Series A Convertible Preferred Stock until after the year ended April 30, 2015. The Certificate of Certification was filed on July 17, 2014 with the State of Nevada.

Note 9. Income Taxes

The Company's income tax expense for the periods presented in the statements of operations represents minimum California franchise taxes. The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes were as follows:

	2016	2015
Statutory federal income tax rate	34.0%	34.0%
State income taxes, net of federal taxes	6.0%	6.0%
Non-deductible items	(1.0)%	(1.0)%
Valuation allowance	(39.0)%	(39.0)%
Effective income tax rate	0.0%	0.0%

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The Company may not be able to utilize the net operating loss carry forwards for its U.S. income taxes in future periods should it experience a change in ownership as defined in Section 382 of the Internal Revenue Code ("IRC"). Under section 382, should the Company experience a more than 50% change in its ownership over a 3-year period, the Company would be limited based on a formula as defined in the IRC to the amount per year it could utilize in that year of the net operating loss carry forwards. Section 382 of the Internal Revenue Code ("IRC") imposes limitations on the use of NOL's and credits following changes in ownership as defined in the IRC. The limitation could reduce the amount of benefits that would be available to offset future taxable income each year, starting with the year of an ownership change. The Company has not completed the complex analysis required by the IRC to determine if an ownership change has occurred.

The tax effects of the temporary differences and carry forwards that give rise to deferred tax assets consist of the following:		
	2016	2015
Deferred tax asset	\$ 875,109	\$ 399,725
Valuation allowance	(875,109)	(399,725)

Net deferred taxes		\$	-	\$	-
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At April 30, 2016 and 2015, the Company had net operating loss carry forwards available to offset future taxable income of approximately 2,575,824 and \$2,100,440, respectively. These carry forwards will begin to expire in the year ending December 31, 2026. Utilization of the net operating loss carry forwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended and similar state provisions.

The Company has not performed a change in ownership analysis since its inception in 2007 and, accordingly, some or all of its net operating loss carry forwards may not be available to offset future taxable income. Even if the loss carry forwards are available, they may be subject to substantial annual limitations resulting from past ownership changes, and ownership changes occurring after April 30, 2016, that could result in the expiration of the loss carry forwards before they are utilized.

The nature of the components of the deferred tax asset is entirely attributable to the Net operating loss carry-forwards incurred by the Company less any permanent differences that maybe used in future years to offset future tax liabilities. We believe that it is more likely than not that the benefit from certain NOL carryforwards will not be realized. In recognition of this risk, we have provided a valuation allowance of \$875,109 on the deferred tax assets relating to these NOL carryforwards.

The Company periodically evaluates the likelihood of the realization of deferred tax assets, and adjusts the carrying amount of the deferred tax assets by the valuation allowance to the extent the future realization of the deferred tax assets is not judged to be more likely than not. The Company considers many factors when assessing the likelihood of future realization of its deferred tax assets, including its recent cumulative earnings experience by taxing jurisdiction, expectations of future taxable income or loss, the carry-forward periods available to the Company for tax reporting purposes, and other relevant factors. At April 30, 2016 and 2015, deferred tax assets have been fully offset by a valuation allowance.

The Company files income tax returns in the U.S. federal jurisdiction, and with the State of California. The Company is subject to U.S. federal and state income tax examinations by tax authorities for tax years 2014 through 2016 due to net operating losses that are being carried forward for tax purposes. The Company does not have any uncertain tax positions or unrecognized tax benefits at April 30, 2016 or 2015. The Company's policy is to recognize interest and penalties related to income taxes as components of interest expense and other expense, respectively.

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Note 10. Basic Loss per Share before Non-Controlling Interest

Basic Loss Per Share - The computation of basic and diluted loss per common share is based on the weighted average number of shares outstanding during each period.

	April 30,	
	2016	2015
Net loss from continuing operations before Non-controlling Interest	(1,391,415)	(4,904,992)
Net income from discontinued operations	-	35,544
Net loss	(1,391,415)	(4,869,448)
Basic loss per common share from continuing operations	\$ (0.00)	\$ (0.02)
Basic income per common share from discontinued operations	N/A	\$ 0.00
Basic income (loss) per share	\$ (0.00)	\$ (0.02)
Basic weighted average number of shares outstanding	293,680,673	271,793,396

The computation of basic loss per common share is based on the weighted average number of shares outstanding during the year.

Note 11. Spin-Off of VitaCig, Inc.

On November 28, 2014, mCig completed the spin-off of VitaCig, Inc. (the "Spin-off"). Effective as of 11:59 p.m., New York City time, on November 28, 2014 (the "Distribution Date"), the Company distributed 270,135,000 shares of common stock of VitaCig, Inc., par value \$0.0001 per share ("VitaCig Common Stock"), to holders of mCig's stockholders of record as a pro rata dividend. The record date for the dividend was November 28, 2014. The Ex-Dividend Date was set for November 25, 2014. mCig stockholders received one share of VitaCig Common Stock for every one share of common stock, par value \$0.0001 per share, of mCig. The Spin-off was completed for the purpose of legally and structurally separating VitaCig, Inc. from mCig. MCig retained 230,000,000 shares of common stock and remains as a controlling shareholder. During the year ended April 30, 2015, the Company reclassified the investment in VitaCig as discontinued operations.

The shares of common stock received by mCig shareholders were registered on a Form S-1 filed by VitaCig and declared effective by the Securities and Exchange Commission on November 5, 2014.

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During the year ended April 30, 2015, the Company recorded a loss on impairment of investment related to VitaCig of \$13,658. The following table presents the net book value of VitaCig as of the Spin-off date, the pro-rata value after the Spin-off and the impairment of the investment in VitaCig:

Net book value of VitaCig at spin-off	\$ 29,700
Dividend related to spin-off	16,042
Pro-rata net book value after spin-off	13,658
Loss on impairment of investment	(13,658)
Balance	\$ -

Note 12. Subsequent Events

On May 1, 2016 the Company entered into a Line of Credit Agreement with Paul Rosenberg, the Chairman and CEO. The Company will utilize the Line of Credit as needed for day-to-day operations.

On May 15, 2016, a shareholder elected to convert 400,000 shares of Series A Preferred Stock into 4,000,000 shares of common stock.

On June 7, 2016, the Company issued 3,441,176 shares of common stock for services and 7,000,000 shares of common stock in exchange for the purchase of three domain urls. The common stock issued for services was recorded as Stock Based Compensation in the amount of \$103,235. The common stock issued for the purchase of the domain urls was recorded as an Intangible Asset in the amount of \$210,000.

On June 8, 2016, Paul Rosenberg converted 600,000 shares of Series A Preferred Stock into 6,000,000 shares of common stock.

On June 22, 2016, the Company and VitaCig, Inc., entered into a Separation and Share Transfer Agreement whereby VitaCig transferred the assets and operations of the business of VitaCig, Inc., to Company in exchange for the return of 172,500,000 shares of VitaCig Common Stock to the treasury of VitaCig, Inc., and for a reduction of the amount owed to the Company in excess of \$95,000.

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As a part of the acquisition the Company secured four contracts between VitaCig, Inc., and its customers.

The assets of the VitaCig business has been transferred from VitaCig, Inc., a Nevada corporation to VitaCig, Inc., a Florida corporation, a wholly owned subsidiary of mCig, Inc.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures .

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of April 30, 2016. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive officer and principal financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that our receipts and expenditures are being made only in accordance with authorizations of our management and board of directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of April 30, 2016 management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective due to our limited accounting staff. We intend to strengthen these internal controls over the next few months by augmenting our accounting staff.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only the management's report in this annual report

Changes in Internal Control over Financial Reporting.

There have been no changes in our internal control over financial reporting during the year ended April 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

All of our directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualified or until their earlier resignation or removal unless his or her office is earlier vacated in accordance with our bylaws or he or she becomes disqualified to act as a director. Our officers shall hold office until the meeting of the Board of Directors following the next annual meeting of stockholders and until his successor has been elected and qualified or until his earlier resignation or removal. The Board of Directors may remove any officer for cause or without cause.

Our executive officers and directors and their respective ages as of the date of this Annual Report are as follows

Committees

Our Board of Directors as a whole acts as the audit and compensation committees.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Paul Rosenberg	46	President, Chief Executive Officer and Director
Michael Hawkins	54	Chief Financial Officer
Ronald Sassano	44	Chief Executive Officer, Scalable Solutions, LLC

Paul Rosenberg was appointed as our Chief Executive Officer, Treasurer, Secretary, and Director of mCig, Inc. on May 23, 2013. For the past 5 years Mr. Rosenberg has been a private investor focusing on the technology space where he has over two decades of experience as a software engineer specializing in complex distributed systems in C++, Delphi, VB, Java, and Oracle DB projects via his consulting company: PR Data Consulting. Since 1997, Mr. Rosenberg has worked as an independent consultant with both private and public enterprises including: The Federal Deposit Insurance Company (FDIC), The Zennstrom/Friis Group (Kazaa/Skype/Atomico Ventures), and Trust Digital (later sold to McAfee in 2010), Dell, Inc., Boeing, and Microsoft Inc. as well as several other notable companies.

Michael Hawkins has been our Chief Financial Officer since April 8, 2016. Prior to fulfilling this role, Mr. Hawkins was the Managing Member of Epic Industry, LLC and the Chief Financial Officer for ICA Solutions, Inc. Mr. Hawkins has worked in the hospitality and entertainment industry and construction industry, providing executive level services as CEO, CFO, and COO to multiple nanotech public and privately held companies. Mr. Hawkins earned his B.S. in Computer Science and Business Administration from University of Maryland, University College.

Ronald Sassano served has been with the Company since May 2015 where he has lead the development prospects. With more than 25 years in the construction industry, Mr. Sassano was instrumental in bringing the Company's first construction contracts. On March 6, 2016 the Company founded Scalable Solutions, LLC, and Mr. Sassano, through his corporation, Zoha Development, LLC was granted 20% ownership. Mr. Sassano is now the CEO of Scalable Solutions.

Family Relationships

There are no family relationships between or among the above directors, executive officers or persons nominated or charged by us to become directors or executive officers.

Board Leadership Structure

Mr. Rosenberg currently serves as our chairman of our Board of Directors.

Conflicts of Interest

Members of our management are associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of our company. Although the officers and directors are engaged in other business activities, we anticipate they will devote an important amount of time to our affairs.

Our officers and directors are now and may in the future become shareholders, officers or directors of other companies, which may be formed for the purpose of engaging in business activities similar to ours. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, we do not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

Our officers and directors are, so long as they are our officers or directors, subject to the restriction that all opportunities contemplated by our plan of operation which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to us and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If we or the companies with which the officers and directors are affiliated both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if we should decline to do so. Except as set forth above, we have not adopted any other conflict of interest policy with respect to such transactions.

Involvement in Certain Legal Proceedings

None of the following events have occurred during the past five years and are material to an evaluation of the ability or integrity of any director or officer of the Company:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:
 - a. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or

- engaging in or continuing any conduct or practice in connection with such activity;
 - b. Engaging in any type of business practice; or
 - c. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;
4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
 5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
 6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;
 7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:
 - a. Any Federal or State securities or commodities law or regulation; or
 - b. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
 - c. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
 8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Committees

Our Board of Directors as a whole acts as the audit and compensation committees.

Code of Ethics

We adopted a code of ethics that applies to our officers and directors. Our code of ethics was filed with our Annual Report for the year ended April 30, 2014, as filed on August 14, 2014.

Indemnification of Directors and Officers.

Under the Nevada General Corporation Law, we can indemnify our directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Our amended and restated articles of incorporation provide that, pursuant to Nevada law, our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to us and our stockholders. This provision in the articles of incorporation does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Nevada law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us or our stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director directly or indirectly derived an improper personal benefit, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Nevada law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our bylaws, as amended, provide for the indemnification of our directors and officers to the fullest extent permitted by the Nevada General Corporation Law. We are not, however, required to indemnify any director or officer in connection with any (a) willful misconduct, (b) willful neglect, or (c) gross negligence toward or on behalf of us in the performance of his or her duties as a director or officer. We are required to advance, prior to the final disposition of any proceeding, promptly on request, all expenses incurred by any director or officer in connection with that proceeding on receipt of any undertaking by or on behalf of that director or officer to repay those amounts if it should be determined ultimately that he or she is not entitled to be indemnified under our bylaws or otherwise.

We have been advised that, in the opinion of the SEC, any indemnification for liabilities arising under the Securities Act of 1933 is against public policy, as expressed in the Securities Act, and is, therefore, unenforceable.

ITEM 11. EXECUTIVE COMPENSATION.

The Company was formed on December 30, 2010.

The Company has no stock option, retirement, pension, or profit sharing programs for the benefit of directors, officers or other employees, but our officers and directors may recommend adoption of one or more such programs in the future.

We have an employment agreement with our Chief Financial Officer and no other officers, although we may enter into such agreements following our receipt of additional capital.

The Company does not have a standing compensation committee, audit committee, nomination committee, or committees performing similar functions. We anticipate that we will form such committees of the Board of Directors once we have a full Board of Directors.

The following table sets forth certain compensation information for: (i) the person who served as the Chief Executive Officer of mCig, Inc., during the year ended April 30, 2016, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during 2016. The foregoing persons are collectively referred to in this prospectus as the "Named Executive Officers." Compensation information is shown for the year ended April 30, 2016 and April 30, 2015:

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Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Comp	Non-Qualified Deferred Comp Earnings	All Other Comp	Totals
						(\$)	(\$)	(\$)	(\$)
Paul Rosenberg, CEO	2016	0	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0	0
Charles Mathews CFO	2016	6,000	0	25,524	0	0	0	0	31,524
	2015	0	0	0	0	0	0	0	0
Michael Hawkins Interim CFO	2016	3,000	0	33,480	0	0	0	0	36,480
	2015	0	0	0	0	0	0	0	0
Ronald Sassano CEO, Scalable Solutions	2016	3,000		180,000					183,000
	2015	0	0	0	0	0	0	0	0

Agreements

We have a consulting agreement with the Interim Chief Financial Officer whereby he will be compensated \$3,000 per month for two months, and \$2,000 per month for four months and receive 900,000 shares of restricted stock valued at \$5,580 per month.

We have a consulting agreement with the CEO of Scalable Solutions, LLC, in which he is compensated with zero cash and \$15,000 per month in stock based compensation.

Other than the Chief Financial Officer and the CEO of Scalable Solutions, LLC, there are no other agreements with our officers, although we may enter into such agreements following our receipt of additional capital.

Outstanding Equity Awards as of April 30, 2016

During the fiscal year ended April 30, 2016, Michael Hawkins was issued 900,000 shares of common stock.

During the fiscal year ended April 30, 2016, Ronald Sassano was issued 3,906,855 shares of common stock.

Options Exercises and Stocks Vested

None

Grants of Plan-Based Awards

None.

Non-Qualified Deferred Compensation

None.

Golden Parachute Compensation

None.

Director Compensation

We currently do not compensate our directors. No director has received any compensation from the Company since the inception of the Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND

RELATED STOCKHOLDER MATTERS.

Under Rule 13d-3 under the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

The following table indicates beneficial ownership of mCig's common stock, as of April 30, 2016 by:

- Each person or entity known by mCig to beneficially own more than 5% of the outstanding shares of mCig's common stock;
- Each executive officer and director of mCig; and,
- All executive officers and directors of mCig as a group.
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Percentage of beneficial ownership is based on 306,314,216 shares of common stock outstanding as of April 30, 2016.

Unless other indicated, the address of each beneficial owner listed below is c/o mCig, Inc., 433 North Camden Drive, 6th Floor, Beverly Hills, California 90210.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class ⁽¹⁾
Paul Rosenberg	1,834,445 common shares	0.60%
	20,900,000 preferred shares	91%
Michael W. Hawkins	900,000 common shares	0.03%
Ronald Sassano	1,252,809 common shares	0.04%
Total as a group(1)	3,987,254 common shares	0.67%
	20,900,000 preferred shares	91%
TOTAL STOCK VOTING POWER		
Paul Rosenberg	210,834,445 stock voting power	39.74%
Total as a group(1)	212,987,254 stock voting power	40.41%

(1)Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on April 30, 2016. As of April 30, 2016 there were 306,314,216 shares of our company's common stock issued and outstanding.

Review, Approval or Ratification of Transactions with Related Persons.

All future related party transactions will be approved, if possible, by a majority of our directors who do not have an interest in the transaction and who will have access, at our expense, to our independent legal counsel.

Description of Capital Structure

General

Our authorized capital stock consists of 560,000,000 shares of common stock, par value \$ 0.0001.

Common Stock

The shares of our common stock presently outstanding, and any shares of our common stock issues upon exercise of common stock purchase options and/or warrants, will be fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted upon by shareholders, and a majority vote is required for all actions to be taken by shareholders. In the event we liquidate, dissolve or wind-up our operations, the holders of the common stock are entitled to share equally and ratably in our assets, if any, remaining after the payment of all our debts and liabilities and the liquidation preference of any shares of preferred stock that may then be outstanding. The common stock has no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion provisions. Holders of common stock are entitled to receive dividends, if and when declared by the Board of Directors, out of funds legally available for such purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

Preferred Stock

The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc.'s common shares carry one (1) vote per each share outstanding.

Voting Rights

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders.

Dividends

Subject to preferences that may be applicable to any then-outstanding securities with greater rights, if any, and any other restrictions, holders of Common Stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the Company's board of directors out of legally available funds. The Company and its predecessors have not declared any dividends in the past and does not presently contemplate that there will be any future payment of any dividends on Common Stock.

Indemnification of Officers and Directors

As permitted by Nevada Revised Statutes, our Articles of Incorporation provide that we will indemnify our directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

Pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

During the year ended April 30, 2016, the Company advanced to VitaCig \$86,012 for internet product sales, and inventory purchases bringing the total outstanding due the Company to \$186,276, which is recorded as due from related party.

Director Independence

Our Board of Directors is comprised of 1 member, who is not "independent" within the meaning of Marketplace Rule 5605 of the NASDAQ Stock Market.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

On April 1, 2016, we engaged, MaloneBailey, LLP to serve as our independent registered public accounting firm for the year ending April 30, 2016. Sadler, Gibb & Associates, LLP served as our independent registered public accounting firm for the year ending April 30, 2015. The following table shows the fees that were billed for the audit and other services provided for 2016 and 2015.

	2016	2015
Audit Fees	\$ 25,500	\$ 21,300
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$ 25,500	\$ 21,300

Audit Fees — This category includes the audit of our annual financial statements, review of financial statements included

in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees — this category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under Audit Fees. The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission and other accounting consulting services.

Tax Fees — this category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees — this category consists of fees for other miscellaneous items.

Our Board of Directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the Board approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Board, or, in the period between meetings, by a designated member of Board. The audit paid to the auditors with respect to 2016 and 2015 were pre-approved by the Board of Directors.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibit No.	Description
10.1	Share Transfer Agreement Between VitaCig and Malecon Pharmacy
10.3	Exclusive Agreement with Just Chill
10.4	Distribution Agreement with JCP
10.5	Amendment to Stock Purchase Agreement with Vapolution shareholder
10.6	Consulting Agreement with Michael Hawkins
21	Articles of Incorporation of Scalable solutions, LLC
23.1	Consent of MaloneBailey, LLP
23.2	Consent of Sadler, Gibb & Associates, LLP
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act*
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Labels Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

mCig Inc

August 31, 2016 By: /s/ Paul Rosenberg

Paul Rosenberg

Chief Executive Officer
(Principal Executive Officer)

August 31, 2016 By: /s/ Michael W. Hawkins

Michael W. Hawkins

Chief Financial Officer and Chief
Accounting Officer (Principal
Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Name	Position	Date
<u>/s/ Paul Rosenberg</u> Paul Rosenberg	Chief Executive Officer <i>(Principal Executive Officer)</i>	August 31, 2016
<u>/s/ Michael W. Hawkins</u> Michael W. Hawkins	Chief Operating Officer and Director	August 31, 2016

**SHARE EXCHANGE AGREEMENT
BY AND BETWEEN
VITACIG, INC.
AND
MALECON PHARMACY, INC.**

THIS SHARE EXCHANGE AGREEMENT (the "Agreement") is made as of the 2nd day of June 2016, between VITACIG, INC., a Nevada corporation ("VITACIG") and the shareholders of MALECON PHARMACY, INC., a Florida corporation (the "SELLERS" or "MALECON").

RECITALS

WHEREAS, the SELLERS collectively own 100% of the shares of MALECON as set forth in the attached Exhibit A;

WHEREAS, VITACIG is a company whose common stock is registered with the U.S. Securities and Exchange Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended;

WHEREAS, VITACIG presently has Two Billion (2,000,000,000) shares of common capital stock, par value \$0.0001 authorized;

WHEREAS, the Board of Directors of VITACIG desires to reorganize VITACIG by causing it to issue to SELLERS Five Hundred Seventy-Five Million (575,000,000) shares of VITACIG common stock in exchange for SELLERS' transfer of their 100% ownership interest in MALECON to VITACIG (the "Share Exchange"), upon the terms, provisions, and conditions and for the consideration hereinafter set forth, thereby making MALECON a subsidiary of VITACIG; and

WHEREAS, the parties intend that the exchange of stock qualifies as a tax-free reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the business combination contemplated hereby be accounted for as a reverse acquisition under the purchase method for business combinations. The combination of the two companies is recorded as a recapitalization of MALECON, pursuant to which MALECON is treated as the continuing entity.

AGREEMENT

NOW THEREFORE, in consideration of these premises and the mutual agreements set forth below, intending to be legally bound, the parties agree as follows:

ARTICLE I

SHARE EXCHANGE

SECTION 1.1 EXCHANGE AND ISSUE OF SHARES. On the terms and subject to the conditions here set forth, at the Closing,

- (a) VITACIG will issue and deliver Five Hundred Seventy-Five Million (575,000,000) validly issued, fully-paid and non-assessable shares of VITACIG Common Stock, \$0.0001 par value, to the SELLERS as set forth in Exhibit A;
- (b) SELLERS will deliver to VITACIG One Hundred Percent (100%) of MALECON ownership (the "MALECON Interests"); and

SECTION 1.2 EFFECTIVE RESULT OF THE SHARE EXCHANGE. At the Effective Date, MALECON, will be acquired and will become a wholly-owned subsidiary of VITACIG.

SECTION 1.3 THE EXCHANGE OF CERTIFICATES.

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- (a) The stock transfer agent of VITACIG is ClearTrust, LLC (the "Exchange Agent"), with its address at 16540 Pointe Village Dr. Suite 206, Lutz, FL and its telephone number is 813-235-4490.
- (b) SELLERS will deliver all certificates representing all issued, cancelled, and outstanding shares to the Closing Agent, Eilers Law Group, P.A., along with suitably executed stock powers, along with any other documents required for delivery at the Closing by this Agreement.
- (c) After the Closing, the Exchange Agent will be instructed to deliver to the SELLERS their respective share certificates representing new shares of VITACIG Common Stock (such a "New Certificate").

SECTION 1.4 ACTS TO CARRY OUT THIS EXCHANGE PLAN.

- (a) MALECON and its proper officers and directors will do all such acts and things as may be necessary or proper to vest, perfect, or confirm in VITACIG title to such property or rights and otherwise to carry out the purposes of this Share Exchange Agreement.
- (b) If, at any time after the Effective Date, VITACIG will consider or be advised that any further assignments or assurances in law or any other acts are necessary or desirable to (i) vest, perfect, or confirm, of record or otherwise, in VITACIG its right, title, or interest in or under any of the rights, properties, or assets of MALECON acquired or to be acquired by VITACIG as a result of, or in connection with, the Share Exchange, or (ii) otherwise carry out the purposes of this Agreement, MALECON and its proper officers and directors will be deemed to have granted to VITACIG an irrevocable power of attorney to execute and deliver all such proper deeds, assignments, and assurances in law and to do all acts necessary or proper to vest, perfect, or confirm title to and possession of such rights, properties, or assets in VITACIG and otherwise to carry out the purposes of this Agreement; and the proper officers and directors of VITACIG are fully authorized in the name of VITACIG or otherwise to take any and all such action.

SECTION 1.5 DIRECTORS AND EXECUTIVE OFFICERS. Subject to the fiduciary duties of its directors, VITACIG, as promptly as practicable after the Effective Date, will use its best efforts to cause its existing board of directors and all officers to resign and immediately thereafter to be comprised of the directors appointed by SELLERS, unless otherwise agreed upon by the Parties.

SECTION 1.6 NAME CHANGE. Within Ninety (90) days of the Closing, VITACIG will change its legal name to "Malecon Holding Group, Inc." or such name that the SELLERS shall choose.

SECTION 1.7 RESERVED.

ARTICLE II

EFFECTIVE DATE

The Effective Date will be the date and time specified in this Agreement or on such other date as will be mutually agreed to by MALECON and VITACIG.

ARTICLE III

CONDITIONS PRECEDENT TO PERFORMANCE OF OBLIGATIONS OF THE PARTIES

The obligations of MALECON and VITACIG to consummate the Share Exchange will be subject to the conditions that on or before the Effective Date:

SECTION 3.1 NOTICE TO SHAREHOLDERS OF VITACIG. The shareholders of VITACIG will have been notified of the Agreement in accordance with the laws of the state of Nevada.

SECTION 3.2 ABSENCE OF LEGAL PROCEEDINGS. No action, suit, or proceeding will have been instituted

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or will have been threatened before any court or other governmental body or by any public authority to restrain, enjoin, or prohibit the Share Exchange, or which would reasonably be expected to restrict materially the operation of the business of MALECON or the exercise of any rights with respect thereto or to subject either of the parties hereto or any of their subsidiaries, directors, or officers to any liability, fine, forfeiture, divestiture, or penalty on the ground that the transactions contemplated hereby, the parties hereto, or their subsidiaries, directors, or officers have breached or will breach any applicable law or regulation or have otherwise acted improperly in connection with the transactions contemplated hereby and with respect to which the parties hereto have been advised by counsel that, in the opinion of such counsel, such action, suit, or proceeding raises substantial questions of law or fact which could reasonably be decided materially adversely to either party hereto or its subsidiaries, directors, or officers.

ARTICLE IV

CONDITIONS PRECEDENT TO PERFORMANCE OF THE OBLIGATIONS OF VITACIG

The obligations of VITACIG are subject to the satisfaction, on or prior to the Effective Date, of all the following conditions, compliance with which or the occurrence of which may be waived in whole or in part by VITACIG in writing unless not so permitted by law:

SECTION 4.1 REPRESENTATIONS AND WARRANTIES; PERFORMANCE OF OBLIGATIONS. All representations and warranties of MALECON contained in this Agreement will be true and correct in all material respects as of the Effective Date with the same effect as if such representations and warranties had been made or given at and as of such date, except that representations and warranties of MALECON contained in this Agreement that specifically relate to an earlier date will be true and correct in all material respects as of such earlier date. All covenants and obligations to be performed or met by MALECON on or prior to the Effective Date will have been so performed or met. On the date of the Effective Date, the chief executive officer of MALECON will deliver to VITACIG a certificate to that effect. The delivery of such certificates will in no way diminish the warranties, representations, covenants, and obligations of MALECON made in this Agreement.

SECTION 4.2 NO ADVERSE DEVELOPMENTS.

- (a) During the period from May 26, 2016 to the Effective Date, (i) there will not have been any material adverse effect as defined in section 12.3(c) (a "Material Adverse Effect") with respect to MALECON.
- (b) As of the Effective Date, there will be no liabilities of MALECON, other than liabilities incurred in the ordinary course of business, which are material to MALECON on a consolidated basis which were not reflected in the MALECON Financial Statements, and there will be no material deterioration in the quality or market value of the real property, investments and other assets included in such financial statements of MALECON.
- (c) VITACIG will have received a certificate dated the Effective Date, signed by the president of MALECON, certifying to the matters set forth in paragraphs (a) and (b) of this section 4.2. The delivery of such officers' certificate will in no way diminish the warranties and representations of MALECON made in this Agreement.

SECTION 4.3 EXECUTION OF INVESTMENT LETTERS BY SELLERS. Each Seller will each have submitted fully executed Investment Letters in the form attached hereto as Exhibit "B".

ARTICLE V

CONDITIONS PRECEDENT TO PERFORMANCE OF OBLIGATIONS OF MALECON

The obligations of MALECON hereunder are subject to the satisfaction, on or prior to the Effective Date, of all the following conditions, compliance with which or the occurrence of which may be waived in whole or in part by MALECON in writing unless not so permitted by law:

SECTION 5.1 REPRESENTATIONS AND WARRANTIES; PERFORMANCE OF OBLIGATIONS. All representations and warranties of VITACIG contained in this Agreement will be true and correct in all material

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respects as of the Effective Date with the same effect as if such representations and warranties had been made or given at and as of such date, except that representations and warranties of VITACIG contained in this Agreement that specifically relate to an earlier date will be true and correct in all material respects as of such earlier date. All covenants and obligations to be performed or met by VITACIG on or prior to the Effective Date will have been so performed or met. On the date of the Effective Date, either the president or an executive vice president of VITACIG will deliver to MALECON a certificate to that effect. The delivery of such officer's certificate will in no way diminish the warranties, representations, covenants, and obligations of VITACIG made in this Agreement.

SECTION 5.2 NO ADVERSE DEVELOPMENTS. During the period from May 26, 2016, to the Effective Date, there will not have been any Material Adverse Effect with respect to VITACIG, and MALECON will have received a certificate dated the date of the Effective Date signed by either the president or an executive vice president of VITACIG to the foregoing effect. The delivery of such officer's certificate will in no way diminish the warranties and representations of VITACIG made in this Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PUBLIC COMPANY

VITACIG represents and warrants to MALECON as follows:

SECTION 6.1 ORGANIZATION, POWERS, AND QUALIFICATION. VITACIG is a duly organized, validly existing corporation in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own and operate its properties and assets, to lease its properties and to carry on its business as

now conducted. VITACIG owns or possesses in the operation of its business all franchises, licenses, permits, certificates, consents, approvals, waivers, and other authorizations, governmental or otherwise, which are necessary for it to conduct its business as now conducted.

SECTION 6.2 EXECUTION AND PERFORMANCE OF AGREEMENT. VITACIG has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective terms.

SECTION 6.3 BINDING OBLIGATIONS, DUE AUTHORIZATION. Subject to the approval of its shareholders, this Agreement constitutes a valid, legal, and binding obligation of VITACIG, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, or similar law, or by general principles of equity. The execution, delivery, and performance of this Agreement and the transactions contemplated thereby have been duly and validly authorized by the board of directors of VITACIG.

SECTION 6.4 ABSENCE OF VIOLATIONS. VITACIG is not (i) in violation of its bylaws, (ii) in violation of any applicable federal, state, or local law or ordinance or any order, rule, or regulation of any federal, state, local, or other governmental agency or body, (iii) in violation of or in default with respect to any order, writ, injunction, or decree of any court, or any order, license, regulation, or demand of any governmental agency; (iv) in violation of any term of any security agreement, mortgage, indenture, or any other contract, agreement, instrument, lease, or certificate, and VITACIG has not received any claim or notice of violation.

SECTION 6.5 ABSENCE OF DEFAULT. None of the execution or the delivery of this Agreement, the consummation of the transactions contemplated hereby, or the compliance with or fulfillment of the terms hereof will conflict with, or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under the organizational documents or bylaws of VITACIG. None of such execution, consummation, or fulfillment will (a) conflict with, or result in a material breach of the terms, conditions, or provisions of, or constitute a material violation, conflict, or default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result in the creation of any lien, charge, or encumbrance upon, any of the property or assets of VITACIG pursuant to any material agreement or instrument under which it is obligated or by which any of its properties or assets may be bound, including without limitation any material lease, contract, mortgage, promissory note, loan, credit arrangement or other commitment or arrangement of it in respect of which it is an obligor.

SECTION 6.6 SUBSIDIARIES. VITACIG does not have any direct or indirect subsidiaries and does not directly or indirectly own, control, or hold, with the power to vote, any shares of the capital stock of any entity (including, without

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limitation, corporations, partnerships, and joint ventures). There are no outstanding subscriptions, options, warrants, convertible securities, calls, commitments, or agreements calling for or requiring the issuance, transfer, sale, or other disposition of any shares of the capital stock of VITACIG. There are no other direct or indirect subsidiaries of VITACIG that would be or are required to be consolidated or accounted for on the equity method in the consolidated financial statements of VITACIG prepared in accordance with generally accepted accounting principles.

SECTION 6.7 CAPITAL STRUCTURE.

- (a) The authorized capital stock of VITACIG consists of 2,000,000,000 shares of VITACIG Common Stock having a par value of \$0.0001 per share, of which, as of the date of this Agreement, 555,651,683 shares have been duly issued and are validly outstanding, fully paid, and non-assessable and are held by 16,311 shareholders of record. These shares of VITACIG Common Stock are the only voting securities of VITACIG authorized, issued, or outstanding as of such date; and there are no outstanding subscriptions, options, warrants, convertible securities, calls, commitments, agreements or rights, including preemptive rights, calling for or requiring the issuance, transfer, sale, or other disposition of any shares of the capital stock of VITACIG. No shares of VITACIG Common Stock are held as treasury shares. None of the VITACIG Common Stock is subject to any restrictions upon the transfer thereof under the terms of the articles of incorporation or bylaws of VITACIG.
- (b) As of the date hereof, to the best of the knowledge of VITACIG, and except for this Agreement, there are no shareholder agreements, or other agreements, understandings, or commitments relating to the right of any holder or beneficial owner of any issued and outstanding shares of VITACIG Common Stock to vote or to dispose of his, her or its shares of VITACIG Common Stock.

SECTION 6.8 ARTICLES OF INCORPORATION, BYLAWS, AND MINUTE BOOKS. VITACIG has provided MAJICON with all known, true, correct and complete copies of all of the certificates or articles of incorporation and all amendments to it, and the bylaws, as amended, of VITACIG. All minute books contain accurate minutes of all meetings and accurate consents in lieu of meetings of the board of directors (and any board committee) and of the shareholders of VITACIG since inception. All minute books accurately reflect all transactions referred to in such minutes and consents in lieu of meetings and disclose all material corporate actions of the shareholders and boards of directors of VITACIG and all committees thereof. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or board any committee) or of shareholders of VITACIG known to the Board of Directors that have not been disclosed to SELLERS.

SECTION 6.9 BOOKS AND RECORDS. The books and records of VITACIG fairly reflect the transactions to which it is a party or by which its properties are subject or bound. To the Board of Directors' best knowledge, such books and records have been properly kept and maintained and are in compliance in all material respects with all applicable accounting and legal requirements.

SECTION 6.10 CONTRACTS, COMMITMENTS, ETC. If there are any, VITACIG has made available to MALECON:

- (a) All contracts, agreements, plans or other arrangements applicable to employees, officers, or directors of VITACIG, including compensation, bonus, stock option, stock purchase, medical, disability, group life or other insurance plans, and any other remuneration or fringe benefit arrangements.
- (b) All material contracts, agreements, leases, mortgages, and commitments to which VITACIG is a party or may be bound; or, if any of the same be oral, true, accurate, and complete written summaries of all such oral contracts, agreements, leases, mortgages, and commitments.
- (c) All contracts, agreements, leases, mortgages, and commitments, whether or not material, to which VITACIG is a party or may be bound and which require the consent or approval of third parties to the execution and delivery of this Agreement or to the consummation or performance of any of the transactions contemplated thereby or, if any of the same be oral, true, accurate, and complete written summaries of all such oral contracts, agreements, leases, mortgages, and commitments.

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- (d) All deeds, leases, contracts, agreements, mortgages, and commitments, whether or not material, to which VITACIG is a party or may be bound and which relate to land, buildings, fixtures, or other real property.
- (e) All federal, state, and local tax returns, including any amended returns, filed by VITACIG.

SECTION 6.11 MATERIAL CONTRACT DEFAULTS. All contracts, agreements, leases, mortgages, or commitments referred to above in section 6.10 are valid and in full force and effect on this date. As of the date of this Agreement and as of the Effective Date, neither VITACIG nor its subsidiaries will be in default in any material respect under any material contract, commitment, arrangement, lease, insurance policy, or other instrument to which it is a party or by which its assets, business, or operations may be bound or affected or under which it or its assets, business, or operations receive benefits; and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

ARTICLE VII

COVENANTS OF VITACIG

VITACIG covenants and agrees as follows:

SECTION 7.1 RIGHTS OF ACCESS. From this date to the Effective Date, VITACIG will give to MALECON and to its representatives, including its certified public accountants full access during normal business hours to all of the property, documents, contracts, books, and records of VITACIG, and such information with respect to its business affairs and properties as MALECON from time to time may reasonably request.

SECTION 7.2 EXTRAORDINARY TRANSACTIONS. Without the prior written consent of MALECON, VITACIG will not, on or after the date of this Agreement: (a) declare or pay any cash dividends or property dividends with respect to any class of its capital stock; (b) declare or distribute any stock dividend, authorize a stock split, or authorize, issue or make any distribution of its capital stock or any other securities or grant any options to acquire such additional securities; (c) either (i) merge into, consolidate with, or sell or otherwise dispose of its assets to any other corporation or person, or enter into any other transaction or agree to effect any other transaction not in the ordinary course of its business except as explicitly contemplated herein, or (ii) engage in any discussions concerning such a possible transaction except as explicitly contemplated herein unless the board of directors of VITACIG, based upon the advice of legal counsel, determines in good faith that such action is required for the board of directors to comply with its fiduciary duties to stockholders imposed by law; (d) convert the form of entity of VITACIG from that in existence on the date of this Agreement to any other form of entity; (e) make any direct or indirect redemption, purchase, or other acquisition of any of its capital stock; (f) except in the ordinary course of its business or to accomplish the transactions contemplated by this Agreement, incur any liability or obligation, make any commitment or disbursement, acquire or dispose of any property or asset, make any contract or agreement, pay or become obligated to pay any legal, accounting, or miscellaneous other expense, or engage in any transaction; (g) other than in the ordinary course of business, subject any of its properties or assets to any lien, claim, charge, option, or encumbrance; (h) enter into or assume any one or more commitments to make capital expenditures, any of which individually exceeds \$20,000 or which in the aggregate exceed \$50,000; (i) except for increases in the ordinary course of business in accordance with past practices, and except as explicitly contemplated by this Agreement, increase the rate of compensation of any employee or enter into any agreement to increase the rate of compensation of any employee; (j) except as otherwise required by law, create or modify any profit sharing plan, bonus, deferred compensation, death benefit, or other benefit plan, or increase or decrease any such plan, or increase or decrease any expense or

benefit, or retirement plan, or the level of benefits under any such plan, nor increase or decrease any severance or termination pay benefit or any other fringe benefit; (k) enter into any employment or personal services contract with any person or firm, except directly to facilitate the transactions contemplated by this Agreement; nor (l) change the nature or increase the concentration of risk of investments and of cash and cash equivalents.

SECTION 7.3 PRESERVATION OF BUSINESS. VITACIG will (a) carry on its business and manage its assets and properties diligently and substantially in the same manner as heretofore; (b) use commercially reasonable efforts to continue in effect its present insurance coverage on all properties, assets, business, and personnel; (c) use commercially reasonable efforts to preserve its business organization intact, to keep available its present employees, and to preserve its present relationships with all those entities having business dealings with it; (d) not do anything and not fail to do anything which will cause a breach of or default in any contract, agreement, commitment, or

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obligation to which it is a party or by which it may be bound; and (e) conduct its affairs so that at the Effective Date none of its representations and warranties will be inaccurate, none of its covenants and agreements will be breached, and no condition in this Agreement will remain unfulfilled by reason of its actions or omissions.

SECTION 7.4 AFFILIATES. VITACIG will furnish to MALECON a list of all persons known to VITACIG who at the date of this Agreement may be deemed to be "affiliates" of VITACIG within the meaning of Rule 145 under the Securities Act of 1933.

SECTION 7.5 PURCHASE METHOD TREATMENT. VITACIG will take no action that would prevent or impede the Share Exchange from qualifying as a reverse acquisition under the purchase method for business combinations.

SECTION 7.6 UPDATED SCHEDULES. Not less than fifteen business days prior to the Effective Date and as of the Effective Date, VITACIG will deliver to MALECON any updates to the schedules to its representations which may be required to disclose events or circumstances arising after this date. Such schedules will be updated only for the purpose of making the representations and warranties contained in this Agreement to which such part of such schedules relate true and correct in all material respects as of the date such schedule is updated, and the updated schedule will not have the effect of making any representation or warranty contained in this Agreement true and correct in all material respects as of a date prior to the date of such updated schedule. For purposes of determining whether the conditions set forth in section 4.1 to MALECON's obligations have been met, any such updated schedules delivered to MALECON will be disregarded unless MALECON will have agreed to accept any changes reflected in such updated schedules.

SECTION 7.7 SUBSEQUENT EVENTS. Until the Effective Date, VITACIG will immediately advise MALECON in a detailed written notice of any fact or occurrence or any pending or threatened occurrence of which it obtains knowledge and which (if existing and known at the date of the execution of this Agreement) would have been required to be set forth or disclosed in or pursuant to this Agreement or which (if existing and known at any time prior to or at the Effective Date) would cause a condition to MALECON's obligations under this Agreement not to be fully satisfied.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF MALECON

MALECON, by and through SELLERS, represents and warrants to VITACIG as follows:

SECTION 8.1 ORGANIZATION, POWERS, AND QUALIFICATION. MALECON is a duly organized, validly existing limited liability company in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own and operate its property and assets, to lease properties used in its business, and to carry on its business as now conducted. MALECON owns or possesses in the operation of its business all franchises, licenses, permits, certificates, consents, approvals, waivers, and other authorizations, governmental or otherwise, which are necessary for it to conduct its business as now conducted.

SECTION 8.2 EXECUTION AND PERFORMANCE OF AGREEMENT. MALECON has all requisite corporate power and authority to execute and deliver this Agreement and to perform its respective terms.

SECTION 8.3 BINDING OBLIGATIONS, DUE AUTHORIZATION. Subject to the approval of its members, this Agreement constitutes a valid, legal, and binding obligation of MALECON, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, or similar law, or by general principles of equity. The board of directors of MALECON has validly authorized the execution, delivery, and performance of this Agreement and the transactions contemplated by it.

SECTION 8.4 ABSENCE OF DEFAULT. None of the execution or the delivery of this Agreement, the consummation of the transactions contemplated by it, or the compliance with or fulfillment of its terms will conflict with, or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under the organizational documents or bylaws of MALECON. None of such execution, consummation, or fulfillment will conflict with, or result in a material breach of the terms, conditions, or provisions of, or constitute a material violation, conflict, or default under, or give rise to any right of termination, cancellation, or acceleration with respect to, or result

in the creation of any lien, charge, or encumbrance upon, any of the property or assets of MALECON pursuant to any material agreement or instrument under which it is obligated or by which any of its properties or assets may be bound, including without limitation any material lease, contract, mortgage, promissory note, deed of trust, loan, credit arrangement, or other commitment or arrangement of it in respect of which it is an obligor.

SECTION 8.5 CAPITAL STRUCTURE.

- (a) The ownership of MALECON as of the date of this Agreement consists of 1 shareholder of MALECON holding XXX shares having been duly issued and are validly outstanding, fully paid and non-assessable, book entry membership interests. These membership interests of MALECON are the only equity securities of MALECON authorized, issued, or outstanding as of the date of this Agreement. There are no outstanding subscriptions, options, warrants, convertible securities, calls, commitments, agreements or rights, including preemptive rights, calling for or requiring the issuance, transfer, sale, or other disposition of any shares of the capital stock of MALECON.
- (b) As of the date hereof, to the best of the knowledge of MALECON, and except for this Agreement, there are no shareholder agreements, or other agreements, understandings, or commitments relating to the right of any holder or beneficial owner of any issued and outstanding shares of MALECON Common Stock to vote or to dispose of his, her or its shares of MALECON Common Stock.

SECTION 8.6 BOOKS AND RECORDS. The books and records of MALECON fairly reflect the transactions to which it is a party or by which its properties are subject or bound. Such books and records have been properly kept and maintained and are in compliance in all material respects with all applicable accounting and legal requirements. MALECON follows generally accepted accounting principles applied on a consistent basis in the preparation and maintenance of its books of account and financial statements, including using the accrual method of accounting for all items of income and expense. MALECON has made all accruals in amounts that accurately report income and expense in the proper periods in accordance with generally accepted accounting principles. MALECON has filed all material reports and returns required by any law or regulation to be filed by it.

SECTION 8.7 FINANCIAL STATEMENTS. MALECON has furnished to VITACIG its balance sheet as of each of 2014 and 2015 and interim financial statements through the first quarter of 2016, and its related statements of operations, changes in stockholders' equity and cash flows for each of the fiscal year periods then ended, and its notes, and its consolidated unaudited balance sheet as of April 30, 2016 and its related unaudited consolidated statements of operations, changes in stockholders' equity and cash flows for the nine month period then ended (the "MALECON Interim Financial Statements") (collectively, the "MALECON Financial Statements"). All of the MALECON Financial Statements, including the related notes, (a) were prepared in accordance with generally accepted accounting principles ("GAAP") consistently applied in all material respects (subject, in the case of the MALECON Interim Financial Statements, to recurring audit adjustments normal in nature and amount), (b) are in accordance with the books and records of MALECON, (c) fairly reflect the consolidated financial position of MALECON as of such dates, and the consolidated results of operations of MALECON for the periods ended on such dates, and do not fail to disclose any material extraordinary or out-of-period items. MALECON represents and warrants that its financial statements are prepared sufficiently to enable a PCAOB listed audit firm to prepare and express an opinion thereon and to agree with MALECON that its financial statements are prepared according to GAAP and appear to be free from material misstatement.

SECTION 8.8 ARTICLES OF ORGANIZATION, OPERATING AGREEMENT, AND MINUTE BOOKS. MALECON has provided VITACIG with true, correct and complete copies of all of MALECON's articles of organization, the operating agreement, and all amendments to such documents, and the minute books. All minute books contain accurate minutes of all meetings and accurate consents in lieu of meetings of the board of directors (and any board committee) and of the members of MALECON since its inception. All minute books accurately reflect all transactions referred to in such minutes and consents in lieu of meetings and disclose all material corporate actions of the shareholders and boards of directors of MALECON and all board committees. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or any committee thereof) or of shareholders of MALECON.

SECTION 8.9 ABSENCE OF CERTAIN DEVELOPMENTS. Since May 26, 2016 there has been (a) no Material

Adverse Effect with respect to MALECON, (b) no material decrease in the value of the assets of MALECON (c) no material increase in the level of liabilities of MALECON. Since May 26, 2016 MALECON has conducted its business only in the ordinary course of such business and consistent with past practice.

SECTION 8.10 DISCLOSURE. No representation or warranty included in this and no certificate, statement, or other document delivered by MALECON hereunder or in connection with this Agreement or any of the transactions contemplated thereunder contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein, in light of the circumstances under which they were made, not misleading. There is no fact known to MALECON that might materially adversely affect its business, assets, liabilities, financial condition, results of operations, or prospects that has not been disclosed in the MALECON Financial Statements or a certificate, schedule or other document delivered by MALECON to VITACIG. Copies of all documents delivered to VITACIG by MALECON under this Agreement are true, correct, and complete copies thereof and include all amendments, supplements, and modifications thereto and all waivers thereunder.

ARTICLE IX

COVENANTS OF MALECON

MALECON, by and through Audrey Solovyev, covenants and agrees as follows:

SECTION 9.1 RIGHTS OF ACCESS. From this date to the Effective Date, MALECON will give to VITACIG and to its representatives, including their certified public accountants, reasonable access during normal business hours upon reasonable advance notice to all of the property, documents, contracts, books, and records of MALECON, and such information with respect to its business affairs and properties as VITACIG from time to time may reasonably request, and VITACIG will be furnished with copies of all such books, records, agreements and other documents as may be reasonably requested by it. In connection with such investigation, VITACIG will also be permitted to speak with such officers, directors, bankers, creditors, lessees, lessors, customers, shareholders, and litigation counsel of MALECON as VITACIG may specify.

SECTION 9.2 RESERVED.

SECTION 9.3 PRESERVATION OF BUSINESS. MALECON will: (a) carry on its business and manage its assets and property diligently and substantially in the same manner as was done previously; (b) use commercially reasonable efforts to continue in effect its present insurance coverage on all property, assets, business, and personnel; (c) use commercially reasonable efforts to preserve its business organization intact, to keep available its present employees, and to preserve its present relationships with those entities having business dealings with it; (d) not do anything and not fail to do anything which will cause a breach of or default in any contract, agreement, commitment, or obligation to which it is a party or by which it may be bound; and (e) conduct its affairs so that at the Effective Date none of its representations and warranties will be inaccurate, none of its covenants and agreements will be breached, and no condition in this Agreement will remain unfulfilled by reason of its actions or omissions.

SECTION 9.4 SHAREHOLDERS' MEETING. Unless a majority of shareholders will provide their written consent, MALECON will hold a meeting of its members in accordance with the laws of the state of Florida and the operating agreement of MALECON to consider and vote upon this Agreement. Subject to its fiduciary duty to members, the managers of MALECON will recommend to its members that this Agreement be adopted.

SECTION 9.5. SUBSEQUENT EVENTS. Until the Effective Date, MALECON will immediately advise VITACIG in a detailed written notice of any fact or occurrence or any pending or threatened occurrence of which it obtains knowledge and which (if existing and known at the date of the execution of this Agreement) would have been required to be set forth or disclosed in or pursuant to this Agreement or which (if existing and known at the time of the Effective Date) would cause a condition to VITACIG's obligations under this Agreement not to be fully satisfied.

SECTION 9.6 UPDATED SCHEDULES. Not less than fifteen business days prior to the Effective Date and as of the Effective Date, MALECON will deliver to VITACIG any updates to the schedules to its representations which may be required to disclose events or circumstances arising after the date hereof. Such schedules will be updated only for the purpose of making the representations and warranties contained in this Agreement to which such part of such

schedules relate true and correct in all material respects as of the date such schedule is updated, and the updated schedule will not have the effect of making any representation or warranty contained in this Agreement true and correct in all material respects as of a date prior to the date of such updated schedule. For purposes of determining whether the conditions set forth in section 4.1 to MALECON's obligations have been met, any such updated schedules delivered to VITACIG will be disregarded unless VITACIG will have agreed to accept any changes reflected in such updated schedules.

SECTION 9.7 RESERVED.

SECTION X

CLOSING

SECTION 10.1 PLACE AND TIME OF CLOSING. Closing will take place at the offices of at the place and time as mutually agreed upon by the Parties, on the date of the Effective Date, provided that all conditions precedent to the obligations of the parties to close have then been met or waived.

SECTION XI

TERMINATION, WAIVER, AND AMENDMENT

SECTION 11.1 TERMINATION BY REASON OF LAPSE OF TIME. This Agreement may be terminated by any party after June 30, 2016, by instrument duly authorized and executed and delivered to the other party, unless the Effective Date will have occurred.

SECTION 11.2 GROUNDS FOR TERMINATION. This Agreement may be terminated by written notice of termination at any time before the Effective Date (whether before or after action by stockholders of VITACIG or MALECON):

- (a) by mutual consent of the parties hereto;
- (b) by MALECON, upon written notice to VITACIG given at any time (i) if any of the representations and warranties of VITACIG contained in Article VI above was materially incorrect when made, or (ii) in the event of a material breach or material failure by VITACIG of any covenant or agreement of VITACIG contained in this Agreement that has not been, or cannot be, cured within thirty days after written notice of such breach or failure is given to VITACIG, and which inaccuracy, breach, or failure, if continued to the Effective Date, would result in any condition set forth in Article IV above not being satisfied;
- (c) by VITACIG, upon written notice to MALECON given at any time (i) if any of the representations, warranties, or covenants of MALECON contained in Articles VIII or IX above was materially incorrect when made, or (ii) in the event of a material breach or material failure by MALECON of any covenant or agreement of MALECON contained in this Agreement that has not been, or cannot be, cured within thirty days after written notice of such breach or failure is given to MALECON, and which inaccuracy, breach, or failure, if continued to the Effective Date, would result in any condition set forth in Article V above not being satisfied; and
- (d) by either MALECON or VITACIG upon written notice given to the other if the shareholders of either MALECON or VITACIG will have voted on and failed to adopt this Agreement, at the meeting of such shareholders called for such purpose.

SECTION 11.3 EFFECT OF TERMINATION. In the event of the termination and abandonment of this Agreement pursuant to the provisions of section 11.1 or section 11.2, this Agreement will become void and have no force or effect without any liability on the part of MALECON, VITACIG, or their respective directors or officers or shareholders, in respect of this Agreement. Notwithstanding the foregoing, as provided in section 12.4 of this Agreement, the confidentiality agreement contained in that section will survive such termination.

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SECTION 11.4 WAIVER OF TERMS OR CONDITIONS. Any of the terms or conditions of this Agreement, to the extent legally permitted, may be waived at any time prior to the Effective Date by the party which is, or whose shareholders are, entitled to the benefit thereof, by action taken by that party, by the board of directors of such party, or by its chairman, or by its president; provided that such waiver will be in writing and will be taken only if, in the judgment of the party, board of directors, or officer taking such action, such waiver will not have a materially adverse effect on the benefits intended hereunder to it or to the shareholders of its or his corporation; and the other parties hereto may rely on the delivery of such a waiver as conclusive evidence of such judgment and the validity of the waiver.

SECTION 11.5 AMENDMENT. Anything herein or elsewhere to the contrary notwithstanding, to the extent permitted by law, this Agreement and the exhibits hereto may be amended, supplemented, or interpreted at any time prior to the Effective Date by written instrument only duly authorized and executed by each of the parties hereto; provided, however, that (except as specifically provided herein or as may be approved by such shareholders) this Agreement may not be amended after:

- (a) the action by shareholders of VITACIG in any respect that would change (i) the amount or kind of shares, obligations, cash, property, or rights to be received in exchange for or on conversion of the VITACIG Common Stock; (ii) any term of the certificate of incorporation of MALECON to be effected by the Share Exchange; or (iii) any of the terms and conditions of this Agreement if the change would adversely affect the shareholders of VITACIG, or
- (b) the action by members of MALECON in any respect that would change (i) the amount or kind of shares, obligations, cash, property, or rights to be received in exchange for the MALECON Common Stock to be delivered in the Share Exchange; (ii) any term of the certificate of incorporation of MALECON to be effected by the Share Exchange; or (iii) any of the terms and conditions of this Agreement if the change would adversely affect the shareholders of MALECON.

ARTICLE XII

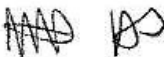
GENERAL PROVISIONS

SECTION 12.1 ALLOCATION OF COSTS AND EXPENSES. Except as provided in Article IX, each party will pay its own fees and expenses, including without limitation the fees and expenses of its own counsel and its own accountants and tax advisers, incurred in connection with this Agreement and the transactions contemplated by it.

SECTION 12.2 MUTUAL COOPERATION. Subject to the terms and conditions herein provided, each party will use its best efforts, and will cooperate fully with the other party, in expeditiously carrying out the provisions of this Agreement and in expeditiously making all filings and obtaining all necessary approvals, and as soon as practicable will execute and deliver, or cause to be executed and delivered, such notifications and additional documents and instruments and do or cause to be done all additional things necessary, proper, or advisable under applicable law to consummate and make effective on the earliest practicable date the transactions contemplated hereby.

SECTION 12.3 FORM OF PUBLIC DISCLOSURES. MALECON and VITACIG will mutually agree in advance upon the form and substance of all public disclosures concerning this Agreement and the transactions contemplated by it and will not issue any such public disclosure prior to such consultation, except that VITACIG in its sole discretion will determine the content of all SEC filings required to be filed through the Effective Date. As for all other disclosures, approval by MALECON or VITACIG of such public disclosure will not be unreasonably withheld.

SECTION 12.4 CONFIDENTIALITY. MALECON and VITACIG will use all information that each obtains from the other pursuant to this Agreement solely for the effectuation of the transactions contemplated by this Agreement or for other purposes consistent with the intent of this Agreement. Neither MALECON nor VITACIG will use any of such information for any other purpose, including, without limitation, the competitive detriment of any other party. MALECON and VITACIG will maintain as strictly confidential all information each of them learns from the other and will, at any time after termination of this Agreement in accordance with its terms, upon the request of the other, return promptly to it all documentation provided by it or made available to third parties. Each of the parties may disclose such information to its respective affiliates, counsel, accountants, tax advisers, and consultants, provided that



Page 11 of 16

such parties are advised of the confidential nature of such information and agree to be bound by the terms of this section 12.4. The confidentiality agreement contained in this section 12.4 will remain operative and in full force and effect, and will survive the termination of this Agreement.

SECTION 12.5 STANDARD OF MATERIALITY AND OF MATERIAL ADVERSE EFFECT

- (a) For purposes of Articles IV, VI, and VII of this Agreement, the terms "material" and "materially," when used with reference to items normally expressed in dollars, will be deemed to refer to amounts individually and in the aggregate in excess of 3% of the shareholders' equity of VITACIG as of May 26, 2016, as determined in accordance with generally accepted accounting principles.
- (b) For purposes of Articles V, VIII, and IX of this Agreement, the terms "material" and "materially," when used with reference to items normally expressed in dollars, will be deemed to refer to amounts individually and in the aggregate in excess of 3% of the members' equity of MALECON as of May 26, 2016, as determined in accordance with generally accepted accounting principles.
- (c) The term "Material Adverse Effect" wherever used in this Agreement will mean, with respect to a party, a material adverse effect on the business, results of operations, financial condition, including the market value of any of the assets, or prospects of such party and its subsidiaries taken as a whole.

SECTION 11.6 COUNTERPARTS. This Agreement may be executed in two or more counterparts each of which

SECTION 12.6 COUNTERPARTS. This Agreement may be executed in two or more counterparts. Each counterpart will be deemed to constitute an original, but such counterparts together will be deemed to be one and the same instrument and to become effective when one or more counterparts have been signed by each of the parties. It will not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for the other counterpart.

SECTION 12.7 ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties hereto with respect to their commitments to each other and their undertakings vis-à-vis each other on the subject matter hereof. Any previous agreements or understandings among the parties regarding the subject matter hereof are merged into and superseded by this Agreement. Nothing in this Agreement express or implied is intended or will be construed to confer upon or to give any person, other than MALECON, VITACIG, and their respective shareholders, any rights or remedies under or by reason of this Agreement.

SECTION 12.8. SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND COVENANTS. None of the representations, warranties, covenants, and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, will survive the Effective Date, except for sections 12.4 and 12.6, and those other covenants and agreements contained herein and therein which by their terms apply in whole or in part after the Effective Date.

SECTION 12.9 SECTION HEADINGS. This Agreement's section and subsection headings have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions.

SECTION 12.10 NOTICES.

- (a) All notices, consents, waivers, or other communications which are required or permitted hereunder will be in writing and deemed to have been duly given if delivered personally or by messenger, sent by facsimile, or by registered or certified mail, return receipt requested, postage prepaid, or by a reputable delivery service (including, by way of example and not limitation, Federal Express, UPS and DHL) which makes a record of the date and time of delivery. All communications will be addressed to the appropriate address of each party as follows:

If to SELLERS: 3921 ALTON ROAD, SUITE 127
MIAMI BEACH, FL 33140

If to VITACIG: 4375 Watermill Dr.
Orange Park, FL 32073

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- (b) For purposes of notice, the address of each Party will be the address first set forth above; provided, however, that each Party will have the right to change its respective address for notices hereunder to another location by giving ten days advance written notice to the other Party in the manner set forth above.
- (c) All such notices will be deemed to have been given on the date delivered, transmitted, or mailed in the manner provided above.

SECTION 12.11 CHOICE OF LAW. This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of Florida, without giving effect to the principles of conflict of law thereof. Each of the parties agrees that it may be served with process in any action with respect to this Agreement or the transactions contemplated by it by certified or registered mail, return receipt requested, or to its registered agent for service of process in the State of Florida, respectively.

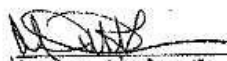
SECTION 12.12 KNOWLEDGE OF A PERSON. References in this Agreement to the knowledge of a party will mean, in the case of a corporation, the actual knowledge possessed by the present executive officers of such party.

SECTION 12.13 BINDING AGREEMENT. This Agreement will be binding upon the parties and their respective heirs, successors and assigns.

THE PARTIES, INTENDING TO BE LEGALLY BOUND, have executed this agreement on the date first set forth above.

"VITACIG":

Vitacig, Inc.
a Nevada corporation
By:
Name:
Title:


Luciano Hawkins
CEO

"SELLERS":

By:
Name: 
Number of Shares Held: 100 Shares

EXHIBIT A

MALECON SHAREHOLDERS

<u>Shareholder</u>	<u>Percentage Ownership*</u>	<u>Shares to Be Received</u>
LX Retail Group, Inc.	100%	575,000,000
TOTAL	100%	575,000,000

**Malecon Pharmacy, Inc. and its shareholders based ownership on percentages assuming 100 shares issued in total.*

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EXHIBIT A

INVESTMENT LETTER

Vitacig, Inc.

Ladies and Gentlemen:

In order to induce Vitacig, Inc., a Nevada corporation (the "Company"), to issue to me the number of shares of Vitacig Common Stock set forth opposite my signature below (the "Securities") in connection with the Share Exchange Agreement between the Company and MALECON PHARMACY, INC., I represent, warrant, and covenant as follows:

- (a) I am purchasing the Securities for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Securities in violation of the Securities Act of 1933 (the "Securities Act"), or any rule or regulation under the Securities Act.
- (b) I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.
- (c) I have sufficient experience in business, financial, and investment matters to be able to evaluate the risks involved in the purchase of the Securities and to make an informed investment decision with respect to such purchase.
- (d) I can afford a complete loss of the value of the Securities and am able to bear the economic risk of holding such Securities for an indefinite period.
- (e) I understand that: (i) the Securities have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Securities cannot be sold, transferred, or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available, (iii) in any event, the exemption from registration under Rule 144 or otherwise may not be available for at least six months and even then will not be available unless a public market then exists for the Securities or common stock of the Company, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with, and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Securities under the Securities Act.
- (f) A legend substantially in the following form will be placed on the Securities:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE LAW, AND NO INTEREST THEREIN MAY BE SOLD, DISTRIBUTED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE TRANSFERRED UNLESS: (I) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS COVERING ANY SUCH TRANSACTION INVOLVING SAID SECURITIES OR (II) THIS CORPORATION RECEIVES AN OPINION OF LEGAL COUNSEL, FOR THE HOLDER OF THESE SECURITIES (CONCURRED IN BY LEGAL COUNSEL FOR THIS CORPORATION) STATING THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION OR THIS CORPORATION OTHERWISE SATISFIES ITSELF THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION.

Dated:

Very truly yours,



Name: _____

Number of shares: _____



MASTER DISTRIBUTION AGREEMENT

THIS MASTER DISTRIBUTION AGREEMENT (this "Agreement") is made and effective as of the 10th day of May 2015 (the "Effective Date"), by and among mCig, Inc. ("mCig") and JustChill products, ("JustChill" and with mCig, the "Parties").

RECITALS

- A. JustChill is a manufacturer of cbd oil that is marked in (at present) 1ml and .5ml prefilled tanks (the "Tanks", each "Tank") and other products listed in Exhibit "A"
- B. mCig, Inc. intends to act as an exclusive Master Distributor of "All" Just Chill products.
- C. mCig and JustChill deem it to be in their best interests that memorialize their current and future sales and distribution arrangement under the terms and conditions herein.
- D. In consideration of the foregoing, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto and their respective heirs, executors, administrators, successors and assigns agree as follows:

INTRODUCTION.

- A. **Recitals, Attachments.** The foregoing Recitals are true and correct and, with any attachments hereto, are hereby incorporated by reference.
- B. **Supersede.** This Agreement shall completely and entirely supersede any agreement or arrangement, whether oral or written, by or among the Parties with respect to any rights or obligations set forth in any document or otherwise.
- C. **Purpose and Exclusivity.** The Parties hereto agree that mCig will use best efforts to coordinate promote and Master Distribute All products. The Parties Agree and acknowledge that only mCig is the sole and Master Distributor and will sub-distributor to any existing accounts and distributors.

ARTICLE II

TERMS AND CONDITIONS.

- A. JustChill will provide all Products and Tanks to mCig pursuant to the following terms and conditions.
 - i. mCig and JustChill agree and acknowledge that all sales revenues for current and future products of JustChill will flow through mCig.
 - ii. mCig agrees that the average wholesale volume will not drop more than 50% from the prior month. JustChill agrees to give 30-day notice with 30-day Right to Cure any distribution volume issues or violations (60-day maximum).
 - iii. JustChill agrees that if the Tank prices are adjusted to below Fifteen Dollars (\$15.00) per 1ml Tank and of Nine Dollars (\$9.00) per .5 ml Tank, mCig's price will be adjusted to the new price

and if the wholesale price is adjusted to below Fifteen Dollars (\$15.00) per 1ml Tank and of Nine Dollars (\$9.00) per .5 ml Tank, mCig's price will be adjusted to the new price.

- iv. mCig will be responsible for packaging, online sales, and training their sales group.
- v. The Parties agree that mCig will have the rights to participate in any product trade show or convention event attended by JustChill, in which mCig shall send a representative and be permitted to demonstrate JustChill and mCig products and all Sales Leads will be forward to mCig's VP of Sales.
- vi. mCig recognizes that JCP is an authorized Sub-Distributor falling under the management of mCig. JustChill agrees that mCig shall receive \$0.50 per 1ml and \$0.25 per .5ml bought by JCP, paid on or before the 10th of every month for the previous calendar month's volume. JustChill agrees and acknowledges that any JCP purchases will be managed and transacted through mCig accounts as Master Distributor.
- vii. JustChill agrees and acknowledges that mCig is a public company and all or part of this Agreement and sales may be published in mCig's filings with the Securities and Exchange Commission.
- viii. Just Chill shall indemnify mCig (including its successor and assigns) and hold it harmless at all times against and in respect of any and all damages, losses, liabilities, taxes and deficiencies, plus penalties and interest thereon, costs and expenses, and attorney's fees (whether in a court of original jurisdiction or one or more courts of appellate jurisdiction) incurred by Buyer in settlement, judgment, curing or correcting, resulting from the sale of the Tanks.
- ix. Additional Terms and products offered by JustChill to be added in to this agreement at a later point in "Exhibit A".
- x. In the event that JustChill Company or any and/or all product lines are bought by another company, mCig contract transfers to buyer and mCig must also be bought out.
- xi. mCig will pay JustChill products 30% of Net profit after expenses from all online sales revenues of any products distributed to mCig for resale by JustChill products, paid on or before the 10th of every month for the previous calendar month's revenues.
- xii. mCig has Right of First Refusal for all existing and future products created by JustChill products.

B. mCig will use best efforts to complete the order or amounts in invoices totaling a minimum of \$80,000, for the initial 5,000 Units on or before May 15, 2015 and an additional 5,000 Units or amounts in invoices totaling a minimum an additional \$80,000 (for an aggregate of \$160,000) on or before June 1, 2015.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS.

Each party represents and warrants to the other Parties, where designated, on and as of the Effective Date hereof, as follows:

A. Authorization of Transaction. Each party represents and warrants that such party has full power and authority, to execute and deliver this Agreement and to perform its obligations hereunder. Each party represents and warrants that this Agreement constitutes the valid and legally binding obligation of such party, enforceable in

2 | Page

Joint Venture And Distribution Agreement

By and between

Just chill products LLC and mCig, Inc.

Initials: JustChill NP MCig: _____

accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium and other similar laws relating to the enforcement of creditor's rights generally, the availability of equitable remedies, and general equity principles.

- B. **Quality of Product.** JustChill represents that cbd oil is equivalent to industry standards.
- C. **Disbursements.** Disbursements shall be made as follows:
 - A. The net proceeds received by mCig will be distributed monthly to JustChill on a monthly basis (on or before the 10th day of the following month).
 - B. The \$0.50 per 1ml and \$0.25 per .5ml sold by JCP received by mCig, will be distributed monthly to mCig on a monthly basis (on or before the 10th day of the following month).

ARTICLE IV

TERMINATION OF AGREEMENT.

This Agreement shall terminate on the earlier to occur of:

- A. The written agreement of mCig and JustChill;
- B. By mCig, at any time in their discretion, upon written notice, if mCig determines that cbd oil provided by JustChill is not equivalent to industry standards or JustChill is prohibited or unable, for any reason to provide cbd oil or the Tanks.

Upon the termination of this Agreement, mCig will use best efforts to return any unsold Products to JustChill.

ARTICLE V

MISCELLANEOUS

- A. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.
- B. The provisions of this Agreement may be waived, altered, amended or repealed, in whole or in part, only on the written consent of mCig and JustChill, provided that any such amendment hereto does not diminish any rights specified herein.
- C. This Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective heirs, legal representatives, successors and assigns.
- D. It is intended that each section of this Agreement shall be viewed as separate and divisible, and in the event that any section shall be held to be invalid, the remaining sections shall continue to be in full force and effect.
- E. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing, and shall be deemed to have been duly given (1) on the date of delivery, if delivered personally, or sent by facsimile by 3:00 p.m. local time at the place of delivery on such date, followed by an original delivered by first class mail, registered or certified, return receipt requested, postage prepaid, to the party to whom notice is to

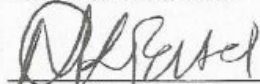
be given, (2) within 72 hours after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified mail, return receipt requested, postage prepaid, or (3) on the following day if sent by a nationally recognized overnight delivery services, in each case, properly addressed to the party at his address set forth on the signature page of this Agreement or any other address that any party may designate by written notice to the others.

- F. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Nevada.
- G. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other party.
- H. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the date first above shown.

Just chill products LLC

700 Atlantis Road,
Unit 201
Melbourne Florida 32904



By: Nirajkumar Patel
Title: Managing Member

mCig, Inc.

800 Bellevue Way NE
Bellevue WA 98004



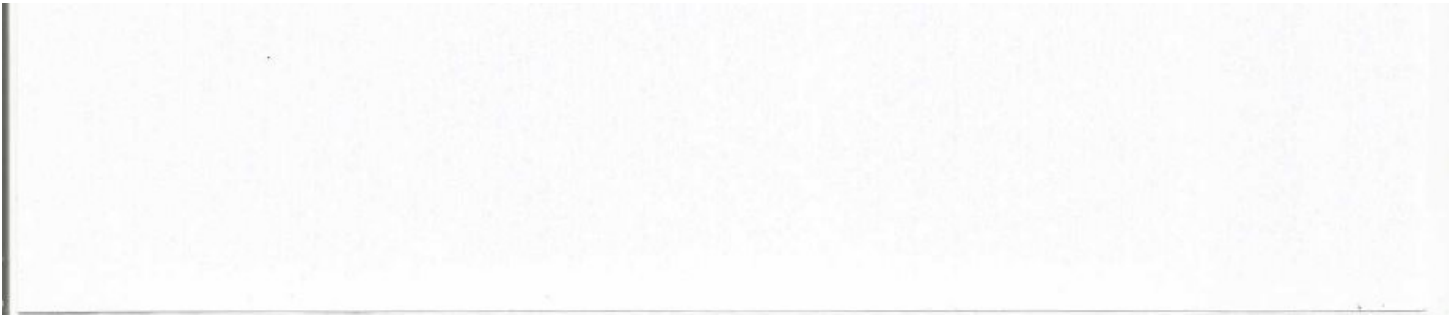
By: Paul Rosenberg
Title: CEO

Exhibit A

Below are additional products to be incorporated in the Master Distribution agreement.
Prices to mCig are listed as Master Distributor.

Other items to be added at a later point and considered part of agreement with an email approval from both sides

PRODUCTS	BARCODE	EFFECT	MASTER DISTRIBUTION	MIDDLE MAN	STORE	RETAIL
BLAST HIGH ENERGY 3CAPSULES	639385779630	MOOD ENHANCER & ENERGY SUPPLIMENTS	\$3.00	\$4.00	\$6.00	\$12.00
BLAST HIGH ENERGY 2OZ LIQUID	639385779630	MOOD ENHANCER & ENERGY SUPPLIMENTS	\$3.00	\$4.00	\$6.00	\$12.00
CANNABIS mellow mood relaxation 3 capsules	639385779647	MOOD ENHANCER & RELAXATION SUPPLIMENTS	\$3.00	\$4.00	\$6.00	\$12.00
CANNABIS mellow mood relaxation 2 OZ LIQUID	639385779647	MOOD ENHANCER & RELAXATION SUPPLIMENTS	\$3.00	\$4.00	\$6.00	\$12.00
RJ SPEED ENERGY	642049556805	HIGH ENERGY 1 capsule	\$5.00	\$7.00	\$10.00	\$20.00
JUST CHILL GOLD KRATOM 15GM CAPSULES THAI - 30% selling	1010042060374	BOTANICAL EXTRACT	\$6.00	\$8.00	\$11.00	\$22.00
JUST CHILL GOLD KRATOM 15GM CAPSULES MAENGDA -60% selling	1010042060206	BOTANICAL EXTRACT Stronger - best selling	\$7.00	\$8.00	\$12.00	\$25.00
JUST CHILL GOLD KRATOM 15GM CAPSULES RED VEIN - 10% Selling	1010042060442	BOTANICAL EXTRACT	\$6.00	\$6.00	\$11.00	\$22.00
JUST CHILL KAVA KAVA 70% EXTRACT 1GM	7980288178604	BOTANICAL EXTRACT - 3 capsules per pouch	\$3.00	\$4.00	\$6.00	\$12.00
JUST CHILL E BLISTER (Battery & Charger) 280 mh batter with auto draw	642049556768	5/10 thread	\$4.50	\$5.00	\$7.00	\$15.00



SUB-DISTRIBUTION AGREEMENT

This Distribution Agreement is made and entered into as of May 27th, 2015 (the "**Effective Date**") by and between mCig Inc., ("**mCig**" or the "**Company**"), a Nevada corporation and JCP Wholesale ("**JCP**"). Located at 468 N. Camden Drive, Suite 200 Beverly Hills, CA 90210 and other locations, mCig and JCP are each sometimes referred to herein individually as a "**Party**" or collectively as the "**Parties**."

RECITALS

WHEREAS, mCig is a manufacturer of its own line of e- cigarettes and vaporizers and the Exclusive Master Distributor "Just Chill Products" brand in particular a CBD line of Products and all other products from the Chill Line

WHEREAS, JCP is engaged in the business of advertising, marketing, distributing, and selling electronic cigarettes products with abilities in the sales, storage, and distribution of such products;

WHEREAS, JCP wishes to market, sell, and distribute the Chill Line of CBD Products Chill items offered (herein "Products") in the C-Store markets, Head Shops, Smoke Shops and Cash & Carry Markets that JCP is currently servicing in the United States (collectively referred to as the "Markets"), and JCP desires to be engaged to market, sell, and distribute the Products

WHEREAS, JCP wishes to serve a sub-distributor for mCig's Chill line of products in the Markets, branding the Products.

WHEREAS, mCig and JCP desire to enter into a relationship whereby JCP will store the Products in its warehouses and wholesale the Products to the Markets at mutually agreed upon pricing guidelines, as set out in Exhibit B (the "Pricing and Sales Guidelines").

AGREEMENT

NOW, THEREFORE, in consideration of these premises and of the mutual promises and covenants contained herein, mCig and JCP agree, the receipt and sufficiency of which are hereby acknowledged, to the following:

1. Appointment of JCP as a Sub-Distributor for the Chill line of products. mCig hereby appoints JCP to act as mCig's sub-distributor for All the Chill Line Products Master Distributed by mCig, which include, those products set forth in Exhibit A (the "**Products**") and noted accordingly.

2. Duties of JCP. shall have the following duties:

(a) JCP shall purchase the Products from mCig for all the Chill Line of products and shall use its commercially best efforts to effectuate sales and distribution of mCig's Chill Line Products, supporting mCig in the smoke and vape shop category, including without limitation offering mCig Products to the Market retailers and other customers with the support of mCig (as may be reasonably requested from time to time)

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(b) JCP shall store mCig's /Chill Products in its warehouses and shall comply with all regulatory standards for importation, storage, shipment and handling of the Products. Which if not stored correctly will diminish the products quality and in particular and may cause the CBD oil to leak and if so will be at the expense of JCP... Storage requirements are set in Exhibit A.

(c) JCP shall provide input in all aspects of the marketing mix (i.e. product, pricing, and promotion).

(d) JCP shall place all order directly with mCig -

(e) JCP shall work with mCig quarterly sales orders in advance

(f) JCP shall comply with all the laws and legal requirements with respect to its marketing, storage and distribution of mCig's/ Chill line of CBD Products

(g) As a sub- distributor JCP shall be responsible for maintaining the wholesale prices that mCig sets as a Master Distributor. The standardized prices set are done in accordance with mCig national sales strategy. This means that JCP shall be responsible for selling products at set wholesale prices based on minimum orders. No deviation from this pricing is allowed. Should mCig find out that JCP has deviated from pricing (Set on Exhibit A) and has disturbed the market by reducing wholesale pricing without written approval from mCig is subject to one or all of the following

1. Pricing increase
2. Temporary hold of future shipments
3. Termination of sub-distribution agreement

(h) In no event shall mCig have any liability to JCP for any punitive, consequential, incidental or indirect damages as a result of, arising out of, or related to this Agreement, even if it has been advised of the possibility of such damages, except for gross negligence or intentional misconduct on the part of mCig All damage claims shall be limited to actual damages incurred or to be incurred. The liability of mCig hereunder shall in all cases be limited to the aggregate amount of funds received by JCP from mCig pursuant to this Agreement.

3. Duties of mCig. mCig shall have the following duties:

(a) mCig will provide to JCP only those Products that are merchantable, compliant with all applicable laws and suitable for shipping.

(b) mCig will provide to JCP the Pricing and Sales Guidelines for the Products, as set forth in Exhibit A & B.

(c) mCig will use reasonable commercial efforts to maintain on its premises an adequate stock of the Products, both for display to the public sufficient to satisfy the projected sales volume and shall use reasonable commercial efforts to fill all orders requested by JCP within a reasonable time after the receipt of each order.

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(c) mCig will support all of JCP's sales efforts related to the Products and provide knowledge, insight and support for sales efforts as requested.

(d) mCig agrees to provide full access to all Chill marketing, sales, reference, and

collateral materials to enable support for use in commercializing the Products, including specifically JCP marketing and branding strategies for the Products set forth in Exhibit C (the "Marking and Branding Strategies") to be added in as they are established.

4. mCig Covenants and Warranties.

(a) mCig will have the Chill manufacture replace, all Products that are delivered to JCP in an unsalable condition, provided JCP notifies mCig and of such condition within thirty (72) hours of receiving product. mCig will replace, any Product subject to a recall... Disposition of any unsalable, defective, spoiled or recalled Products if it is determined that it was not caused by improper storage or handling from JCP and not from their customers.

(b) mCig will comply with all applicable federal, state and local laws. mCig warrants and represents that all Products delivered to JCP or its customers shall, upon delivery, be merchantable products of good quality produced in accordance with mCig's specifications and free of defects.

5. Pricing Points and Sales Guidelines. JCP shall purchase from mCig the Chill products, to be sold by JCP in their existing retail Markets. JCP shall maintain and substantially comply with the mutually agreed upon Prices in Exhibit A and Pricing and Sales Guidelines in Exhibit B. If the Pricing and Sales Guidelines are not met, Product shipments by mCig may be suspended until such time as JCP and mCig can come to a resolution and JCP can cure this infraction or mCig's option to increase prices and or terminate sub distribution agreement. The Pricing and Sales Guidelines may be amended upon 20 days' written notice, by mutual consent of the Parties in writing, as may be determined by changes in Product availability and volatility of the market.

(a) In certain instances, JCP may choose to work in conjunction with another party ("Sub- Sub-Distributor") on a specific opportunity. In those cases, JCP may contract with Sub- Distributor in its sole discretion and communicate these efforts with mCig. JCP and will be responsible for enforcing all standardized pricing schedule in Exhibit A & B with any sub-sub distributors and is held accountable as if they made the infractions directly.

(b) In the event of non-renewal or termination of the Agreement, JCP shall, immediately prior to non-renewal or termination, pay mCig all outstanding amounts due, and upon demand by mCig will produce all Products that have been paid for through the date of non-renewal or termination of the Agreement.

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6. Duration of Agreement.

(a) Term. The term of this Agreement shall be for one (2) years and shall begin from the Effective Date. Thereafter, the Agreement will be automatically renewed for successive one (2) year periods. The Agreement may also be renewed or extended upon written agreement of the Parties at any time.

(b) Termination. Either Party may terminate this Agreement, provided such party provides 90-day notice. This Agreement shall also terminate prior to the end of any term or renewal period upon any of the following conditions:

or renewal period upon any of the following conditions:

- i. Immediately upon determination by any governmental authority with jurisdiction over the Parties that this Agreement is contrary to existing laws, rules or regulations;
- ii. Upon written notice by mCig if JCP materially breaches this Agreement; provided JCP has not cured such breach within twenty (20) days after receiving such notice;
- iii. Upon written notice by mCig if JCP materially breaches this Agreement; provided mCig has not cured such breach within twenty (20) days after receiving such notice; or
- iv. Immediately upon the mutual written consent of the Parties.

(c) Change of control. In the event of change of control of either Party, this Agreement shall transfer to the new entity replacing such Party, unless such obligations are modified by mutual consent of the Parties. If such a new entity wishes to terminate the Agreement, it will be required, upon termination to either (a) complete the 90 day period following notice of termination, or (b) develop a new agreement on mutually acceptable terms.

7. Expenses. All expenses and disbursements, including, but not limited to those for travel, entertainment, office, clerical, and general expenses that may be incurred by either Party in connection with the services provided pursuant to this Agreement, shall be borne by the Party incurring those expenses and disbursements, unless otherwise agreed in advance in writing by the Parties.

8. Samples. mCig shall provide a small amount of samples to JCP. Any additional needed for marketing materials upon request of JCP agrees to distribute samples and advertising materials to promote the Products will be at published prices.

9. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. Other than as indicated herein, neither Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Party.

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10. Independence. mCig recognizes that JCP is free to manage its business as it deems best and that JCP has the right to determine the effort and resources JCP will exert to develop and promote the sale of the Products handled by JCP, it being recognized that JCP consult with mCig to uphold retail chain account pricing and promotional programs and not to diminish Chill brand. JCP will be liable for misrepresentation of the relationship with mCig other than as sub-distributor. JCP does not have the right to offer exclusivity for the Chill line of products in any capacity.

11. Independent Contractors. The Parties to this Agreement are independent contractors. Neither party is a legal representative of the other party. Nothing in this Agreement shall be deemed to create a partnership, joint venture or any other relationship other than a business-to-business service provider relationship. Neither Party shall be deemed to be an employee or agent of the other Party.

12. Indemnification.

(a) Each party will indemnify, defend and hold harmless the other party and its members, managers, officers, directors, employees, representatives, affiliates, subcontractors and agents (collectively, "Related Parties") from and against any and all liabilities, damages, obligations, losses, costs and expenses, including without limitation reasonable attorneys' and other legal fees ("Liabilities"), and will defend the indemnified persons against any and all claims, actions, suits, proceedings and hearings, arising out of or resulting from: (1) the indemnifying party's breach of any of its representations, warranties and covenants set forth in this Agreement; (2) the indemnifying party's material default in the performance of any of its obligations under this Agreement; and (3) any negligence or willful misconduct on the part of the indemnifying party or its agents in connection with the Products or related to this Agreement. In addition, JCP acknowledges that mCig is the Master Distributor of the Chill Product Lines will do its best efforts to work with mCig should either party have to defend, from and against, any third party (including without limitation governmental agencies) claims, suits, damages, liabilities, judgments, costs or expenses resulting from any defects in the Products or harm caused to consumers by the Products, intellectual property rights related to the Products, JCP performance of its obligations under this Agreement (other than with respect to JCP gross negligence, willful misconduct or breach by JCP of any of its obligations hereunder), and mCig gross negligence, willful misconduct or breach of its obligations hereunder. JCP will give mCig cooperation and any and all available information and assistance in the defense of a claim or suit; to the extent it is able without incurring additional cost.

(b) With respect to any claim for which one party seeks indemnification from the other party (an "Alleged Indemnifying Party") under this Section 13, the party seeking indemnification (the "Alleged Indemnified Party") will: (1) advise the Alleged Indemnifying Party of such claim, in writing, within 15 days after the Alleged Indemnified Party has received notice of such claim, or within such other period of time so as not to materially prejudice the rights and obligations of the Alleged Indemnifying Party, whichever period is shorter; and (2) provide all reasonable cooperation and assistance requested by the Alleged Indemnifying Party and its representatives in the investigation and defense of any such claim for which indemnification is sought. Neither party will settle, compromise or consent to the entry of any judgment with respect to any claim that is the subject of

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Indemnification without the other party's prior written consent, which consent will not be withheld, delayed. In any matter that is the subject of indemnification under this Agreement, the Alleged Indemnified Party may participate in the defense of such claim at its own expense.

13. Insurance. JCP, during the term of this Agreement, will at its sole cost and expense obtain and keep in force a policy of commercial general liability insurance related to its manufacture and sale of the Products under this Agreement in amounts equal to at least \$1,000,000 in the aggregate, including product liability coverage. Upon request of mCig at any time, and at reasonable intervals, JCP will furnish a certificate of insurance, in form reasonably acceptable to mCig, evidencing such insurance, naming mCig as an additional insured, and providing for at least 30 days' prior written notice to mCig of any cancellation, termination or change of such insurance coverage.

14. Confidentiality. Each Party shall treat the other Party's business or proprietary information as confidential, including the terms of this Agreement.

15. Export Controls. JCP acknowledges and understands that certain items or

information exchanged with prospective customers hereunder may be subject to export controls and restrictions (including, but not limited to the Export Administration Regulations (EAR), the Export Administration Act (EAA), and the sanctions laws administered by the Office of Foreign Assets Control).

16. Publicity. Other than as required by law, no public release or announcement concerning this Agreement shall be made by either Party without advance written approval from the other Party.

17. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Nevada, without giving effect to the principles of conflicts of law thereof.

18. Notices. Notices to each party shall be sent via U.S. First Class Mail to such address as each Party shall hereafter specify in writing to the other.

19. Severability. Should any provision hereof be deemed illegal or unenforceable, the remaining provisions shall remain in full force and effect.

20. Attorneys' Fees. In the event that legal proceedings are instituted to enforce or to interpret any provisions of this Agreement, each party in such proceedings shall be required to pay for their own defense.

21. Entire Agreement. This Agreement and the Exhibits hereto set forth the entire understanding of the Parties with respect to the subject matter hereof and supersede any and all prior agreements, arrangements or understandings relating to the subject matter hereof between Just Chill Products and JCP Directly and understand and accepts being a sub-distributor and to adhere to the requirements of the agreement between mCig and JCP. This Agreement shall not be amended in any regard except upon written agreement dated subsequent to this Agreement and signed by both Parties.

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22. Arbitration. All claims, disputes or disagreements which may arise out of the interpretation, performance or breach of this Agreement, or which in any way relate this Agreement, whether brought during or after expiration of the term, shall be submitted exclusively to binding arbitration in, California with either JAMS or the American Arbitration Association, and before a single independent arbitrator regardless of the issue or amount in dispute provided that such single independent arbitrator has the expertise and experience to preside over the issue(s) in dispute, each party to bear its own expenses, attorney fees, and administrative charges. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

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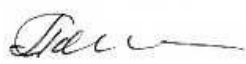
SIGNATURES

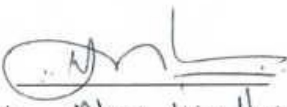
IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorized agents to be made effective as of the last date entered below.

Signed for and on behalf of:

mCig, Inc.

JCP Wholesale

By: 
Print: _____

By: 
Print: Alan Woodkwan

Name: Paul Rosenberg

Name: J. CP Wholesale

Title: CEO

Title: Sales Associate

Date: 6/16/2015

Date: 6/16/15

Address for Notice:

Address for Notice:

mCig, Inc.
433 North Camden Dr.
6th Floor

468 N CAMDEN DRIVE
SUITE 200
BEVERLY HILLS, CA. 90210

EXHIBIT A
JCP PRODUCT PRICELIST

PRICING TO SUB- DISTRIBUTORS

GOLD		1ml
	Sub Distributor	\$16.00
	Retail	\$40.00

GOLD		.5ml
	Sub Distributor	\$10.00
	Retail	\$30.00

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EXHIBIT B
PRICING AND SALES
GUIDELINES

GOLD		1ml	Retail: \$40.00	
Box 25ct			Wholesale	Retail
0-50	Store Owner Pricing		\$25.00	\$40.00
51-250	Store Owner Pricing		\$23.00	\$40.00
250-1k	Store Owner Pricing		\$22.00	\$40.00
Box 25ct			Wholesale	Retail
1k-5k	Distributors only		\$20.00	\$40.00
5k and up	Distributors only		\$18.00	\$40.00

GOLD		.5ml	Retail \$30.00	
Box 12ct			Wholesale	Retail
0-48	Store Owner Pricing		\$18.00	\$30.00
49-240	Store Owner Pricing		\$17.00	\$30.00
241-960	Store Owner Pricing		\$15.00	\$30.00
Box 12ct			Wholesale	Retail
1k-5k	Distributors only		\$13.00	\$30.00
5k and up	Distributors only		\$11.00	\$30.00

- * All items cannot be sold for less than above pricing
- * Any deviation in price must be approved by mCig

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EXHIBIT C

MARKETING AND BRANDING STRATEGIES FOR THE PRODUCTS

mCig, Inc.

2831 St. Rose Parkway, Suite 200, Henderson, NV 89052
(570) 778-6459, support@mccig.org

August 3, 2016

Vapolution, Inc.
1692 Mangrove Avenue
Chico, CA 95926

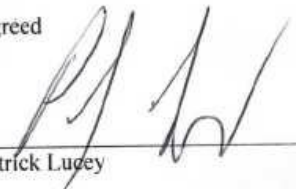
EXTENSION OF RIGHTS TO RESCIND AGREEMENT DATED AUGUST 25, 2015 To Whom It May Concern: This is to inform you that mCig, Inc., has unilaterally extended the rights of the previous owners of Vapolution, Inc., to extend the rescission clause of the agreement through June 30, 2017. This right of rescission is in line with the verbal discussion between us since the expiration of the rescission date of March 31, 2016.



Michael Hawkins
Chief Financial Officer

Patrick Lucey Previous Owner of Vapolution, Inc.

Agreed



Patrick Lucey

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT made as of August 24, 2016, with an effective date of September 1, 2016, by and between mCig, Inc., a Nevada corporation located in Henderson, Nevada (hereinafter called the "Company"), and Michael W. Hawkins, located at 6055 Anello Drive, Melbourne, FL 32940 (hereinafter called "Employee").

WHEREAS, The Employee will render certain services to the Company in connection with the Company to act as its Chief Financial Officer and member of the Board of Directors. (the "Relationship").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Company and Employee hereby agree as follows:

1. Employment. Company hereby agrees to employ Employee, and Employee hereby agrees to serve Company, upon the terms and conditions hereinafter set forth.

2. Term and Termination. The Initial Term of this Agreement (the "Service Period") shall commence on September 1, 2016 for a period of three-years. This Agreement is at-will. Employee is free to terminate employment with the Company at any time, after the first 12 months, with or without reason. Likewise, the Company has the right to terminate Employee, or otherwise discipline, transfer, demote at any time, with or without reason, at the discretion of the Company.

(a). This Agreement and Employee's employment may be terminated by Company at its discretion at any time, provided that in such case, Employee shall be paid as severance an amount equal to 3 months of Employee's then applicable base salary. In the event of such a discretionary termination, Employee shall be entitled to receive any Commission Compensation payment or any other compensation then in effect, prorated or otherwise.

(b). This Agreement may be terminated by the Company by providing a thirty (30) days prior written notice to the Employee. In the event of termination by the Company pursuant to this subsection, Company may immediately relieve Employee of all duties and immediately terminate this Agreement, provided that Company shall pay Employee at the then applicable base salary rate to the termination date included in Employee's original termination notice.

(c). In the event that Employee is in breach of any material obligation owed Company in this Agreement, for habitually neglecting the duties to be performed under this Agreement, engages in any conduct which is dishonest, damages the reputation or standing of the Company, or participates in and is convicted of any criminal act, or engages in any act of moral turpitude, then Company may terminate this Agreement upon five (5) days notice to Employee. In event of termination of the Agreement pursuant to this subsection, Employee shall be paid only at the then applicable base salary rate up to and including the date of termination. Employee shall not be paid any incentive salary payments or other compensation, prorated or otherwise.

(d). In the event Company is acquired, or is the non-surviving party in a merger, or sells all or

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substantially all of its assets, this Agreement shall be terminated.

(c) This Agreement shall terminate in the event (i) the death of the Employee, (ii) disability

(e) This Agreement shall terminate in the event (i) the death of the Employee, (ii) disability, where the Employee by reason of accident or illness is unable to perform his duties for a period of three consecutive months; or (iii) in the event the Company ceases operation.

3. Duties. Employee shall, subject to the legal authority vested in the Board of Directors (the "Board"), serve as the Chief Financial Officer for the Company, and as the Chief Financial Officer of any and all subsidiaries, whether consolidated or invested, in which the Company has a controlling interest. Employee shall devote a majority of his business time and efforts to the business of Company. Employee shall report directly to the Chief Executive Officer and Board of Directors.


4. Employee's Loyalty to Company's Interests. Employee shall devote the necessary time, attention, knowledge and skill to the business and interests of Company, and Employee shall be entitled to all benefits, emoluments, profits and other issues arising from or incident to any and all work, services and advice of Employee. Employee expressly agrees that during the term hereof he will not be interested, directly or indirectly, in any form, fashion, or manner, as partner, officer, director, stockholder, advisor, employee, or in any other form or capacity, in any other business similar to Company's business or any allied trade, except that nothing herein contained shall be deemed to prevent or limit the right of Employee to invest any or his surplus funds in the capital stock or other securities of any corporation whose stock or securities are publicly owned or are regularly traded on any public exchange, nor shall anything herein contained be deemed to prevent or limit Employee from investing his surplus funds in real estate.

5. Confidentiality, Non-Compete, Non-Solicitation and Investments. The Employee recognizes and agrees that all copyrights, trademarks, or other intellectual property rights to created works arising in any way from, or related to, the Employee's employment by the Company are the sole and exclusive property of the Company, agrees to not assert any rights to those works against the Company or any third-parties and agrees to assist the Company in any way requested to procure or protect the Company's rights to those works. Upon cancellation of this Agreement by either party for any reason, or if requested by the Board at any time, the Employee will return to the Company all documents, books, manuals, lists, records, publications or other materials, whether in written, electronic or other form, passwords, keys, credit cards, equipment, or other articles that came into the Employee's possession in connection with the Employee's employment by the Company and to maintain no copies or duplicates without the prior written approval of the Board of Directors of the Company. The Employee will maintain in confidence during and subsequent to the Employee's employment any information about the Company or its members which is confidential information or which might reasonably be expected by the Employee to be regarded by the Company as confidential and will not use that information except for the benefit of the Company. Upon cancellation of this Agreement by either party for any reason, the Employee will refrain for three (3) years from (a) undertaking employment or any compensated duties on behalf of any company or firm that provides services or products to clients in competition with the Company, or (b) soliciting any individual who is then or was at any time within the preceding six months an employee of the Company to leave the Company's employment, in either case unless the Board of Directors of the Company provides prior written approval of the employment, duties or solicitation. The Employee will not make or direct any personal investments in the cannabis field based substantially upon information conveyed to the Employee as an employee of the Company where the

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information is conveyed with a request for, or in the expectation of, confidentiality. The provisions of this paragraph will survive cancellation of this Agreement.

6. Compensation and Other Provisions. Employee shall be entitled to the compensation and benefits hereinafter described in subsections (a) through (d) (such compensation and benefits being hereinafter referred to as "Compensation Benefits").

(a) Base Salary and Commissions. Company shall pay to Employee a base salary of \$13,000 per month, which may be increased, but never decreased, annually by the Board of Directors. The Company and Employee agree that, at the option of the Company it shall treat \$10,000 per month of the base salary as debt owed to the Employee. Upon mutual agreement, or the termination of this


Agreement, the Company shall convert the outstanding balance owed into equity of the Company at a 15% discount to the then 5 day trailing closing average. As a condition to this, the Company shall immediately book the first year's debt owed (\$120,000), which is non-refundable or cancelable.

(b) In addition to the base salary, effective with the Company's 2017 fiscal year (May 1, 2016 – April 30, 2017) Consultant will receive annual incentive bonus compensation equal to half of one percent (0.5%) of annual Gross Revenues (GR) plus one-quarter of one percent (0.25%) of the annual growth in Gross Revenues (Bonus Year Gross Revenues less Prior Year Gross Revenues) plus one and one-half percent (1.5%) of Net Income (NI). The formula for calculation of the annual incentive bonus is: $.005GR + .0025(\text{Bonus Year GR less Prior Year GR}) + .015NI$ where GR and NI are greater than or equal to zero. The annual incentive bonus will be calculated based on the Corporation's financial results as of April 30th of each year with the bonus payable by September 30th of the same calendar year. It is understood that should the Company be unable to cash flow the business, any cash bonus payments in excess of \$3,000 per month may be issued in stock of the Company at a 25% discount to the then current market price. Such conversion must be approved by the Board of Directors of the Corporation. Any stock conversion will have piggy back registration rights.

(c) Employee shall be issued a seven year warrant to acquire 4% of the Company as a condition to entering into this agreement. The warrant conversion price shall be the closing price of the stock on the effective date of this Agreement. The warrant will have a vesting schedule of 1% immediately vested, 1% at the end of the first year of employment, 1% at the end of the second year of employment, and 1% at the end of the third year of employment.

(d) Benefits Program: The Employee shall receive a \$500 per month as a benefit allowance as part of his compensation plan. This allowance will be paid directly to the Employee until such time as the Company establishes a Benefits Program. Employee shall be eligible to participate in all employee benefit plans and arrangements which may hereafter be established, including, without limitation, all life, group insurance and medical care plans and all disability, incentive stock option plans, 401(k) plans, pension plans, profit sharing plans, retirement and other employee benefit plans of Company consistent with such benefits provided to Employee management of Company. Company shall in all events provide and pay the full costs of all medical and insurances for Employee as noted above or as may be added throughout the Term.

7. Representations and Warranties. Employee hereby represents and warrants to the Company
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that (i) the execution, delivery and performance of this Agreement by Employee do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Employee is a party or by which Employee is bound, and (ii) Employee is not a party to or bound by any employment agreement, non-competition agreement or confidentiality agreement with any other person or entity which in any way may restrict, impair or limit the performance of his duties hereunder.

8. Disclosure and Protection of Confidential Information.

(a) For purposes of this Agreement, "Confidential Information" means knowledge, information and material which is proprietary to Company, of which Employee may obtain knowledge or access through or as a result of his employment by Company (including information conceived, originated, discovered or developed in whole or in part by Employee). Confidential Information includes, but is not limited to, (i) technical knowledge, information and material such as trade secrets, processes, formulas, data, know-how, improvements, inventions, computer programs, drawings, patents and experimental and development work techniques, and (ii) marketing and other information, such as supplier lists, customer lists, marketing and business plans, business or technical needs of customers, consultants, licensees or suppliers and their methods of doing business, arrangements with customers, consultants, licensees or suppliers, manuals and personnel records or data. Confidential Information also includes any information described above which Company obtains from another party and which

includes any information described above which Company obtains from another party and which Company treats as proprietary or designates as confidential, whether or not owned or developed by Company. Notwithstanding the foregoing, any information which is or becomes generally available to the general public otherwise than by breach of this Section 11 shall not constitute Confidential Information for purposes of this Agreement.

(b) During the term of this Agreement and thereafter, Employee agrees, to hold in confidence all Confidential Information and not to use such information for Employee's own benefit or to reveal, report, publish, disclose or transfer, directly or indirectly, any Confidential Information to any person or entity, or to utilize any Confidential Information for any purpose, except in the course of Employee's work for Company.

(c) Employee will abide by any and all security rules and regulations, whether formal or informal, that may from time to time be imposed by Company for the protection of Confidential Information, and will inform Company of any defects in, or improvements that could be made to, such rules and regulations.

(d) Employee agrees that all inventions, innovations, improvements, developments, methods, designs, analysis, drawings, reports, and all similar or related information which relates to Company's actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Employee at any time while employed by Company, or made thereafter as a result of any invention conceived or work done at any time during employment with Company (hereinafter referred to as "Work Product"), and all Employee's right, title and interest in and to Work Product, shall be regarded as made and held by Employee in a fiduciary capacity solely for the benefit of Company and shall exclusively belong to Company. Employee will promptly disclose such Work Product to the Board of Directors of Company and perform all actions reasonably requested by the Board of Directors of Company (whether during or after the term of Employee's employment

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with Company) to establish and confirm such ownership (including, without limitation, execution of any and all assignments, conveyances, consents, powers of attorney and other instruments).

(e) Employee will notify Company in writing immediately upon receipt of any subpoena, notice to produce, or other compulsory order or process of any court of law or government agency if such document requires or may require disclosure or other transfer of Confidential Information.

(f) Upon termination of employment, Employee will deliver to Company any and all records and tangible property that contain Confidential Information that are in his possession or under his control. The provisions of this Section 11 shall survive the termination of Employee's employment with Company.

9. Availability of Injunctive Relief. Employee acknowledges and agrees that any breach by him of the provisions of Section 8 hereof will cause Company irreparable injury and damage for which it cannot be adequately compensated in damages. Employee therefore expressly agrees that Company shall be entitled to seek injunctive and/or other equitable relief, on a temporary or permanent basis to prevent any anticipatory or continuing breach of this Agreement or any part hereof, and is secured as enforcement. Nothing herein shall be construed as a waiver by Company of any right it may have or hereafter acquired to monetary damages by reason of any injury to its property, business or reputation or otherwise arising out of any wrongful act or omission of it.

10. Indemnification. Company hereby releases and agrees to unconditionally indemnify and hold Employee harmless from and against all losses, liabilities, claims, actions, judgments, demands, costs, expenses, fines, penalties, fees, and damages, of any kind or nature, including, without limitation, attorney's fees and costs and whether or not suit is instituted, that are suffered or incurred by Employee, directly or indirectly, relating to, arising out of or in connection with any events, occurrences or circumstances of or involving Company prior to the effective date of this Agreement, irrespective of whether or not Employee is now aware or shall hereafter become aware of such events, occurrences or

circumstances or additional facts relating thereto.

11. Survival. The covenants, agreements, representations and warranties contained in or made pursuant to this Agreement shall survive Employee's termination of employment, irrespective of any investigation made by or on behalf of any party.

12. Entire Agreement; Modification. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements between them concerning such subject matter, and may be modified only by a written instrument duly executed by each party.

13. Notices. Any notice required or permitted hereunder shall be deemed validly given if delivered by hand, verified overnight delivery, or by first class, certified mail to the following address of Employee (or to such other address as Employee may notify in writing to Company):

14. Waiver. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any term of

Confidential

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8/24/2016

____ Company/Company Initials KA Employee Initials

this Agreement on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. All waivers must be in writing.

15. Binding Effect. The provisions of this Agreement shall be binding upon the Employee and his heirs and personal representatives, and shall be binding upon and inure to the benefit of Company, its successors and assigns.

16. No Assignment. Neither this Agreement nor any or interest in this Agreement may be assigned by Employee without the prior express written approval of Company, which may be withheld by Company at Company's absolute discretion.

17. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

18. Headings. The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.


19. Governing Law; Venue. This Agreement will be governed and construed under the laws of the State of Florida, without giving effect to rules governing conflicts of law, with proper venue with respect to all disputes related to this Agreement being Brevard County, Florida.

20. Invalidity. The invalidity or unenforceability of any term of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement, which shall remain in full force and effect.

21. Attorneys' Fees. In the event any dispute or litigation arises hereunder between any of the parties hereto, the prevailing party shall be entitled to all reasonable costs and expenses incurred by it in connection therewith (including, without limitation, all reasonable attorneys' fees and costs incurred before and at any trial or other proceeding and at all tribunal levels), as well as all other relief granted in any suit or other proceeding.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the written date stated below.

mCig, Inc.

Signature: 

Name: Paul Rosenberg
Title: CEO
Date: August 24, 2016

Employee

Signature: 

Name: Michael W. Hawkins
Social Security # 307-78-1748
Date: August 24, 2016

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8/24/2016

_____ Company/Company Initials _____ Employee Initials



STATE OF NEVADA

BARBARA K. CEGAVSKE
Secretary of State

JEFFERY LANDERFELT
Deputy Secretary
for Commercial Recordings



Commercial Recordings Division
202 N. Carson Street
Carson City, NV 89701-4201
Telephone (775) 684-5708
Fax (775) 684-7138

OFFICE OF THE
SECRETARY OF STATE

Ronald Sassano
284C E. Lake Mead Pkwy #507
Henderson, NV 89015

Job: C20160307-2481
March 7, 2016

Special Handling Instructions:

Charges

Description	Document Number	Filing Date/Time	Qty	Price	Amount
Articles of Organization	20160106425-27	3/7/2016 8:39:38 PM	1	\$75.00	\$75.00
Initial List	20160106426-38	3/7/2016 8:39:56 PM	1	\$150.00	\$150.00
Business License 3/2016-3/2017	20160106426-38	3/7/2016 8:39:56 PM	1	\$200.00	\$200.00
Total					\$425.00

Payments

Type	Description	Amount
Credit	123297 4574119761836212701123	\$425.00
Total		\$425.00

Credit Balance: \$0.00

Job Contents:

LLC Charter(s): 1
File Stamped Copy(s): 2
Business License(s): 1

Ronald Sassano
284C E. Lake Mead Pkwy #507
Henderson, NV 89015



BARBARA K. CEGAVSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov



050105

**Articles of Organization
 Limited-Liability Company**
 (PURSUANT TO NRS CHAPTER 86)

Filed in the office of <i>Barbara K. Cegavske</i> Barbara K. Cegavske Secretary of State State of Nevada	Document Number 20160106425-27 Filing Date and Time 03/07/2016 8:39 PM Entity Number E0107172016-9
--	--

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

1. Name of Limited-Liability Company: (must contain approved limited-liability company wording; see instructions)	SCALABLE SOLUTIONS L.L.C.	Check box if a Series Limited-Liability Company <input type="checkbox"/>	Check box if a Restricted Limited-Liability Company <input type="checkbox"/>
2. Registered Agent for Service of Process: (check only one box)	<input type="checkbox"/> Commercial Registered Agent: _____ Name <input type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input checked="" type="checkbox"/> Office or Position with Entity (name and address below) PAUL ROSENBERG Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity 2831 ST. ROSE PARKWAY SUITE 200 HENDERSON Nevada 89052 Street Address City State Zip Code 2831 ST. ROSE PARKWAY SUITE 200 HENDERSON Nevada 89052 Mailing Address (if different from street address) City State Zip Code		
3. Dissolution Date: (optional)	Latest date upon which the company is to dissolve (if existence is not perpetual): _____		
4. Management: (required)	Company shall be managed by: <input type="checkbox"/> Manager(s) OR <input checked="" type="checkbox"/> Member(s) (check only one box)		
5. Name and Address of each Manager or Managing Member: (attach additional page if more than 3)	1) MCIG, INC. Name 2831 ST. ROSE PARKWAY SUITE 200 HENDERSON NV 89052 Street Address City State Zip Code 2) _____ Name Street Address City State Zip Code 3) _____ Name Street Address City State Zip Code		
6. Effective Date and Time: (optional)	Effective Date: _____ Effective Time: _____		
7. Name, Address and Signature of Organizer: (attach additional page if more than 1 organizer)	I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State. MCIG, INC. <input checked="" type="checkbox"/> MCIG, INC. Name Organizer Signature 2831 ST. ROSE PARKWAY SUITE 200 HENDERSON NV 89052 Address City State Zip Code		
8. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. <input checked="" type="checkbox"/> PAUL ROSENBERG 3/7/2016 Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity Date		

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 86 LLC Articles
 Revised 1-5-15

SECRETARY OF STATE



LIMITED LIABILITY COMPANY CHARTER

I, BARBARA K. CEGAVSKE, the Nevada Secretary of State, do hereby certify that **SCALABLE SOLUTIONS L.L.C.** did on March 7, 2016, file in this office the Articles of Organization for a Limited Liability Company, that said Articles of Organization are now on file and of record in the office of the Nevada Secretary of State, and further, that said Articles contain all the provisions required by the laws governing Limited Liability Companies in the State of Nevada.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on March 7, 2016.

Barbara K. Cegavske

BARBARA K. CEGAVSKE
Secretary of State

Certified By: Electronic Filing
Certificate Number: C20160307-2481
You may verify this certificate
online at <http://www.nvsos.gov/>

INITIAL/ANNUAL LIST OF MANAGERS OR MANAGING MEMBERS AND STATE BUSINESS LICENSE APPLICATION OF:

SCALABLE SOLUTIONS L.L.C.
NAME OF LIMITED-LIABILITY COMPANY

ENTITY NUMBER
E0107172016-9



100403

FOR THE FILING PERIOD OF **MAR, 2016** TO **MAR, 2017**

USE BLACK INK ONLY - DO NOT HIGHLIGHT

****YOU MAY FILE THIS FORM ONLINE AT www.nvsilverflume.gov****

Return one file stamped copy. (If filing not accompanied by order instructions, file stamped copy will be sent to registered agent.)

IMPORTANT: Read instructions before completing and returning this form.

- Print or type names and addresses, either residence or business, for all manager or managing members. A Manager, or if none, a Managing Member of the LLC must sign the form. **FORM WILL BE RETURNED IF UNSIGNED.**
- If there are additional managers or managing members, attach a list of them to this form.
- Return completed form with the fee of \$150.00. A \$75.00 penalty must be added for failure to file this form by the deadline. An annual list received more than 90 days before its due date shall be deemed an amended list for the previous year.
- State business license fee is \$200.00. Effective 2/1/2010, \$100.00 must be added for failure to file form by deadline.
- Make your check payable to the Secretary of State.
- Ordering Copies:** If requested above, one file stamped copy will be returned at no additional charge. To receive a certified copy, enclose an additional \$30.00 per certification. A copy fee of \$2.00 per page is required for each additional copy generated when ordering 2 or more file stamped or certified copies. Appropriate instructions must accompany your order.
- Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, Nevada 89701-4201, (775) 684-5708.
- Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due. (Postmark date is not accepted as receipt date.) Forms received after due date will be returned for additional fees and penalties. Failure to include annual list and business license fees will result in rejection of filing.

Filed in the office of <i>Barbara K. Cegavske</i> Barbara K. Cegavske Secretary of State State of Nevada	Document Number	20160106426-38
	Filing Date and Time	03/07/2016 8:39 PM
	Entity Number	E0107172016-9
	(This document was filed electronically.)	

ABOVE SPACE IS FOR OFFICE USE ONLY

ANNUAL LIST FILING FEE: \$150.00 LATE PENALTY: \$75.00 (if filing late) BUSINESS LICENSE FEE: \$200.00 LATE PENALTY: \$100.00 (if filing late)

CHECK ONLY IF APPLICABLE AND ENTER EXEMPTION CODE IN BOX BELOW

Pursuant to NRS Chapter 76, this entity is exempt from the business license fee. Exemption code:

NRS 76.020 Exemption Codes

- 001 - Governmental Entity
- 005 - Motion Picture Company
- 006 - NRS 680B.020 Insurance Co.

NOTE: If claiming an exemption, a notarized Declaration of Eligibility form must be attached. Failure to attach the Declaration of Eligibility form will result in rejection, which could result in late fees.

NAME MCIQ, INC.	MANAGER OR MANAGING MEMBER		
ADDRESS 2831 ST. ROSE PARKWAY SUITE 200 , USA	CITY HENDERSON	STATE NV	ZIP CODE 89052
NAME	MANAGER OR MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
NAME	MANAGER OR MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE
NAME	MANAGER OR MANAGING MEMBER		
ADDRESS	CITY	STATE	ZIP CODE

None of the managers or managing members identified in the list of managers and managing members has been identified with the fraudulent intent of concealing the identity of any person or persons exercising the power or authority of a manager or managing member in furtherance of any unlawful conduct.

I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X PAUL ROSENBERG
Signature of Manager, Managing Member or Other Authorized Signature

Title **MANAGER** Date **3/7/2016 8:39:54 PM**

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

SCALABLE SOLUTIONS L.L.C.
Nevada Business Identification # NV20161140012

Expiration Date: March 31, 2017

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

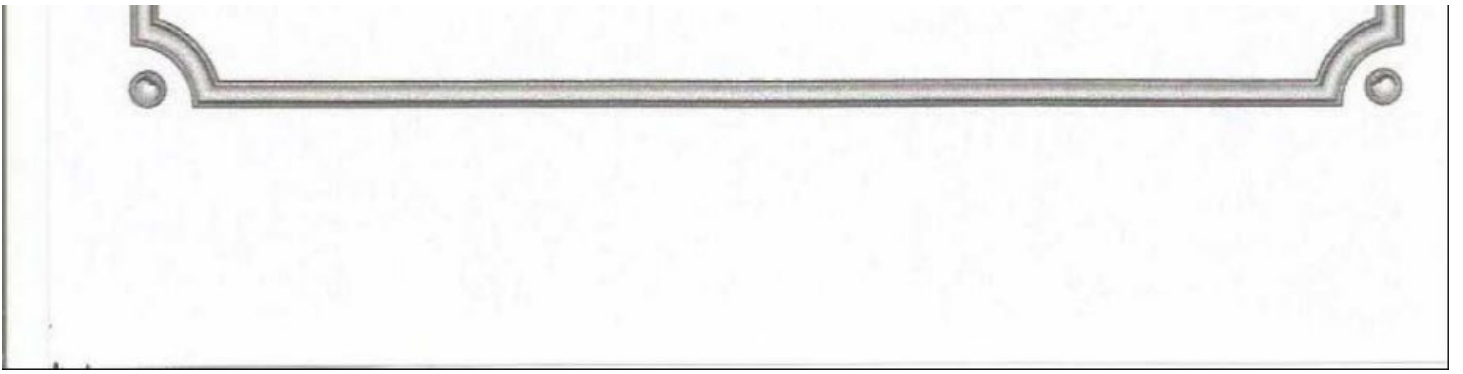


IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on March 7, 2016

Barbara K. Cegavske
BARBARA K. CEGAVSKE
Secretary of State

You may verify this license at www.nvsos.gov under the Nevada Business Search.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which by law cannot be waived.



Certification of CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Paul Rosenberg, certify that:

1. I have reviewed this annual report on Form 10-K of mCig, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending April 30, 2016 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 31, 2016

/s/ Paul Rosenberg
Paul Rosenberg, Chief Executive Officer
(Principal Executive Officer)

Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Michael Hawkins, certify that:

1. I have reviewed this annual report on Form 10-K of mCig, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal quarter ending April 30, 2016 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditor and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 31, 2016

/ s/ Michael Hawkins
Michael Hawkins, Chief Financial Officer
(Principal Accounting Officer)

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of Energizer Resources Inc. (the "Company") on Form 10-K for the period ending April 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: August 31, 2016

/s/ Paul Rosenberg
Paul Rosenberg,
Chief Executive Officer

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of Energizer Resources Inc. (the "Company") on Form 10-K for the period ending April 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Hawkins, Chief Financial Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: August 31, 2016

/s/ Michael Hawkins
Michael Hawkins, Chief Financial Officer
(Principal Accounting Officer)