

MCIG, INC.

FORM 10-K (Annual Report)

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Address	4720 SALISBURY ROAD, STE 100 JACKSONVILLE, FL, 32256
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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, 2018

Commission file number: 333-175941

MCIG, INC.

(Exact name of registrant as specified in its charter)

NEVADA

27-4439285

(State or other jurisdiction of incorporation
or organization)

(I.R.S. Employer Identification No.)

4720 Salisbury Road, Jacksonville, Florida

32256

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

570-778-6459

(Former name, former address and formal fiscal year, if changed since last report)

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 whether 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 (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of 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

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 Accelerated Filer Non-accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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 \$52,152,559. 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.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Shares Outstanding 415,610,809

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, 2018).

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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, “2017” refers to the year ended April 30, 2017, and “2018” refers to the year ended April 30, 2018.

PART I

Item 1. Business

HISTORY AND BACKGROUND

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 Jacksonville, Florida.

mCig acts as a holding company that operates 10 subsidiaries. In FY2017 we began tracking income through segments. In FY2018 the company tracks its services and products through four segments and corporate. We will track our financial records going forward by the following segments:

- Cultivation, Manufacturing and Distribution (“CMD”)
- Retail Sales

- Media and Technologies
- Agriculture
- Corporate

The Company, through its subsidiaries operates under the following business activities for financial reporting purposes:

NAICS CODE	DESCRIPTION
541511	Web (i.e.) page design services, custom
561422	Order taking for clients over the Internet
454111	Internet retail sales sites and Business to Customer retail sales Internet sites
519130	Internet entertainment sites
454112	Internet auctions, retail
519140	Entertainment sites, Internet
541512	Computer hardware consulting services or consultants
518210	Web hosting
517919	VoIP service provider, using client-supplied telecommunications connections
541618	Other Management Consulting Services
541611	Administrative Management and General Management Consulting Services
111199	Agriculture – All other grain farming

GENERAL

Originally, we were formed to open and operate a full service day spa in Montrose, California. In October 2013 we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as “eCigs”).

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company’s wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

In FY2015 we began offering hemp based cannabinoid (“CBD”) products through various websites.

In 2016 the Company expanded its products and services to include construction .

In 2017 we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets.

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In 2018 we added agriculture by planting a 40 acres lot in New York state to grow Hemp. In addition, we acquired approximately two acres of land in California City, California and obtained three cannabis licenses (cultivating, manufacturing, and distribution of cannabis products in California).

In addition, the Company continues to look at strategic acquisitions in product and service developments for future growth. Subsequent to this reporting date, but prior to the filing of this annual report we acquired a cannabis supply company in Nevada.

During this fiscal year, we operated multiple websites (which are not incorporated as part of this Form 10K report). The Company’s primary website is www.mciggroup.com

MARIJUANA INDUSTRY OVERVIEW

As of April 2017, there are a total of 29 states, plus the District of Columbia, with legislation passed as it relates to the legalization of medicinal and/or recreational cannabis. These state laws are in direct conflict with the United States Federal Controlled Substances Act (21 U.S.C. § 811) (“CSA”), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug, which is viewed as having a high potential for abuse, has no currently-accepted use for medical treatment in the U.S., and lacks acceptable safety for use under medical supervision.

These 29 states, plus the District of Columbia, have adopted laws that either legalize cannabis for adult recreational use or legalize cannabis for adult patients under a physician’s supervision . These are collectively referred to as the states that have de-criminalized recreational and/or medicinalcannabis, although there is a subtle difference between de-criminalization and legalization, and each state’s laws are different.

The states that have legalized cannabis are as follows (in alphabetical order):

1. Alaska	11. Maine	21. New York
2. Arizona	12. Maryland	22. North Dakota
3. Arkansas	13. Massachusetts	23. Ohio
4. California	14. Michigan	24. Oregon
5. Colorado	15. Minnesota	25. Pennsylvania
6. Connecticut	16. Montana	26. Rhode Island
7. Delaware	17. Nevada	27. Vermont
8. Florida	18. New Hampshire	28. Washington
9. Hawaii	19. New Jersey	29. West Virginia
10. Illinois	20. New Mexico	

Medical cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

The dichotomy between federal and state laws has also limited the access to banking and other financial services by marijuana businesses. The U.S. Department of Justice and the U.S. Department of Treasury issued guidance for banks considering conducting business with marijuana dispensaries in states where those businesses are legal, pursuant to which banks must now file a Marijuana Limited Suspicious Activity Report that states the marijuana business is following the government’s guidelines with regard to revenue that is generated exclusively from legal sales. However, since the same guidance noted that banks could still face prosecution if they provide financial services to marijuana businesses, it has led to the widespread refusal of the banking industry to offer banking services to marijuana businesses operating within state and local laws.

In November 2016, California and Nevada voters both approved cannabis use for adults over the age of 21 without a doctor’s prescription or

recommendation, so called recreational marijuana, and permitted the cultivation and sale of marijuana, in each case subject to certain limitations. We intend to seek to obtain the necessary permits and licenses to expand our existing business to cultivate and distribute marijuana in compliance with these laws, although there is no guarantee that we will be successful in doing so. Despite the changes in state laws, marijuana remains illegal under federal law.

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At the federal level, the Department of Justice ("the DOJ") rescinded the Cole memo, an Obama-era memorandum that provided cannabis businesses protection from federal prosecution in legalized states. The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits.

We are monitoring the Trump administration's, the DOJ's and Congress' positions on federal cannabis law and policy. It is possible that certain changes to existing laws or enforcement policies could have a negative effect on our business and results of operations.

E-CIG INDUSTRY OVERVIEW

The global e-cigarette market is poised to grow over \$47 billion by 2025 at a double digit CAGR from 2015 to 2025.

United States

In the United States, in 2016, the Food and Drug Administration ("FDA") finalized a rule extending the regulatory authority to cover all tobacco products, including vaporizers, vape pens, hookah pens, electronic cigarettes (E-Cigarettes), e-pipes, and all other Electronic Nicotine Delivery Systems ("ENDS"). FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of ENDS. This includes components and parts of ENDS, but excludes accessories.

Under the new guidance, all companies that make, modify, mix, manufacture, fabricate, assemble, process, label, repack, relabel, or import any tobacco product are considered tobacco product manufacturers. Importers of finished tobacco products may be distributors and manufacturers of tobacco products. Importers who do not own or operate a domestic establishment engaged in the manufacture, preparation, compounding or processing of a tobacco product are not required to register their establishment or provide product listing. However, they must comply with all other applicable tobacco product manufacturer requirements.

As a result of these guidelines, we discontinued our VitaCig18 brand, and will only carry VitaCig products that do not include nicotine.

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Recent statements by FDA have begun to clear up the U.S. federal agency's position on nicotine free e-liquids and synthetic nicotine. According to court statements made by the FDA, some devices that truly contain no nicotine (or only synthetic nicotine) may not be subject to the deeming regulations, depending on the circumstances in which they are likely to be used. Some disposable, closed-system devices with zero-nicotine or synthetic nicotine e-liquids may also escape regulation as tobacco products if they meet certain further criteria. However, even if products currently fall outside the scope of the deeming rule, the FDA could choose to regulate them later.

A majority of our products fall into this category and we believe are exempt from FDA guidelines on electronic nicotine delivery systems.

International

The international markets have been largely driven by a flurry of activities including Mergers and Acquisitions, Patent Warfare, and increasing customization in products among others. Moreover, the emergence of Vape shops is increasingly engaging more users through their wide variety of products and better assistance while shopping the desired products. However, various governments'/ proposals to levy hefty taxes on vaporizer products are emerging as a key challenge for the market. Also, compatibility issues and the unregulated manufacturing process in China are yet other restraining factors in the e-cigarette market.

While North America, with U.S. leading the way will dominate the market throughout the forecast period, APAC will be growing at the fastest CAGR, accounting for more than 27% of the global e-cigarette market value by 2025. Significant revenue flow will be observed in China and India.

More than 95% of our e-cig sales are international sales.

CANNABIDIOL (CBD) INDUSTRY OVERVIEW

Cannabidiol (CBD) is one of over 100 cannabinoids, including tetrahydrocannabinol (THC), found in the cannabis plant. Unlike THC, CBD does not produce a euphoric psychoactive effect. CBD is used for a variety of health and wellness purposes, and is present in both marijuana and industrial hemp. It is estimated that the CBD market will grow to \$2.1 billion in consumer sales by 2020, with \$450 million of those sales coming from hemp-derived CBD, - a 700% increase from 2016. In 2015, the market for consumer sales of hemp-derived CBD products was \$90 million, plus another \$112 million in marijuana-derived CBD products which were sold through dispensaries - bringing a total CBD market to \$202 million last year. In addition to the 29 states plus the District of Columbia that have legalized cannabis, 15 additional states have legalized CBD products.

Currently, the DEA classifies CBD as a Schedule I drug under the Controlled Substances Act. However, the release of a new CBD-based pharmaceutical known as Epidiolex in June of 2018, means that the DEA has until September 2018 to reclassify cannabis as either Schedule 2, 3, 4, or 5.

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It is believed that the DEA's actions violate the clear Congressional intent of not only of the Farm Bill, which defines industrial hemp as distinct from 'marijuana' and legalizes its cultivation and processing under licensing programs in place in 31 states; but also further violate the Consolidated Appropriations Act of 2016, which specifically prohibited federal authorities from using funds to obstruct the "transportation, processing, sale, or use of industrial hemp within or outside the State in which the industrial hemp is grown or cultivated." Hence, the DEA may not require lawfully licensed hemp farmers or manufacturers in the U.S. to register for a permit to engage in interstate commerce of industrial hemp products.

To further cloud the market, the FDA has placed restrictions on claims made by CBD manufacturers and issued staunch warning for those who claim to provide product with health cures without proper documentation and clinical studies. As such, CBD products are intentionally light on details which make it difficult for consumers to know what to buy.

HEMP AGRICULTURE INDUSTRY OVERVIEW

There are an estimated 25,000 products derived from hemp, that fall into nine submarkets: agriculture, textiles, recycling, automotive, furniture, food and beverages, paper, construction materials, and personal care.

The estimated total retail value of hemp products sold in the U.S. in 2016 was \$688 million, a 20% increase from the previous year. There is an average of 15% annual growth in U.S. retail sales from 2010-2015. China is the largest importer of raw and processed hemp fiber in the U.S. Canada is the predominant importer of hemp seed and oil cake.

Legal Points and Issues

On numerous occasions the DEA has interfered with a state's right to grow and cultivate hemp as permitted under the 2014 Farm Bill. Two federal actions resulted in response to the DEA actions:

A joint statement was released on August 12, 2016 from the DEA, U.S. Department of Agriculture, and the FDA which stated: (full text available on the Federal Register website):

- Growth and cultivation of hemp may only take place in accordance with a state sanctioned agricultural pilot program intended to study growth, cultivation or marketing of hemp.
- Hemp plants and seeds may not be transported across state lines.
- Not for the purpose of general commercial activity, hemp products may be sold in a state with an agricultural pilot program or among states with agricultural pilot programs but may not be sold in states where such sales are prohibited.

A provision was added to the Omnibus Appropriations Act of 2016 that includes an amendment that essentially restricts DEA's use of funds on certain activities as they relate to the cultivation of hemp, pursuant to the 2014 Farm Bill. Specifically, DEA appropriations cannot be used:

- In contravention of section 7606 of the Agricultural Act of 2014; or,
- To prohibit the transportation, processing, sale or use of hemp that is grown or cultivated in accordance with subsection 7606 of the Agricultural Act of 2014, within or outside the State in which the hemp is grown or cultivated.

DESCRIPTION OF SEGMENTS

Our segment gross revenue and contributions to consolidated gross revenue for each of the last three fiscal years were as follows:

	Business Segments					
	Total Revenue			Percentage of Total Revenue		
	Year Ended April 30,			Year Ended April 30,		
	2018	2017	2016	2018	2017	2016
CMD	\$ 3,673,218	\$ 2,327,144	\$ 51,870	51.9%	48.7%	3.0%
Retail Sales	2,041,616	2,449,928	1,671,551	28.8%	51.3%	97.0%
Media and Technologies	1,363,846	-	-	19.3%	0.0%	0.0%
Agriculture	-	-	-	0.0%	0.0%	0.0%
Corporate	-	-	-	0.0%	0.0%	0.0%
Total	\$ 7,078,680	\$ 4,777,072	\$ 1,723,421	100.0%	100.0%	100.0%

CMD Segment

We develop, design, engineer, and construct modular buildings and green houses with unique and proprietary elements that assist cannabis and herbal 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 expanded our services to include consulting upon the acquisition of Agri-Contractors, LLC in Nov 2016. Our consulting services include:

Creation	Development	Operations
Application Assistance	Application Support	Grow Training
Business Structure & Registration	Facility Layout & Design	Cultivation Methods
Business Plan	Equipment Selection	Retail Training
Market Research	Construction Management	Vendor Relations
Financial Modeling & Forecasting	Merchandising	Compliance Audits
Branding	Process Creation	Staffing Services
Investor Relations	Policies & Procedures	
Team Development		

Retail Sales

Our retail sales includes all products through distribution and online. We offer products for resale in the following categories:

- E-Cig
- CBD products
- Supplies for cannabis distributors, growers, and dispensaries
- Vaporizers

Media and Technologies Segment

In 2017 we acquired 420Cloud and began operations under GigeTech, which later was changed to OBITX. We are currently in the process of an S-1 registration for the spinoff of this business. MCIG will retain control of the business after the effective spinoff. For purposes of this report, the Company has determined that OBITX is a variable interest entity (VIE).

We provide advertising services in the cannabis and cryptocurrency markets. In addition, we provide software solutions, website development, and other social media services.

Agriculture

We have planted our first 40-acres of industrial hemp under NYAcres, Inc. through a joint venture with FarmOn! Foundation. Through our partnership

with FarmOn! Foundation we are participants in the New York state sanctioned agricultural pilot program.

In addition, we have recently acquired approximately 2 acres of land in California City, California where we have obtained three licenses in the cultivation, manufacturing, and distribution of cannabis through the CAL Foundation (formerly NEWCO2, Inc., a California not-for-profit). We have entered into a joint venture between CAL Foundation and CAACres, Inc. for the development of the California City project.

DESCRIPTION OF SUBSIDIARIES

Discontinued Subsidiary

VitaCBD, LLC

On January 31, 2017 we entered into an agreement with Stony Hill Corp (“STNY”) where we sold 80% of our VitaCBD brand in exchange for \$850,000 in stock and cash. As a condition to entering into this Agreement STNY and the Company agreed to assign their interest of the VitaCBD brand to VitaCBD, LLC. VitaCBD, LLC was incorporated in March 2017 in the state of Nevada. VitaCBD, LLC operates and is consolidated under STNY financial statements. We account for the financials of VitaCBD as net revenue(loss) of non-controlling entity on our financial statements.

In February 2018 we were notified by STNY that they were ceasing operations of VitaCBD, LLC. As a result of this discontinued operation, we impaired our investment of \$130,000 into VitaCBD, LLC.

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Subsidiaries Incorporated

Omni Health, Inc., (FKA - VitaCig, Inc.)

On February 24, 2014, the Company entered into a Contribution Agreement with Omni Health, Inc (“OMHE”). In accordance with this agreement, OMHE 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 OMHE.

On November 28, 2014, mCig completed the spin-off of OMHE (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 OMHE, par value \$0.0001 per share (“OMHE 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 OMHE 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 OMHE 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 OMHE and declared effective by the Securities and Exchange Commission on November 5, 2014.

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

Omni Health, Inc., a Nevada Corporation, is a public company trading under OMHE.

mCig Internet Sales, Inc.

On June 1, 2016, the Company incorporated mCig Internet Sales, Inc., (“mCig Internet”) in the state of Florida in order to operate our CBD business and to consolidate all wholesale and online retail sales from various websites. mCig Internet is a wholly owned subsidiary of the Company.

VitaCig, Inc.

On May 26, 2016 we incorporated VitaCig, Inc., (“VitaCig”) in the state of Florida. VitaCig headquarters our global e-cig operations. VitaCig, Inc., is a wholly owned subsidiary of the Company.

Grow Contractors Inc

The Company incorporated Grow Contractors Inc., on December 5, 2016. Grow Contractors Inc, operates the construction and consulting segment. On November 18, 2016, the Company purchased Agri-Contractors, LLC and assigned the Grow Contractors name and website to Grow Contractors Inc. Grow Contractors Inc., is a wholly owned subsidiary of the Company.

mCig Limited

We incorporated in May 2017 to provide corporate oversight to MCIG, and its subsidiaries, operations within the European theatre. mCig Limited., was incorporated in the United Kingdom. mCig Limited , is a wholly owned subsidiary of the Company.

Tuero Capital, Inc.

We incorporated in May 2017 to provide financial services to our clients . Tuero Capital provides financial services and consulting to cannabis and cryptocurrency markets.

Tuero Asset Management, Inc.

We incorporated Tuero Asset Management, Inc., in which to manage all our intellectual and intangible assets.

OBITX, Inc.

We incorporated GigETech, Inc., in the state of Delaware on April 3, 2017. We then assigned our newly acquired social media platform software to GigETech. We launched the social media platform on April 20, 2017. GigETech, Inc., subsequently changed its name to OBITX, Inc. Currently we have approximately 95% voting control and 53% ownership on a fully diluted basis of OBITX. OBITX is currently filing an S-1 Registration statement to become an independent publicly traded company.

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NYAcre, Inc.

NYAcre, Inc., (“NYAcre”) was incorporated on November 20, 2017 under the laws of the state of New York. NYAcre was created to participate in the Joint Venture NYAcre with FarmOn! Foundation. The joint venture is an agriculture venture for the planting and growing of industrial hemp.

CAL Acres Foundation (FKA Newco2, Inc)

Cal Foundation was created on January 19, 2018 as a California not-for-profit company. We own 80% of the not-for-profit business. Cal Foundation maintains three cannabis licenses in the State of California.

CAAcre, Inc.

CAAcre, Inc., (“CAAcre”) was incorporated on May 10, 2018 under the laws of the state of California. CAAcre was created to participate in the Joint Venture with Cal Foundation for the cultivation, manufacturing, and distribution of cannabis products within the state of California. CAAcre is an agriculture venture for the cultivation, manufacturing and distribution of cannabis products. We are currently assessing the requirements for the build out of the land acquired in California City, California for this project.

Subsidiaries Acquired

Vapolution, Inc.

On January 23, 2014, the Company entered into a Stock Purchase Agreement acquiring 100% ownership in Vapolution, Inc., which manufactures and retails home-use vaporizers. As part of this transaction, mCig, Inc. issued 5,000,000 common shares to shareholders of Vapolution, Inc. in two separate payments of 2,500,000 common shares. 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. 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 for the second payment.

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.

On January 17, 2017 the Company entered into a settlement agreement with the previous owners of Vapolution, Inc., whereby they returned to the Company 1,700,000 shares of MCIG common stock, \$961 in cash, and \$40,541 in inventory. Prior to this, Vapolution was not incorporated in to the consolidated financial statements of the Company. Effective January 17, 2017 we began consolidating Vapolution with the Company’s financial reports. Vapolution, Inc., is wholly owned by mCig, Inc.

Agri-Contractors, LLC

On November 18, 2016 we acquired, through a Purchase Agreement, Agri-Contractors, LLC. We combined the operations of Agri-Contractors with Grow Contractors Corp and expanded the services to include consulting. We merged the operations of Agri-Contractors, LLC with Grow Contractors in December 2016. Agri-Contractors, LLC provides consulting services to grow facilities, production companies, and dispensaries servicing the cannabis medical and recreational markets.

Cannabiz Supply, LLC

On June 30, 2018 the company elected to exercise its option to acquired Cannabiz Supply with an effective date of May 1, 2018. The purchase price was \$3,457,796.

BUSINESS MODEL

The Company continues to look at increasing revenue internally and through strategic acquisitions. The Company utilizes many methods of identifying new products to produce and potential companies to acquire. Our staff continually reviews current market trends to determine appropriate products to introduce. We have had them presented to us by business brokers, have reviewed competition and looked for compelling stories, or incorporated a subsidiary directly for a specific purpose. In some instances, the companies come looking to us for assistance. We will continue to finance additional acquisitions through private placements of stock, debt, or revenue from operations.

The mCig business model is built around developing and incubating self-sustaining business entities in the cannabis and e-Cig markets. We look for strong management teams that have expertise in their fields and want to operate within the cannabis and e-Cig industry. Once the entities are self-sustaining the company divest them either through i) a sale of the assets, ii) a spin-off into its own publicly traded entity, or iii) seek additional partners and privatize the business.

Our first successful spin off was in 2014 which now operates as Omni Health, Inc. In 2017 we sold our VitaCBD brand for \$850,000 in cash and stock of Stony Hill Corp. We are currently developing and incubating entities specializing in i) construction and green houses, ii) social media, iii) retail sales, and iv) wholesale distribution.

Expansion through Acquisition

The Company continues to look for additional acquisition opportunities in the cannabis and e-Cig fields that will enhance our overall growth, complement our existing operations and increase shareholder value. MCIG considers acquisitions as a critical element to our strategic growth. We look for synergistic companies that will provide strength and growth opportunities to the developing products and services of MCIG. We will review current competition in many markets and determine if an acquisition or joint venture is in the best interest of MCIG.

Marketing and Sales Strategy

mCig and its subsidiaries evaluate the constant change of the cannabis and e-Cig business. As such, our marketing and sales strategy is subject to change quickly and often. When we evaluate a new product or service, we place considerable analysis on immediate return on investment (during initial 12 month period of launch) as the future long term opportunities are uncertain and highly speculative. In instances where a client has demonstrated an ability to continue to control a market share the Company may consider long term sales as well.

Our products and services are marketed directly through each subsidiary. As we continue to acquire companies or services, we look for synergic growth opportunities that will allow for expansion of the multiple services available under our umbrella of companies. The growth in revenue created by the

cross pollination of products and services are desirable.

The Company continues to utilize newsletters, advertisement, and viral knowledge of our services to expand our customer base. The Company utilizes all social media platforms to grow its customer awareness.

Competitive Environment

The cannabis and e-Cig service business is a highly competitive business. The Company attempts to reduce its competition through cross pollination of services. While the Company believes this will generate stability in its growth, there can be no assurances that the Company will succeed or overcome other competitive advantages.

Patents and Intellectual Properties

The Company looks to file two provisional patents in its e-Cig operations and two provisional patents in its social media platform operations. We continually review all products and services prior to introduction into the market for potential patent opportunities in order to provide us with a strategic and protected advantage.

We maintain copyright protection on all website designs, mobile applications, and software processes and tools designed by us.

In 2017 the Company embarked on a worldwide endeavor to protect its name and brands. We have recently obtained and/or filed for trademark protection in the USA, Europe, Germany, United Kingdom, Russia, Japan, Vietnam, China, Australia, Mexico, and Canada. We will continue to evaluate our brands and ensure they are globally protected.

EMPLOYEES AND CONSULTANTS

As of April 30, 2018, the Company has a total of 73 full-time/part-time employees and consultants throughout the various subsidiaries. The Company has 7 executive and office managers, 18 technical assistance employees that provide computer software and hardware installation, repairs, and maintenance, 5 sales representatives, 8 administrative/shipping clerks, and 35 general laborers. None of our employees are covered by a collective bargaining agreement, and management believes its relationship with our employees is good.

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Company	Employees	Part-Time Employees	Consultants	Contracted Labor
mCig, Inc.	5	-	2	-
Grow Contractors Inc.	-	-	2	25
VitaCig, Inc.	-	-	3	-
mCig Internet Sales, Inc.	-	-	-	-
OBITX, Inc.	4	-	13	**
Vapolutions, Inc.	-	-	4	-
mCig Limited	-	1	-	-
Tuero Capital, Inc.	1	-	-	-
NYAcres, Inc	3	-	10	- ***

** Our, Internet Server Provider, provides 24-hour customer support services as required.

*** The Company uses a staffing service to provide personnel for high-volume work flow variances.

The Company utilizes a considerable amount of consultants to provide periodic work requirements. When workflow demands a fulltime or justifiable part-time employee the Company hires the appropriate person to fulfill the job requirements.

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 RETAIL DIVISION

We current provide retail operations with the following product categories:

- Electronic cigarettes, vaporizers and accessories under the VitaCig and Vapolution brand.
- CBD Products where have rights to internet sales for JustChill products.
- Cannabis supplies that includes bags, and other necessities for cultivators, manufacturers, distributors, and dispensaries.

Our Products

VitaCig

VitaCig® is an innovative tobacco-free, nicotine-free vitamin and essential oil inhalation, aromatherapy device. Instead of containing harmful substances, VitaCig® delivers vapor that is rich in taste, vitamins, natural aroma and natural plant constituents. VitaCig® embodies what you enjoy about smoking, but without the bad aftertaste, the tobacco smoke and the cigarette smell, and no harmful tar. **Just natural ingredients and vapor!** Our product is far ahead of conventional e-cigarettes and provides natural aroma, water vapor, plant constituents and valuable vitamins.

We have 2 editions of the VitaCig product.

- Classic Edition
- S Edition

Classic Edition

The science behind the VitaCig was created by Dr. Khary Bryan, and first launched back in 2014. VitaCig is the first and original electronic vitamin and essential oil diffuser brought to market. In our sleek and stylish designed VitaCig® flavor waters device we united natural essential oils, plant extracts and flavors to create the world's first electronic aromatherapy device to go. The VitaCig® device is designed to deliver the vapor of vitamins A,B,C,E,

Coenzyme Q10, terpenes, and phytonutrients via direct inhalation. It uses water vaporization technology to deliver refreshing flavored water vapors created from vitamins and therapeutic essential oils. As the bearing liquid vaporizes at just 60 degrees, it allows for the preservation of a small amount of the vitamin absorbed via the mucus membrane of the oral cavity.

Phytonutrients and terpenes are compounds found in plants. Take for instance the Boisterous Berry flavor. It is a combination of Vitamin A, Vitamin B1, Vitamin C, Vitamin E, CoenzymeQ10, and B-Myrcene. In order to add the Berry flavor to it, we add blueberry and black currant extracts so that the vapor has an enjoyable, all natural flavor. Each flavor has its own unique combination of vitamin supplements and flavored vapor to go along with its appropriate name.

S Edition

The S Edition is similar in the classic edition with the addition of natural ingredients that have been clinically tested to provide the known affect. The Company has completed no studies which demonstrate the effects of its product, but relies on the clinical studies of the ingredients that create energy, reduce stress, suppress appetites, speeds up metabolism, skin health, and improves sleep.

CBD Products

We are enmeshed in the Industrial Hemp Industry, both domestically and International. The CBD market grossed \$202 million in 2015; however, the US CBD market alone is expected to reach \$2.1 billion by 2020, of which it is estimated that \$450 million of those sales will be in hemp based sources. We are researching innovative and lucrative projects, partnering with like-minded companies in the Industry, and maximizing our presence in the CBD product markets. We are focused primarily on supplying and developing products for retail brick and mortar shops and online sales, along with Bulk Supply of Raw Hemp Extracts. We have hired an industry expert chemist to design our new CBD Pet line which we expect to launch this upcoming year.

Vaporizers and Accessories

Hippy Trips vaporizers and Vapolution vaporizers are available through various websites. For information on our vaporizers brands please visit the websites www.hippytrips.com and www.vapolution.com. These websites are not incorporated as part of the annual filing.

Vapolution is operated in California, while Hippy Trips is Nevada based. Both offer a broad range of accessories in support of their main products. We currently offer 16 accessories to be sold with our Hippy Trips brand.

We have been making the only glass on glass vaporizer since inception. We have eliminated metals, ceramics and plastics from the air pathway. Our Vapolution 3 product has a precision digital temperature control, a removable glass heater liner with bigger loads and water filtration.

Cannabis Supply Products

We provide smell proof bags, labels, doob rubes, concentrate containers, pop top vials, and transportation bags to cultivation, manufacturers and dispensaries throughout Nevada and California. We currently supply approximate 57% of the dispensaries in the state of Nevada with supply products.

The Market

We compete in a highly competitive markets. Our e-cigarette business competes with various marketing companies, as well as traditional tobacco companies. The United States is anticipated to continue to influence the global e-Cig market, which is poised to reach \$20.17 billion in revenue by 2025 representing approximately 45% share of the total market. The involvement of the major tobacco companies through multiple acquisitions and brand image and the current legislation in the U.S. is expected to restrict the number of participants in the e-Cig market. As the market moves from a highly fragmented market, to a big brand environment, we have focused on building brand awareness early through viral adoption and word of mouth with our first to market of vitamin infused e-Cigs. 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. 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. However, we cannot provide any assurances that future regulations may not affect where electronic cigarettes may be used.

We have distribution agreements that provide for the distribution of our VitaCig product to the following countries:

- | | | |
|-------------------|-----------------|--------------|
| 1. United States | 11. Japan | 21. Belgium |
| 2. New Zealand | 12. China | 22. Malaysia |
| 3. Canada | 13. Vietnam | 23. Guam |
| 4. Australia | 14. South Korea | |
| 5. Hungary | 15. Russia | |
| 6. Austria | 16. Cyprus | |
| 7. Germany | 17. Greece | |
| 8. United Kingdom | 18. Italy | |
| 9. France | 19. Netherlands | |
| 10. Spain | 20. Denmark | |

Medical Cannabis Users and patients around the world are seeking CBD for many reasons. CBD gives them benefits of Cannabis without the aspects of THC that some people do not enjoy. Each day it seems more people learn about the benefits of CBD. There is even a large market of CBD for Pets. We plan to explore ways to continue to get CBD into the proper retail channels.

The Hemp CBD Industry is thick with competition. Some with large infrastructure, some with great products lines. There are companies with unique marketing and interesting packaging. Standing out in the crowd requires us to continue to assess our price points and constantly think about what we can do to stay on top. We stand next to the top companies in the world in quality and ability to deliver. As the Hemp CBD Industry grows and stabilizes, we have laid the foundation to build a strong and stable stance in this highly competitive, highly lucrative Industry.

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 2018 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.

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.
- 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.
- 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.

MCIG CMD DIVISION

Description

The Company CMD Division build and operate commercial indoor buildings, greenhouses and modular buildings. The company acts as a design/build firm taking the customer from concept to full turnkey occupancy, typically utilizing modular technology, greenhouses and structural insulated panels. The Company has multiple experienced project managers who can take single buildings or ground-up entire projects from infancy to occupancy for those customers who desire to have a comprehensive building solution.

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 completed projects in Nevada and Oregon, but has subsequently left these markets. With the focus primarily on the consulting and management of cannabis facilities, we currently only provide construction services to those clients who wish to engage us in managing the facility upon completion. With the Company's recent issues with Nevada and Oregon projects in which we did not have firm control of the process, we have been relatively unsuccessful and upon final settlement of this projects may not record any profits and may sustain massive losses. We have in excess of \$1.1 million in potential bad debt from these construction projects.

The Company maintains current construction headquarters in California City, California, where a majority of our current projects are underway.

This market continues to see expansive growth in infrastructure building and need for management expertise, even during this current time of economic downturn. The Company has licensed general contractors, designers, drafters, managers, and growers on staff or under consultation who builds and manage commercial structures. The Company utilizes architects and engineers who are qualified in all 48 continental states and partnership with suppliers in every aspect of equipment needs.

MCIG MEDIA AND TECHNOLOGIES DIVISION

Our media and technologies division is focused on marketing, advertising and software development in the cannabis and cryptocurrency markets. We have added several new clients in which we have developed websites, marketing strategies, and software integration. Our e-hesive solution has been selected by two companies to be the software solution for their decentralized marketing solutions.

Social media is becoming an integral part of life online as social websites and applications continue to grow. The same holds true for the cannabis industry and market. mCig entered into the social media foray upon the acquisition of 420Cloud. The 420Cloud global friendly community was soft launched on April 20, 2017 on iOS and Android through the Apple Store and Google Play, respectively. The following software comprises the 420Cloud solution:

- 420 Cloud Mobile
- 420 Cloud Browser
- 420 Cloud API
- WhoDab
- Bang Punch
- 420 Single Sign-on Mobile Wallet
- 420 Job Search
- Weedistry
- Ehesive
- 420 Cue
- 420 Wise Buy
- Palm Weed

In addition to the services provided above to the cannabis community, our unique mobile wallet capabilities and single-sign on features has been instrumental in MCIG incorporating Tuero Capital, Inc., where it will feature some form of exchange service and payment processing service for the cannabis community. The Company continues to develop these programs, securing its intellectual property where it deems necessary.

Competitive Strengths

The Company believes its competitive strengths lie in its personnel and in its proprietary processes. We have engaged several key programmers for the development and upkeep of our 420Cloud community. In addition, we have developed two unique processes in how we transfer data and information

that we believe will have a revolutionary effect on not just the cannabis community, but social media in general. We will continue to develop these processes and secure our intellectual property rights prior to disclosure.

Market

We consider our market to be the global cannabis community and cryptocurrencies.

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 be affected. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.

RISK RELATED TO OUR BUSINESS AND INDUSTRY

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

As of April 30, 2018, we had an accumulated deficit of \$6,208,431. 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, 2018, we had net loss of \$1,205,002 compared to a net income of \$1,527,057 for the year ended April 30, 2017. 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.

If we are not able to maintain and enhance our brands, or if events occur that damage our reputation and brands, our ability to expand our base of customers may be impaired, and our business and financial results may be harmed.

We believe that our brands have significantly contributed to, and will continue to contribute to the success of our business. We also believe that maintaining and enhancing our brands is critical to expanding our customer base. Many of our customers are referred by existing customers. Maintaining and enhancing our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy, and innovative products, which we may not do successfully. We may introduce new products or terms of service or policies that customers do not like, which

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may negatively affect our brands. We will also continue to experience media, legislative, or regulatory scrutiny of our decisions regarding cannabis, CBD, e-Cig, user privacy and other issues, which may adversely affect our reputation and brands. We also may fail to provide adequate customer service, which could erode confidence in our brands. Our brands may also be negatively affected by the actions of customers that are deemed to be hostile or inappropriate to other customers, by the actions of customers acting under false or inauthentic identities, by the use of our products or services to disseminate information that is deemed to be misleading (or intended to manipulate opinions), by perceived or actual efforts by governments to obtain access to user information for security-related and law enforcement purposes, or by the use of our products or services for illicit, objectionable, or illegal ends. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. Certain of our past actions have eroded confidence in our brands, and if we fail to successfully promote and maintain our brands or if we incur excessive expenses in this effort, our business and financial results may be adversely affected.

We make product and investment decisions that may not prioritize short-term financial results.

We frequently make product and investment decisions that may not prioritize short-term financial results if we believe that the decisions are consistent with our mission and improve our financial performance over the long term. We may introduce changes to existing products, or introduce new stand-alone products, that direct our customers away from our current products. We are also investing in new products and services, and we may not successfully monetize such experiences. We also may take steps that result in limiting distribution of products and services in the short term in order to attempt to ensure the availability of our products and services to users over the long term. These decisions may not produce the long-term benefits that we expect, in which case our customer growth and our business results of operations could be harmed.

Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits.

Our ability to retain, increase, and engage our customer base and to increase our revenue depends heavily on our ability to continue to evolve our existing products and to create successful new products, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing products or acquire or introduce new and unproven products, including using technologies with which we have little or no prior development or operating experience. If new or enhanced products fail to engage our customers, or if we are unsuccessful in our monetization efforts, we may fail to attract or retain customers or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be adversely affected.

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 CBD and electronic cigarette industry is intense. 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, excise taxes, higher absolute prices and larger gaps between price categories, and product regulation that diminishes the ability to differentiate products.

Our principal competitors in the e-Cig business 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.

In social media, we compete with companies that sell advertising, as well as with companies that provide social and communication products and services that are designed to engage users and capture time spent on mobile devices and online. We face significant competition in every aspect

of our business, including from companies that facilitate communication and the sharing of content and information, companies that enable marketers to display advertising, and companies that provide development platforms for applications developers. We compete with companies that offer products across broad platforms that replicate capabilities we provide. We also compete with companies that develop applications, particularly mobile applications, that provide social or other communications functionality, such as messaging, photo- and video-sharing, and micro-blogging, as well as companies that provide regional social networks that have strong positions in particular countries. In addition, we face competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Some of our current and potential competitors may have significantly greater resources or better competitive positions in certain product segments, geographic regions or user demographics than we do. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some of our users are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some of our users have reduced their use of and engagement with our product in favor of these other products and services. In the event that our users increasingly engage with other products and services, we may not experience the anticipated growth, or see a decline, in use and engagement in key user demographics or more broadly, in which case our business would likely be harmed.

Our competitors may develop products, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance, and reliability of our products compared to our competitors' products;
- the size and composition of our user base;
- the engagement of our users with our products and competing products;
- the timing and market acceptance of products, including developments and enhancements to our or our competitors' products;
- our ability to distribute our products to new and existing users;
- our ability to monetize our products;
- the frequency, size, format, quality, and relative prominence of the ads displayed by us or our competitors;
- customer service and support efforts;
- marketing and selling efforts, including our ability to measure the effectiveness of our ads and to provide marketers with a compelling return on their investments;
- our ability to establish and maintain developers' interest in building mobile and web applications that integrate with Facebook and our other products;
- our ability to establish and maintain publisher interest in integrating their content with Facebook and our other products;
- changes mandated by legislation, regulatory authorities, or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within our industry, which may result in more formidable competitors;
- our ability to attract, retain, and motivate talented employees, particularly software engineers, designers, and product managers;
- our ability to cost-effectively manage and grow our operations; and
- our reputation and brand strength relative to those of our competitors.

If we are not able to compete effectively, our user base and level of user engagement may decrease, we may become less attractive to developers and marketers, and our revenue and results of operations may be materially and adversely affected.

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 affected 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.

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, 2018. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2018 was 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, 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, 2018 was immaterial. As a result, all product exchanges and product returns were recorded as a reduction to revenues.

Our costs are continuing to grow, which could harm our business and profitability.

Operating our business is costly, and we expect our expenses to continue to increase in the future as we broaden our products and services, and as these services and products increase, the amount of customer support and management needed increases. The development of new products and services, expanding our technical infrastructure, and the hiring of additional personnel will add cost to our expanding operations. We expect to continue to invest in our global efforts and other initiatives, which may not have clear paths to monetization. We may also be subject to increased costs in order to obtain and attract third-party content or to facilitate the distribution of our products. Any investments may not be successful, and any such increases in our costs may adversely affect our business and profitability.

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to

protect our proprietary rights. In the United States and internationally, we have filed various applications for protection of certain aspects of our intellectual property. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to ours and compete with our business. Any of these events could have an adverse effect on our business and financial results.

We plan to continue to make acquisitions, which could harm our financial condition or results of operations and may adversely affect the price of our common stock.

As part of our business strategy, we have made and intend to continue to make acquisitions to add specialized employees and complementary companies, products, or technologies. We may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. In some cases, the costs of such acquisitions may be substantial. There is no assurance that we will receive a favorable return on investment for these or other acquisitions.

We may pay substantial amounts of cash or incur debt to pay for acquisitions, which could adversely affect our liquidity. The incurrence of indebtedness would also result in increased fixed obligations, increased interest expense, and could also include covenants or other restrictions that would impede our ability to manage our operations. We may also issue equity securities to pay for acquisitions, which could increase our expenses, adversely affect our financial results, and result in dilution to our stockholders. In addition, any acquisitions we announce could be viewed negatively by customers, shareholders, or investors, which may adversely affect our business or the price of our common stock.

In the future, we may use shares of preferred stock as consideration in connection with acquisitions. However, we may not be able to issue shares of preferred stock because companies that we are interested in acquiring may not agree to accept shares that carry no voting rights, or for other reasons. Companies that we seek to acquire may also demand more shares in exchange for accepting such stock as consideration. In such instances, we may need to pay cash, issue common stock as consideration, or issue a relatively greater number of shares of preferred stock to consummate the acquisitions.

We may also discover liabilities or deficiencies associated with the companies or assets we acquire that were not identified in advance, which may result in significant unanticipated costs. The effectiveness of our due diligence review and our ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies we acquire or their representatives,

as well as the limited amount of time in which acquisitions are executed. In addition, we may fail to accurately forecast the financial impact of an acquisition transaction, including tax and accounting charges. Acquisitions may also result in our recording of significant additional expenses to our results of operations and recording of substantial finite-lived intangible assets on our balance sheet upon closing. Any of these factors may adversely affect our financial condition or results of operations.

We may not be able to successfully integrate our acquisitions, and we may incur significant costs to integrate and support the companies we acquire.

The integration of acquisitions requires significant time and resources, and we may not manage these processes successfully. Our ability to successfully integrate complex acquisitions is unproven, particularly with respect to companies that have significant operations or that develop products where we do not have prior experience. We cannot assure you that these investments will be successful. If we fail to successfully integrate the companies we acquire, we may not realize the benefits expected from the transaction and our business may be harmed.

If our goodwill or finite-lived intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our finite-lived intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, such as a decline in stock price and market capitalization. We test goodwill for impairment at least annually. If such goodwill or finite-lived intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. We may be required to record a significant charge in our financial statements during the period in which any impairment of our goodwill or finite-lived intangible assets is determined, which would negatively affect our results of operations.

We cannot assure you that we will effectively manage our growth.

Our employee headcount and the scope and complexity of our business have increased, with the number of employees and consultants increasing to 73 as of April 30, 2018 from 69 as of April 30, 2017, and we expect headcount growth to continue for the foreseeable future. The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relations with customers and other third parties. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems or our internal controls and procedures may not be adequate to support our operations.

In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. This could negatively affect our business performance.

We have significant international operations and plan to continue expanding our operations abroad where we have limited operating experience, and this may subject us to increased business and economic risks that could affect our financial results.

We have significant international operations and plan to continue the international expansion of our business operations. We have offices or data centers in two different countries and provide services and products on five continents. We may enter new international markets where we have limited or no experience in marketing, selling, and deploying our products. Our products are generally available globally through the web and on mobile, but some or all of our products or functionality may not be available in certain markets due to legal and regulatory complexities. We also outsource certain operational functions to third-party vendors globally. If we fail to deploy, manage, or oversee our international operations successfully, our business may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, or economic instability;
- risks related to legal, regulatory, and other government scrutiny applicable to U.S. companies with sales and operations in foreign jurisdictions, including with respect to privacy, tax, law enforcement, content, trade compliance, intellectual property, and terrestrial infrastructure matters;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship or requirements to provide user information to local authorities;
- fluctuations in currency exchange rates and compliance with currency controls;
- foreign exchange controls and tax regulations that might prevent us from repatriating cash earned in countries outside the United States or otherwise limit our ability to move cash freely, and impede our ability to invest such cash efficiently;
- higher levels of credit risk and payment fraud;
- enhanced difficulties of integrating any foreign acquisitions;
- burdens of complying with a variety of foreign laws;
- reduced protection for intellectual property rights in some countries;
- difficulties in staffing, managing, and overseeing global operations and the increased travel, infrastructure, and legal compliance costs associated with multiple international locations;
- compliance with the U.S. Foreign Corrupt Practices Act, and similar laws in other jurisdictions; and
- compliance with statutory equity requirements and management of tax consequences.

If we are unable to expand internationally and manage the complexity of our global operations successfully, our financial results could be adversely affected.

The Company has entered into indemnification agreements with the officers and directors and we may be required to indemnify our Directors and Officers, and if the claim is greater than \$1,000,000, it may create significant losses for the Company.

We have authority under Nevada law to indemnify our directors and officers to the extent provided in that statute. Our Articles of Incorporation require the Company to indemnify each of our directors and officers against liabilities imposed upon them (including reasonable amounts paid in settlement) and expenses incurred by them regarding any claim made against them or any action, suit or proceeding to which they may be a party by reason of their being or having been a director or officer of the company. We currently do not maintain officer's and director's liability insurance coverage. Consequently, any judgment against our Officers and Directors, the Company will be forced to pay. We have entered into indemnification agreements with each of our officers and directors containing provisions that may require us, among other things, to indemnify our officers and directors against certain liabilities that may arise because of their status or service as officers or directors (other than liabilities arising from willful misconduct of a culpable nature) and to advance their expenses incurred because of any proceeding against them as to which they could be indemnified. Management believes that such indemnification provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers. We are subject to claims arising from disputes with employees, vendors and other third parties in the normal course of business. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time. If the plaintiffs in any suits against us were to successfully prosecute their claims, or if we were to settle such suits by making significant payments to the plaintiffs, our operating results and financial condition would be harmed. In addition, our organizational documents require us to indemnify our senior executives to the maximum extent permitted by Nevada law. If our senior executives were named in any lawsuit, our indemnification obligations could magnify the costs of these suits.

Cannabis Industry

The industry faces intense media attention and public pressure .

The cannabis marketplace is controversial. Certain members of the media, politicians, government regulators and advocate groups, including independent doctors have called for an outright ban of all cannabis products, pending regulatory review and clinical studies. A ban of this type would likely have the effect of terminating our United States' sales and marketing efforts of certain products and services which we may currently market or have plans to market in the future. Such a ban would have a material adverse effect on our business, financial condition and performance.

Cultivation, Manufacturing, and Distribution ("CMD") Industry

The nature of our businesses exposes us to the risk of litigation and liability under environmental, health and safety and product liability laws.

Certain aspects of our CMD projects involve risks of liability. In general, litigation in our industry, including class actions that seek substantial damages, arises with increasing frequency. Claims may be asserted under environmental, labor, or health and safety laws. Litigation is invariably expensive, regardless of the merit of the plaintiffs' claims. We may be named as a defendant in the future, and there can be no assurance that regardless of the merit of such claims, we will not be required to pay substantial legal fees and/or settlement payments in the future.

If we do not effectively manage our credit risk or collect on our accounts receivable, it could have a material adverse effect on our operating results.

Currently we contract on a 'pay as you go' model; however, we may elect to bid on certain CMD projects which require us to bill on a percentage of completion basis. We will perform credit evaluation procedures on our customers on each transaction and require security deposits or other forms of security from our customers when a significant credit risk is identified. The Company expects to begin offering terms on purchases in an effort to increase CMD projects. As the Company exposes itself to greater risks we will have to further evaluate accounts receivable and increase our reserves for bad debt, as applicable.

The Company has implemented a policy of filing Notice to Owners ("NTO") on each property in which it provides to customers to alleviate the inability to collect. However, if a customer fails to pay, there could be considerable time between the need to pay our vendors and the receipt of our final payment. Failure to manage our credit risk and receive timely payments on our customer accounts receivable may result in the write-off of customer receivables. If we are not able to manage credit risk issues, or if many customers should have financial difficulties at the same time, our credit losses could be substantial. If this should occur, our results of operations may be materially and adversely affected.

Public policies that create demand for our products and services may change, stall in Congress or State Legislation reducing leverage to enforce change thereby decreasing sales.

Like conventionally constructed buildings, the modular building industry and greenhouses used in cannabis grow and production are subject to evolving regulations by multiple governmental agencies at the state and local level. This oversight includes but is not limited to governing code bodies, environmental, health, safety and transportation. Failure by our customers to comply with these laws or regulations could impact our business. Compliance with building codes and regulations have always entailed a certain amount of risk as municipalities do not necessarily interpret these building codes and regulations in a consistent manner, particularly where applicable regulations may be unclear and subject to interpretation. Many aspects of the construction and modular building industry have developed "best practices" which are constantly evolving.

Supply shortages and other risks related to the demand for skilled labor and building materials could increase costs and delay deliveries.

The CMD industry is highly competitive for skilled labor and materials. Labor shortages may become more acute as the supply chain adjusts to uneven industry growth. Additionally, the cost of certain building materials, especially lumber, steel, concrete, copper, and petroleum-based materials, is influenced by changes in local and global commodity prices. Increased costs or shortages of skilled labor and/or materials could cause increases in construction costs and / or construction delays. We may not be able to pass on increases in construction costs to customers. Sustained increases in construction costs may, over time, erode our margins, and pricing competition may restrict our ability to pass on any such additional costs, thereby decreasing our margins.

Social Media Industry

If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial results, and business may be significantly harmed.

The size of our user base and our users' level of engagement are critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active users of our products. We anticipate that our active user growth rate will continue to grow over time as the size of our active user base increases, and as we achieve higher market penetration rates. If people do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A number of other social networking companies that achieved early popularity have since seen their active user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement levels. Our user engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with other competitive products or services;
- we fail to introduce new products or services that users find engaging or if we introduce new products or services that are not favorably received;
- users feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size, and quality of ads that we display;
- users have difficulty installing, updating, or otherwise accessing our products on mobile devices as a result of actions by us or third parties that we rely on to distribute our products and deliver our services;
- user behavior on any of our products changes, including decreases in the quality and frequency of content shared on our products and services;
- we are unable to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks, and that achieve a high level of market acceptance;
- there are decreases in user sentiment about the quality or usefulness of our products or concerns related to privacy and sharing, safety, security, or other factors;
- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful, and

relevant to them;

- we are unable to obtain or attract engaging third-party content;
- users adopt new technologies where our products may be displaced in favor of other products or services, or may not be featured or otherwise available;
- there are adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or similar content;
- we adopt terms, policies, or procedures related to areas such as sharing or user data that are perceived negatively by our users or the general public;
- we elect to focus our user growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain users and engagement are unsuccessful or discontinued, whether as a result of actions by us, third parties, or otherwise;
- we fail to provide adequate customer service to users, marketers, developers, or other partners;
- we, developers whose products are integrated with our products, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity; or
- our current or future products, such as our development tools and application programming interfaces that enable developers to build, grow, and monetize mobile and web applications, reduce user activity on our products by making it easier for our users to interact and share on third-party mobile and web applications.

If we are unable to increase our user base and user engagement, our revenue and financial results may be adversely affected. Any decrease in user retention, growth, or engagement could render our products less attractive to users, marketers, and developers, which is likely to have a material and adverse impact on our revenue, business, financial condition, and results of operations. If our active user growth rate slows, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to drive revenue growth.

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We project to generate substantially all of our revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.

Substantially all of our revenue is currently projected to be generated from third parties advertising. As is common in the industry, our marketers do not have long-term advertising commitments with us. Many of our marketers spend only a relatively small portion of their overall advertising budget with us. In addition, marketers may view some of our products as experimental and unproven. Marketers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us or the budgets they are willing to commit to us, if we do not deliver ads in an effective manner, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives.

Our advertising revenue could also be adversely affected by a number of other factors, including:

- decreases in user engagement, including time spent on our products;
- our inability to continue to increase user access to and engagement with our mobile products;
- product changes or inventory management decisions we may make that change the size, format, frequency, or relative prominence of ads displayed on our products or of other unpaid content shared by marketers on our products;
- our inability to maintain or increase marketer demand, the pricing of our ads, or both;
- our inability to maintain or increase the quantity or quality of ads shown to users;
- changes to third-party policies that limit our ability to deliver or target advertising on mobile devices;
- the availability, accuracy, and utility of analytics and measurement solutions offered by us or third parties that demonstrate the value of our ads to marketers, or our ability to further improve such tools;
- loss of advertising market share to our competitors, including if prices for purchasing ads increase or if competitors offer lower priced or more integrated products;
- adverse legal developments relating to advertising, including legislative and regulatory developments and developments in litigation;
- decisions by marketers to reduce their advertising as a result of adverse media reports or other negative publicity involving us, our advertising metrics, content on our products, developers with mobile and web applications that are integrated with our products, or other companies in our industry;
- the effectiveness of our ad targeting or degree to which users opt out of certain types of ad targeting;
- the degree to which users cease or reduce the number of times they click on our ads;
- changes in the way advertising on mobile devices or on personal computers is measured or priced; and
- the impact of macroeconomic conditions, whether in the advertising industry in general, or among specific types of marketers or within particular geographies.

The occurrence of any of these or other factors could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, or cause marketers to stop advertising with us altogether, either of which would negatively affect our revenue and financial results.

Our user growth, engagement, and monetization on mobile devices depend upon effective operation with mobile operating systems, networks, and standards that we do not control.

The substantial majority of our revenue will be generated from advertising on mobile devices. There is no guarantee that popular mobile devices will continue to feature our products, or that mobile device users will continue to use our products rather than competing products. We are dependent on the interoperability of our products with popular mobile operating systems, networks, and standards that we do not control, such as the Android and iOS operating systems. Any changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, or in their terms of service or policies that degrade our products' functionality, reduce or eliminate our ability to distribute our products, give preferential treatment to competitive products, limit our ability to deliver, target, or measure the effectiveness of ads, or charge fees related to the distribution of our products or our delivery of ads could adversely affect the usage of our products and monetization on mobile devices. Additionally, to deliver high quality mobile products, it is important that our products work well with a range of mobile technologies, systems, networks, and standards that we do not control. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, systems, networks, or standards. If it is more difficult for our users to access and use our products on their mobile devices, or if our users choose not to access or use our products on their mobile devices or use mobile products that do not offer access to our products, our user growth and user engagement could be harmed. From time to time, we may also take actions regarding the distribution of our products or the operation of our business based on what we believe to be in our long-term best interests. Such actions may adversely affect our users and our relationships with the operators of mobile operating systems, or other business partners, and there is no assurance that these actions will result in the anticipated long-term benefits. If our users are adversely affected by these actions or if our relationships with such third parties deteriorate, our user growth, engagement, and monetization could be adversely affected, and our business could be harmed.

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Action by governments to restrict access to our products in their countries could substantially harm our business and financial results.

It is possible that governments of one or more countries may seek to censor content available on our other products in their country, restrict access to our products from their country entirely, or impose other restrictions that may affect the accessibility of our products in their country for an extended period or indefinitely. In addition, government authorities in other countries may seek to restrict access to our products if they consider us to be in violation of their laws. In the event that content shown on our products is subject to censorship, access to our products is restricted, in whole or in part, in one or more countries, or other restrictions are imposed on our products, or our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face other restrictions, our ability to retain or increase our user base and user engagement may be adversely affected, we may not be able to maintain or grow our revenue as anticipated, and our financial results could be adversely affected.

Security breaches and improper access to or disclosure of our data or user data, or other hacking and phishing attacks on our systems, could harm our reputation and adversely affect our business.

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our data or users' data. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more prevalent in our industry and may occur on our systems in the future. As a result of industry, we believe that we are a particularly attractive target for such breaches and attacks. Such attacks may cause interruptions to the services we provide, degrade the user experience, cause users to lose confidence and trust in our products, or result in financial harm to us. Our efforts to protect our company data or the information we receive may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance; government surveillance; or other threats that evolve. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to our data or our users' data. Although we have developed systems and processes that are designed to protect our data and user data, to prevent data loss, and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security.

In addition, some of our developers or other partners, such as those that help us measure the effectiveness of ads, may receive or store information provided by us or by our users through mobile or web applications. We provide limited information to such third parties based on the scope of services provided to us. However, if these third parties or developers fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our users' data may be improperly accessed, used, or disclosed.

Affected users or government authorities could initiate legal or regulatory actions against us in connection with any security breaches or improper disclosure of data, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Any of these events could have a material and adverse effect on our business, reputation, or financial results.

Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding privacy, data protection, competition, consumer protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and abroad that involve matters central to our business, including privacy, data protection, and personal information, rights of publicity, content, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, personal information, electronic contracts and other communications, competition, protection of minors, consumer protection, telecommunications, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, and online payment services. The introduction of new products, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign data protection, privacy, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States.

These U.S. federal and state and foreign laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. For example, regulatory or legislative actions affecting the manner in which we display content to our users or obtain consent to various practices could adversely affect user growth and engagement. Such actions could affect the manner in which we provide our services or adversely affect our financial results.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive transnational data that is critical to our operations, including data relating to users, customers, or partners outside the United States, and those laws and regulations are uncertain and subject to change. For example, in October 2015, the European Court of Justice invalidated the European Commission's 2000 Safe Harbour Decision as a legitimate basis on to rely for the transfer of data from the European Union to the United States.

The European Union and United States recently agreed to an alternative transfer framework for data transferred from the European Union to the United States, called the Privacy Shield, but this new framework is subject to an annual review that could result in changes to our obligations and also may be challenged by national regulators or private parties. In addition, the other bases on which we rely to legitimize the transfer of data, such as standard Model Contractual Clauses (MCCs), have been subjected to regulatory or judicial scrutiny. If one or more of the legal bases for transferring data from Europe to the United States is invalidated, or if we are unable to transfer personal data between and among countries and regions in which we operate, we could affect the manner in which we provide our services or adversely affect our financial results.

Proposed or new legislation and regulations could also significantly affect our business. There currently are a number of proposals pending before federal, state, and foreign legislative and regulatory bodies. In addition, the European Commission has approved a data protection regulation, known as the General Data Protection Regulation (GDPR), which has been finalized and is due to come into force in or around May 2018. The GDPR will include operational requirements for companies that receive or process personal data of residents of the European Union that are different than those currently in place in the European Union, and that will include significant penalties for non-compliance. Similarly, there are several legislative proposals in the United States, at both the federal and state level, that could impose new obligations in areas affecting our business, such as liability for copyright infringement by third parties. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

We may incur liability as a result of information retrieved from or transmitted over the Internet or published using our products or as a result of claims related to our products.

We may face claims relating to information that is published or made available on our products. In particular, the nature of our business exposes us to

claims related to defamation, dissemination of misinformation or news hoaxes, intellectual property rights, rights of publicity and privacy, personal injury torts, or local laws regulating hate speech or other types of content. This risk is enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear and where we may be less protected under local laws than we are in the United States. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. We could also face orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, our business and financial results could be adversely affected.

Our products and internal systems rely on software that is highly technical, and if it contains undetected errors or vulnerabilities, our business could be adversely affected.

Our products and internal systems rely on software, including software developed or maintained internally and/or by third parties, that is highly technical and complex. In addition, our products and internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. The software on which we rely has contained, and will in the future contain, undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors, vulnerabilities, or other design defects within the software on which we rely may result in a negative experience for users and marketers who use our products, delay product introductions or enhancements, result in targeting, measurement, or billing errors, compromise our ability to protect the data of our users and/or our intellectual property or lead to reductions in our ability to provide some or all of our services. In addition, any errors, bugs, vulnerabilities, or defects discovered in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

Technologies have been developed that can block the display of our ads, which could adversely affect our financial results.

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads, particularly advertising displayed on personal computers. We project to generate substantially all of our revenue from advertising, including revenue resulting from the display of ads on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

E-Cig Industry

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

Electronic cigarettes were first introduced into the market in 2006, and 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 in this segment 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 have become subject to regulation by the FDA.

In the United States, in 2016, the FDA finalized a rule extending the regulatory authority to cover all tobacco products, including vaporizers, vape pens, hookah pens, electronic cigarettes (E-Cigarettes), e-pipes, and all other Electronic Nicotine Delivery Systems (“ENDS”). FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of ENDS. This includes components and parts of ENDS but excludes accessories. Under the new guidance, any company that make, modify, mix, manufacture, fabricate, assemble, process, label, repack, relabel, or import any tobacco product is considered a tobacco product manufacturer. Importers of finished tobacco products may be distributors and manufacturers of tobacco products. Importers who do not own or operate a domestic establishment engaged in the manufacture, preparation, compounding or processing of a tobacco product are not required to register their establishment or provide product listing. However, they must comply with all other applicable tobacco product manufacturer requirements.

However, recent statements by FDA have begun to clear up the U.S. federal agency’s position on nicotine free e-liquids and synthetic nicotine. According to court statements made by the FDA, some devices that truly contain no nicotine (or only synthetic nicotine) may not be subject to the deeming regulations, depending on the circumstances in which they are likely to be used. Some disposable, closed-system devices with zero-nicotine or synthetic nicotine e-liquids may also escape regulation as tobacco products if they meet certain further criteria. We believe our products fall under this guidance and not regulated by the FDA. However, even if products currently fall outside the scope of the deeming rule, the FDA could choose to regulate them later.

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.

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.

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.

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 \$0.02 per share to almost \$0.90 per share. The price of the stock as of fiscal year ending April 30, 2018 was trading at \$0.22 per share. We attribute this large fluctuation especially on the industry that we operate in. Management believes 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.

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.

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, 2018 Mr. Rosenberg owned 11,775,000 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.

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 considering 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 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 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

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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 corporate office facilities at 4720 Salisbury Road , Suite 100 , Jacksonville, Florida 32256. In addition to this facility, the Company operates out of the following locations:

Las Vegas, Nevada: The Company's current distribution center for shipment of its Hemp based CBD products and electronic cigarettes in its Las Vegas location in conjunction with CBJ Distributing, LLC, which we acquired effective May 1, 2018.

Orange Park and Melbourne, Florida: The Company's current Hemp CBD product infrastructure under MCIG Internet Sales, Inc. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

Copake, New York: our subsidiary, NYAcres, Inc., is located at 556 Empire Road, Copake, New York.

California City, California: The company's has recently acquired land in California City, California in which to fulfill its licenses for cannabis distribution, extraction, and cultivation.

Watford, United Kingdom: The Company's address for processing international orders and payment processing. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

Glyfada, Athens, Greece: The Company's address for international intellectual property rights for Europe, Middle East, and Africa, where applicable. The facilities are co-located in the operations of our paid Consultants and all rent cost are incorporated in our payments to the Consultants.

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.

The Company was sued by the Delaney Group claiming they were owed approximately 2,500,000 shares of MCIG, Inc., stock. Their basis for such action is that in 2015 the Company issued additional shares under Stock Based Compensation at a rate cheaper than their investment. As the shares were allegedly issued during a protection period, the Delaney Group claims the Company violated its "most favored nation clause" in the Agreement. The Company does not agree and claims that it issued no shares in violation of the Agreement. The Company countersued the Delaney Group for the return of 1,500,000 shares of its common stock that was issued for services in which the Delaney Group never provided. The case was filed in the Southern District of Florida Federal Court in Palm Beach, Florida. The case was settled whereby MCIG issued 2,300,000 shares of its common stock.

The Company subsidiary, Grow Contractors, Inc., along with the Company and its officers was sued by APEX Management, LLC and Apex Operations, LLC (the "Solaris" project) for the return of approximately \$600,000 in cash paid for services they allege were never provided. We have countersued for the payment of approximately \$425,000 in services provided that have not yet been paid for. In addition, we have sued both Michael Sassano and Ronald Sassano individually for their roles in the alleged actions. Currently the case is in discovery.

The Company subsidiary, Grow Contractors, Inc., was sued for alleged faulty services provided in the state of Oregon. Grow Contractors alleges it has outstanding, unpaid invoices and services were stopped for lack of payment.

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, 2016 through July 31, 2016	\$ 0.044	\$ 0.026
August 1, 2016 through October 31, 2016	\$ 0.139	\$ 0.026
November 1, 2017 through January 31, 2017	\$ 0.505	\$ 0.110
February 1, 2017 through April 30, 2017	\$ 0.498	\$ 0.183
May 1, 2017 through July 31, 2017	\$ 0.285	\$ 0.161
August 1, 2017 through October 31, 2017	\$ 0.287	\$ 0.130
November 1, 2017 through January 31, 2018	\$ 0.427	\$ 0.125
February 1, 2018 through April 30, 2018	\$ 0.280	\$ 0.175

The closing price of our common stock as reported on the OTCQB Marketplace was \$0.237 on August 15, 2018.

(b) Holders

As of August 15, 2018, there were approximately 73 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.

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

Under its Year 2016 Stock Option Plan (the “Plan”), the Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to the fair market value of the shares at the date of grant.

Options granted under the Plan are exercisable at the exercise price of grant and, subject to termination of employment, expire five years from the date of issue, are not transferable other than on death, and vest in monthly installments commencing at various times from the date of grant. A summary of the Company’s stock option plan as of April 30, 2018 is presented below:

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	Shares
Options outstanding at May 1, 2016	
Granted in FY 2017	32,800,000
Forfeited in FY 2017	10,800,000
Exercised in FY 2017	9,923,170
Options outstanding at April 30, 2017	12,076,830
Options outstanding at May 1, 2017	12,076,830
Granted in FY 2018	9,551,830
Forfeited in FY 2018	4,376,830
Exercised in FY 2018	3,450,000
Options outstanding at April 30, 2018	12,225,000
Options exercisable at April 30, 2018	12,225,000

There are currently 24,576,830 unissued options under the 2016 Stock Option Plan.

(e) Recent Sales of Unregistered Securities

In the year ended April 30, 2018, we issued an aggregate of 4,750,000 shares of common stock valued at approximately \$181,040 for professional services. In addition, the Company issued 2,600,000 common shares for investments in the amount of \$650,000. Furthermore, we issued 2,300,000 in a legal settlement valued at \$190,900.

In the year ended April 30, 2017, we issued an aggregate of 9,823,325 shares of common stock valued at approximately \$312,322 for professional services. In addition, the Company issued 23,104,575 common shares for investments in the amount of \$3,844,444.

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.

(f) 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, 2018 and 2017, 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 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

Originally, we were formed to open and operate a full-service day spa in Montrose, California. In October 2013, we repositioned ourselves as a technology company focused on two long-term secular trends sweeping the globe: (1) The decriminalization and legalization of marijuana for medicinal or recreational purposes; and, (2) the adoption of electronic vaporizing cigarettes (commonly known as "eCigs").

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company's wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

In FY2015 we began offering hemp based cannabinoid ("CBD") products through various websites.

In 2016 the Company expanded its products and services to include construction .

In 2017, we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets. The Company continues to look at strategic acquisitions and product and service developments for future growth. Effective May 1, 2018, we acquired a Cannabiz Supply company.

During this fiscal year, we operated the following websites (which are not incorporated as part of this Form 10K report):

- www.mcig.org
- www.vitacig.org
- www.chillcbdoil.com
- www.vitacbd.com
- www.vapolution.com
- www.420cloud.com
- www.growcontractors.com
- www.420jobsearch.com
- www.cbd.biz

Since October 2013, we have positioned ourselves as a 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; and,

(2) The adoption of electronic vaporizing cigarettes (commonly known as "eCigs"), as smokers move away from traditional cigarettes onto e-cigarettes.

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.

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 Policies

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.

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

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.

Our operating results for the years ended April 30, 2018 and 2017 are summarized as follows:

OPERATING RESULTS			
	For the year ended April 30,		
	2018	2017	
Revenue	\$ 7,078,680	\$ 4,777,072	
Cost of Goods Sold	4,471,393	2,881,043	
Gross Profit	2,607,287	1,896,029	
Expenses	3,812,290	967,040	
Net Income (Loss) from operations	(1,205,003)	928,989	

Revenue

Our revenue from continuing operations for the year ended April 30, 2018 was \$7,078,680 compared to \$4,777,072, an increase of \$2,301,608 or approximately 48.2%, from the year ended April 30, 2017. Revenues consists of \$3,673,218 in construction, \$2,041,616 in retail sales, and \$1,363,846 in technology and media sales.

Cost of Goods Sold

Our cost of goods sold for the year ended April 30, 2018 was \$4,471,393 compared to \$2,881,043 for the year ended April 30, 2017. The cost of goods consisted of \$2,732,011 in construction cost, \$1,252,142 in resale products, \$59,844 in commissions, \$320,953 in software amortization, and \$106,443 in other fees that include merchant fees and shipping. The increase in cost of goods is proportional to the growth in revenue.

Gross Profit

Our gross profit for the year ended April 30, 2018 was \$2,607,287 compared to \$1,896,029 for the year ended April 30, 2017. The gross profit of \$2,607,287 for the year ended April 30, 2018 represents approximately 36.8% as a percentage of total revenue. The gross profit of \$1,896,029 for the year ended April 30, 2017 represents approximately 39.6% as a percentage of total revenue. This increase in the gross profit is primarily attributed to increase in sales, offset by the higher cost of goods and services.

Operating Expenses

Our operating expenses increased by \$2,845,249 to \$3,812,289 for the year ended April 30, 2018, from \$967,040 for the year ended April 30, 2017.

The increase was primarily due to the increases in stock based compensation of \$195,265, professional fees of \$857,515, selling, general and administrative expenses of \$198,253, consulting fees of \$907,424, bad debts of \$572,257, and amortization and depreciation of \$180,877, with decreases in marketing and advertising of \$57,424, and research and development of \$8,918.

Our total operating expenses for the year ended April 30, 2018 of \$3,812,289 consisted of \$346,940 of stock based compensation, \$320,577 of selling, general and administrative expenses, \$921,377 in professional fees, \$1,372,965 in consulting fees, \$78,804 in marketing and advertising, \$6,612 in research and development, \$572,257 in bad debts, and \$192,758 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, travel, rent, office supplies and other expenses.

Net Income

Our net income decreased by \$2,133,991 to a net loss of \$1,205,002 for the year ended April 30, 2018 from a net income of \$928,989 for the year ending April 30, 2017. The decrease in net income compared to the prior year is a result of the increase in gross profit of \$711,258 and the increase in operating expenses of \$2,845,249.

Liquidity and Capital Resources

Introduction

During the year ended April 30, 2018, we utilized \$1,112,712 decreasing our cash on hand as of April 30, 2018 to \$511,950.

Cash Requirements

We had cash available of \$511,950 as of April 30, 2018. Based on our revenues, cash on hand and current monthly burn rate, the company is positioned to remain a going concern for the upcoming fiscal year. 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 the next 12 months.

Sources and Uses of Cash

Operations

We used \$1,989,038 in continuing operating activities for the year ended April 30, 2018, as compared to net cash gained in continuing operation of \$2,442,264 for the year ended April 30, 2017.

Investments

Cash used by investing activities was \$463,837 for the year ended April 30, 2018, as compared increase by \$1,133,454 for the year ended April 30, 2017.

In the year ended April 30, 2017, the company issued stock in non-cash investing activities of \$816,624 in the acquisition of various internet domains, websites, and trademarks, \$3,063,635 in the acquisition of 420 Cloud, and \$160,008 in the purchase of Agri-Contractors, LLC.

In the year ended April 30, 2017, the company was returned stock in non-cash activities of \$653,371 for Vapolution settlement and \$166,647 for stock based compensation in which services were not provided.

Financing

We had net cash provided by continuing financing activities of \$1,330,163 for the year ended April 30, 2018, as compared to \$245,310 for the year ended April 30, 2017. Our financing activities consisted of borrowings from a related party, notes receivable and notes payable and net proceeds from the issuance and acquisition of stock.

ADJUSTED OPERATING RESULTS

	For the year ended April 30,	
	2018	2017
Revenue	\$ 7,078,680	\$ 3,717,188
Cost of Goods Sold	4,150,440	2,881,043
Gross Profit	2,928,240	863,145
Expenses	1,952,512	803,460
Net Income (Loss) from operations	975,728	32,685

Revenue

Our adjusted revenue from continuing operations for the year ended April 30, 2018 was \$7,078,680 compared to \$3,717,188, an increase of \$3,361,492 or approximately 90.4%, from the year ended April 30, 2017. Revenues consists of \$3,673,218 in construction, \$2,041,616 in retail sales, and \$1,363,846 in technology and media sales.

Cost of Goods Sold

Our cost of goods sold for the year ended April 30, 2018 was \$4,150,440 compared to \$2,881,043 for the year ended April 30, 2017. The cost of goods consisted of \$2,732,011 in construction cost, \$1,252,142 in resale products, \$59,844 in commissions, and \$106,443 in other fees that include merchant fees and shipping. The increase in cost of goods is proportional to the growth in revenue.

Gross Profit

Our adjusted gross profit for the year ended April 30, 2018 was \$2,928,240 compared to \$863,145 for the year ended April 30, 2017. The gross profit of \$2,928,240 for the year ended April 30, 2018 represents approximately 41.7% as a percentage of total revenue. The gross profit of \$863,145 for the year ended April 30, 2017 represents approximately 23.2% as a percentage of total revenue. This increase in the gross profit is primarily attributed to increase in sales, offset by the higher cost of goods and services.

Operating Expenses

Our adjusted operating expenses increased by \$1,149,052 to \$1,952,512 for the year ended April 30, 2018, from \$803,460 for the year ended April 30, 2017.

The increase was primarily due to the increases in professional fees of \$857,515, selling, general and administrative expenses of \$198,253, consulting fees of \$907,424, and bad debts of \$572,257, with decreases in marketing and advertising of \$57,424, and research and development of \$8,918.

Our total operating expenses for the year ended April 30, 2018 of \$1,952,512 consisted of \$320,577 of selling, general and administrative expenses, \$921,377 in professional fees, \$1,372,965 in consulting fees, \$78,804 in marketing and advertising, \$6,612 in research and development, and \$572,257 in bad debts.

Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, travel, rent, office supplies and other expenses.

Net Income

Our adjusted net income increased by \$1,071,116 to \$1,103,801 for the year ended April 30, 2018 from \$32,685 for the year ending April 30, 2017. The increase in net income compared to the prior year is a result of the increase in gross profit of \$2,092,095 and the increase in operating expenses of \$1,149,052.

Off-Balance Sheet Arrangements

As of April 30, 2017, 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, 2018 and 2017 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.

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.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors
mCig, Inc.
Jacksonville, Florida

Opinion on the Financial Statements

We have audited the accompanying balance sheets of mCig, Inc and its subsidiaries ("the Company") as of April 30, 2018 and 2017 and the related statements of operations, changes in stockholders' deficit and cash flows, for each of the two years in the period ended April 30, 2018, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended April 30, 2018, in conformity with generally accepted accounting principles in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Going Concern

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, as of April 30, 2018, while the Company has positive cash flow and has recognized a substantial gain in 2017 there are no assurances the Company can continue to generate a profit or maintain positive cash flow. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Dov Weinstein & Co. C.P.A. (Isr)

We have served as the Company's auditor since 2017.

Jerusalem, Israel

August 30, 2018

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mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

ASSETS

	April 30, 2018	April 30, 2017
Current Assets		
Cash and cash equivalents	\$ 511,950	\$ 1,634,662
Accounts receivable, net	2,159,267	149,968
Inventory	63,297	54,278
Work in progress - agriculture	64,245	-
Notes and other receivables	1,529	1,529
Prepaid expenses	90,141	147,015
Total current assets	2,890,429	1,987,452
Property, plant and equipment, net	3,138,019	3,070,497
Cost basis investment	967,608	902,023
Intangible assets, net	835,320	1,018,302
Total assets	\$ 7,831,376	\$ 6,978,274

See accompanying notes to unaudited consolidated financial statements.

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mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

LIABILITIES AND STOCKHOLDERS' EQUITY

	April 30, 2018	April 30, 2017
Current liabilities		
Accounts payable and accrued expenses	\$ 218,703	\$ 779,995
Due to shareholder	571,138	173,312
Other current liabilities	-	150,000
Reserve for uncollected accounts	586,560	11,030
Reserve for legal settlements	750,579	-
Deferred revenue	5,145	517,033
Total current liabilities	2,132,125	1,631,370
Total Liabilities	2,132,125	1,631,370
Stockholders' equity		
Preferred stock, \$0.0001 par value; 50,000,000 shares authorized; 11,850,000 and 12,850,000 shares issued and outstanding, as of April 30, 2018 and April 30, 2017, respectively.	1,185	1,285
Common stock, \$0.0001 par value, voting; 560,000,000 shares authorized; 415,610,809 and 386,094,258 shares issued, and outstanding, as of April 30, 2018 and April 30, 2017, respectively.	41,561	38,609
Treasury stock	(680,330)	(680,330)
Additional paid in capital	12,673,339	11,118,841
Accumulated deficit	(6,208,431)	(5,131,501)
Total stockholders' equity and non-controlling interest	5,827,324	5,346,904
Non-controlling interest	(128,073)	-
Total stockholders' equity	5,699,251	5,346,904
Total liabilities and stockholders' equity	\$ 7,831,376	\$ 6,978,274

See accompanying notes to audited consolidated financial statements.

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mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations

	For the year ended April 30,	
	2018	2017
Sales	\$ 7,078,680	\$ 4,777,072
Construction costs	2,732,011	2,042,726
Merchandise	1,252,142	606,892
Commissions	59,844	147,182
Merchant fees, shipping, and other costs	106,443	84,243
Amortization and depreciation as a COG	320,953	-
Total cost of sales	4,471,393	2,881,043

Gross profit	2,607,287	1,896,029
Selling, general, and administrative	320,577	122,324
Professional fees	921,377	63,862
Stock based compensation	346,940	151,675
Marketing & advertising	78,804	136,227
Research and development	6,612	15,530
Consultant fees	1,372,965	465,541
Bad debts	572,257	-
Amortization and depreciation	192,758	11,881
Total operating expenses	3,812,290	967,040
Income (Loss) from operations	(1,205,003)	928,989
Other income	-	615,608
Net income (loss) before non-controlling interest	(1,205,003)	1,544,597
Gain attributable to non-controlling interest	128,073	(17,540)
Net income (loss) attributable to controlling interest	\$ (1,076,930)	\$ 1,527,057
Basic and diluted (Loss) per share:		
Income(Loss) per share from continuing operations	(0.0027)	0.0040
Income(Loss) per share	(0.0027)	0.0040
Weighted average shares outstanding - basic and diluted	401,878,568	386,092,219

See accompanying notes to unaudited consolidated financial statements.

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MCIG, INC.
and SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock		Common Stock		Treasury Stock		Additional	Non-	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	controlling Interest	Deficit	Stockholders' Equity (Deficit)
Balance – April 30, 2016	23,000,000	\$ 2,300	306,314,216	\$ 30,631	-	\$ -	\$ 6,916,635	\$ (17,540)	\$ (6,658,558)	\$ 273,468
Stock issued for services	-	-	9,873,325	987	-	-	317,335	-	-	318,322
Stock issued for investing acquisitions	-	-	22,104,575	2,210	-	-	3,345,667	-	-	3,347,877
Stock returned by CEO	(7,000,000)	(700)	-	-	-	-	-	-	-	(700)
Stock converted from preferred to common	(3,200,000)	(320)	32,000,000	3,200	-	-	(1,980)	-	-	900
Stock returned in settlement of Vapolution	-	-	(1,700,000)	(170)	1,700,000	(680,330)	-	-	-	(680,500)
Stock returned by shareholders	-	-	(3,524,923)	(352)	-	-	(166,295)	-	-	(166,647)
Stock issued from ESOP	-	-	9,499,519	950	-	-	230,350	-	-	231,300
Stock issued from warrant exercise	-	-	10,833,102	1,083	-	-	269,744	-	-	270,828
Stock issued through note conversion	-	-	694,444	69	-	-	24,931	-	-	25,000
Stock issued for investing	50,000	5	-	-	-	-	199,995	-	-	200,000
Adjustment for Scalable Solutions Business Closure	-	-	-	-	-	-	(17,540)	17,540	-	-
Net income (loss)	-	-	-	-	-	-	-	-	1,527,057	1,527,057
Balance – April 30, 2017	12,850,000	\$ 1,285	386,094,258	\$ 38,609	1,700,000	\$(680,330)	\$11,118,841	\$ -	\$ (5,131,501)	\$ 5,346,904
Stock converted from preferred to common	(1,000,000)	(100)	10,000,000	1,000	-	-	(1,000)	-	-	(100)
Stock issued for services	-	-	3,750,000	375	-	-	155,690	-	-	156,065
Stock issued from warrant exercise	-	-	6,416,551	642	-	-	159,873	-	-	160,515
Stock issued from ESOP	-	-	3,450,000	345	-	-	(345)	-	-	-
Stock issued under legal settlement	-	-	2,300,000	230	-	-	190,670	-	-	190,900
Stock issued under private placement	-	-	2,600,000	260	-	-	649,740	-	-	650,000
Adjustment for Agri-Contractors acquisition	-	-	1,000,000	100	-	-	(100)	-	-	-
Net income(loss)	-	-	-	-	-	-	-	128,073	(1,205,003)	(1,076,930)
Capital raised by OBITX, Inc., net	-	-	-	-	-	-	399,970	-	-	399,970
Balance – April 30, 2018	11,850,000	1,185	415,610,809	41,561	1,700,000	(680,330)	12,673,339	128,073	(6,336,504)	5,827,324

The accompanying notes are an integral part of these audited financial statements.

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mCig, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the Year Ended April 30,

	2018	2017
Cash flows from operating activities:		
Net Income (Loss)	(1,076,930)	\$ 1,527,057
<i>Adjustments to reconcile net loss to net</i>		

<i>Cash provided by (used in) operating activities:</i>		
Depreciation and amortization	513,712	11,881
Common stock issued for services	346,940	(14,972)
<i>Decrease (Increase) in:</i>		
Accounts receivable, net	(1,915,868)	(143,848)
Other receivable	(93,431)	-
Inventories	(73,264)	(47,010)
Prepaid expenses and other current assets	56,874	(147,015)
Accounts payable, accrued expenses and taxes payable	(561,292)	734,611
Deferred revenue	(511,888)	510,530
Reserve for uncollectable and legal accounts	1,326,109	11,030
Total adjustment to reconcile net income to net cash	(912,108)	915,207
Net cash provided in operating activities	(1,989,038)	2,442,264
Cash flows from investing activities:		
<i>Increase (Decrease) in:</i>		
Cost basis investments	(65,585)	(1,034,523)
Acquisition of property, plant and equipment	(390,872)	(19,453)
Acquisition of intangible assets	(7,380)	(79,478)
Net cash received in investing activities	(463,837)	(1,133,454)

See accompanying notes to unaudited consolidated financial statements.

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mCig, Inc.
and SUBSIDIARIES
Statements of Cash Flows
For the Year Ended April 30,
continued

	<u>2018</u>	<u>2017</u>
Cash flows from financing activities:		
Borrowing from related party	397,826	168,406
Advances to related parties	-	186,276
Notes receivable	-	(1,529)
Notes payable	(150,000)	150,000
Advances from related party	(128,073)	-
Treasury stock	-	(680,330)
Proceeds from Issuance of stock, net	1,210,410	422,487
Net cash provided by financing activities	1,330,163	245,310
Net change in cash	(1,122,712)	1,554,120
Cash at beginning of year	1,634,662	80,542
Cash at end of period	<u>\$ 511,950</u>	<u>\$ 1,634,662</u>
Supplemental disclosure of cash flows information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities:		
Stock issued for purchase of internet domains, websites, and trademarks	\$ -	\$ 816,624
Stock issued for purchase of 420 Cloud software platform	\$ -	\$ 3,063,635
Stock returned and inventory received as settlement of Vapolution, net	\$ -	\$ 653,371
Stock issued for purchase of Agri-Contractors	\$ -	\$ 160,008
Stock received by Stony Hill Corp for VitaCBD brand	\$ -	\$ 700,000
Stock received by VitaCBD, LLC in exchange for 20% rights to VitaCBD brand	\$ -	\$ 200,000
Stock returned for services not rendered under stock based compensation	\$ -	\$ 166,647
Conversion of preferred stock to common stock	\$ -	\$ 1,020

See accompanying notes to unaudited consolidated financial statements.

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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").

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All significant intercompany accounts and transactions have been eliminated.

The consolidated financial statements include the accounts of the Company and its subsidiaries:

- Agri-Contractors, LLC ("AGRI")
- CAAcres, Inc., ("CAAcres") – 80% ownership
- CA Acres Foundation (FKA NewCo2, Inc.) ("CALF") – 80% ownership
- Grow Contractors Inc., ("GROW")
- mCig Internet Sales, Inc., ("MINT")
- mCig Limited ("MCIGL")
- NYAcres, Inc., ("NYAcres")
- OBITX, Inc., (FKA GigeTech, Inc.) ("GIGE") – 53% ownership and 95% voting control
- Tuero Asset Management, Inc. ("TAMI")
- Tuero Capital, Inc., ("TUERO")
- Vapolution, Inc., ("VAPO")
- VitaCig, Inc., ("VITA")

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. All agreements related to the Lifetech business were 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.

The Company initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.mcig.org, as well as through the company's wholesale, distributor, and retail programs. We expanded operations to include the VitaCig brand in 2014.

The Company has been involved in the marijuana and cannabinoid (CBD), and electronic cigarette industries. It currently markets, sales, services, and distributes cannabis wholesale supplies, CBD products, software, and electronic cigarettes, vaporizers, and accessories internationally and in the United States.

In FY2015 we began offering hemp based cannabinoid ("CBD") products through various websites and wholesale distribution. In 2016 the Company expanded its products and services to include construction. In 2017 we added consulting services in the cannabis industry. In addition, we launched a social media platform, 420Cloud, in the cannabis markets. The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company.

In 2018 we added agriculture by planting a 40 acres lot in New York state to grow Hemp. In addition, we acquired approximately two acres of land in California City, California and obtained three cannabis licenses (cultivating, manufacturing, and distribution of cannabis products in California).

During this fiscal year, we operated approximately 35 different websites (which are not incorporated as part of this Form 10K report). The corporate website is located at www.mciggroup.com.

Subsidiaries of the Company

The Company currently operates, in addition to mCig, Inc., the following subsidiaries which are consolidated:

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Agri-Contractors, LLC

On November 18, 2016 we acquired, through a Purchase Agreement, Agri-Contractors, LLC. We combined the operations of Agri-Contractors with Grow Contractors Corp and expanded the services to include consulting. We merged the operations of Agri-Contractors, LLC with Grow Contractors in December 2016. Agri-Contractors, LLC provides consulting services to grow facilities, production companies, and dispensaries servicing the cannabis medical and recreational markets.

CAAcres, Inc.

CAAcres, Inc., ("CAAcres") was incorporated on May 10, 2018 under the laws of the state of California. CAAcres was created to participate in the Joint Venture with Cal Foundation for the cultivation, manufacturing, and distribution of cannabis products within the state of California. CAAcres is an agriculture venture for the cultivation, manufacturing and distribution of cannabis products. We are currently assessing the requirements for the build out of the land acquired in California City, California for this project.

CAL Foundation (FKA Newco2, Inc)

NewCo2, Inc., was created on January 19, 2018 as a California not-for-profit company. We own 80% of the not-for-profit business. NewCo2, Inc., maintains three cannabis licenses in the State of California. On August 6, 2018 the name was changed to Cal Acres Foundation, Inc.

CBJ Distributing, LLC

On June 30, 2018 the company elected to exercise its option to acquired Cannabiz Supply with an effective date of May 1, 2018. The purchase price was \$3,457,796.

Grow Contractors Inc

The Company incorporated Grow Contractors Inc., on December 5, 2016. Grow Contractors Inc. operates the construction and consulting segment. On November 18, 2016, the Company purchased Agri-Contractors, LLC and assigned the Grow Contractors name and website to Grow Contractors Inc. Grow Contractors Inc., is a wholly owned subsidiary of the Company.

mCig Internet Sales, Inc.

On June 1, 2016, the Company incorporated mCig Internet Sales, Inc., (“mCig Internet”) in the state of Florida in order to operate our CBD business and to consolidate all wholesale and online retail sales from various websites. mCig Internet is a wholly owned subsidiary of the Company.

mCig Limited

We incorporated in May 2017 to provide corporate oversight to MCIG, and its subsidiaries, operations within the European theatre. mCig Limited., was incorporated in the United Kingdom. mCig Limited, is a wholly owned subsidiary of the Company.

NYAcres, Inc.

NYAcres, Inc., (“NYAcres”) was incorporated on November 20, 2017 under the laws of the state of New York. NYAcres was created to participate in the Joint Venture NYAcres with FarmOn! Foundation. The joint venture is an agriculture venture for the planting and growing of industrial hemp.

OBITX, Inc.

We incorporated GigETech, Inc., in the state of Delaware on April 3, 2017. We then assigned our newly acquired social media platform software to GigETech. We launched the social media platform on April 20, 2017. GigETech, Inc., subsequently changed its name to OBITX, Inc. Currently we have approximately 95% voting control and 53% ownership on a fully diluted basis of OBITX. OBITX is currently filing an S-1 Registration statement to become an independent publicly traded company.

Omni Health, Inc., (FKA - VitaCig, Inc.)

On February 24, 2014, the Company entered into a Contribution Agreement with Omni Health, Inc (“OMHE”). In accordance with this agreement, OMHE 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 OMHE.

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On November 28, 2014, mCig completed the spin-off of OMHE (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 OMHE, par value \$0.0001 per share (“OMHE 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 OMHE Common Stock for everyone 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 OMHE 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 OMHE and declared effective by the Securities and Exchange Commission on November 5, 2014.

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

Omni Health, Inc., a Nevada Corporation, is a public company trading under OMHE.

Tuero Asset Management, Inc.

We incorporated Tuero Asset Management, Inc., in which to manage all our intellectual and intangible assets.

Tuero Capital, Inc.

We incorporated in May 2017 to provide financial services to our clients. Tuero Capital provides financial services and consulting to cannabis and cryptocurrency markets.

Vapolution, Inc.

On January 23, 2014, the Company entered into a Stock Purchase Agreement acquiring 100% ownership in Vapolution, Inc., which manufactures and retails home-use vaporizers. As part of this transaction, mCig, Inc. issued 5,000,000 common shares to shareholders of Vapolution, Inc. in two separate payments of 2,500,000 common shares. 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. 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 for the second payment.

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.

On January 17, 2017 the Company entered into a settlement agreement with the previous owners of Vapolution, Inc., whereby they returned to the Company 1,700,000 shares of MCIG common stock, \$961 in cash, and \$40,541 in inventory. Prior to this, Vapolution was not incorporated in to the consolidated financial statements of the Company. Effective January 17, 2017 we began consolidating Vapolution with the Company’s financial reports. Vapolution, Inc., is wholly owned by mCig, Inc.

VitaCig, Inc.

On May 26, 2016 we incorporated VitaCig, Inc., (“VitaCig”) in the state of Florida. VitaCig headquarters our global e-cig operations. VitaCig, Inc., is a wholly owned subsidiary of the Company.

Note 2. Summary of Significant Accounting Policies

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.

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Revenue Recognition Policies

The Company recognizes revenue on our products and services in accordance with the Securities Exchange Commission (SEC) Staff Accounting Bulletin No. 104, Revenue Recognition, corrected copy (which superseded Staff Accounting Bulletin No. 101) "Revenue Recognition in Financial Statements".

Revenue Recognition for Retail Sales

Revenues for retail sales 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, CBD products, and related accessories. We recognize revenue when the product is shipped.

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

Product revenue is recognized when the Company has an executed agreement, the product has been delivered and costs can be measured reliably, the amount of the fee to be paid by the customer is fixed and determinable, and the collection of the related receivable is deemed probable from the outset of the arrangement. If for any of the product or service offerings, the Company determines at the outset of an arrangement that the amount of revenue cannot be measured reliably, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then the revenue is deferred until the arrangement fee becomes due and payable by the customer. If, at the outset of an arrangement, the Company determines that collectability is not probable, and the Company concludes that the inflow of economic benefits associated with the transaction is not probable, then revenue recognition is deferred until the earlier of when collectability becomes probable or payment is received. If collectability becomes unlikely before all revenue from an arrangement is recognized, the Company recognizes revenue only to the extent of the fees that are successfully collected unless collectability becomes reasonably assured again. If a customer is specifically identified as a collection risk, the Company does not recognize revenue except to the extent of the fees that have already been collected.

Freight revenue is recognized as the cost of shipping the product to the customer plus a nominal markup.

The Company recognizes product returns as a reduction to revenue. Other forms of customer adjustments are accounted for in the same manner.

The Company will on occasion place finished goods on consignment with a customer. Finished goods are recorded on the Balance Sheet as part of Inventory until the product is purchased.

Revenue Recognition for Construction

The Company measures construction revenue as a Cost-type contract in accordance with ASC 605, *Revenue Recognition (Topic 605)*, *Revenue from Contracts with Customers*, 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.

Revenue Recognition for Software

Typically, the Company's software license agreements are multiple-element arrangements as they may also include maintenance, professional services, and hardware. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. Where company-specific objective evidence of fair value cannot be determined for undelivered elements, the Company determines fair value of the respective element by estimating its stand-alone selling price, which is also applied for the presentation as part of the revenue categories noted above when certain of those elements are deemed to be a single unit of accounting.

The Company typically sells or licenses software on a perpetual basis, but also licenses software for a specified period. Revenue from short-term time-based licenses, which usually include support services during the license period, is recognized ratably over the license term. Revenue from multi-year time based licenses that include support services, whether separately priced or not, is recognized ratably over the license term unless a substantive support service renewal rate exists; if this is the case, the amount allocated to the delivered software is recognized as software revenue based on the residual approach once the revenue criteria have been met. In those instances where the customer is required to renew mandatory support and maintenance in order to maintain use of the licensed software over the license term, the Company recognizes the consideration attributable to the license and support for the initial term of the arrangement attributable to the license and support over the initial one-year term and recognizes revenue for the support renewal fees in subsequent years over the respective renewal periods.

Revenue from the license of software involving significant implementation or customization essential to the functionality of the Company's product, is recognized under the percentage-of-completion method of contract accounting based either on the achievement of contractually

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defined milestones or based on labor hours. Any probable losses are recognized immediately in profit or loss. In certain situations where the outcome of an arrangement cannot be estimated reliably, costs associated with the arrangement are recognized as incurred. In this situation, revenues are recognized only to the extent of the costs incurred that are probable of recovery.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products. The company specific fair value of maintenance is typically derived from rates charged to renew these services after an initial period. Maintenance revenue remaining to be recognized in profit or loss is recognized as deferred revenue in the consolidated statements of financial position when amounts have been billed in advance and the term of the service period has commenced.

Professional Services revenue including implementation, training and customization of software is recognized by the stage of completion of the arrangement determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion.

Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labor hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgement is also needed in assessing the ability to collect the corresponding receivables.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in work in progress. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

Research and Development

Research and Development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. For the year ended April 30, 2018 the Company has recognized zero, and for the year ended April 30, 2017 the Company has recognized zero as a capital asset.

For the years ended April 30, 2018 and April 30, 2017, all research and development costs have been expensed in profit or loss.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables are limited due to the diverse group of customers to whom the Company sells. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

For the year ended April 30, 2018, sales to the Company's primary three customers accounted for approximately 38.8% of revenues and 82.2% of accounts receivable. For the year ended April 30, 2017, sales to the Company's primary four customers accounted for approximately 48.7% of revenues and 90.3% of accounts receivable.

Segment Information

In accordance with the provisions of *SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information*, the Company is required to report financial and descriptive information about its reportable operating segments. The Company identifies its operating segments as divisions based on how management internally evaluates separate financial information, business activities and management responsibility. In addition to the corporate segment, the Company segments and the subsidiaries associated with each segment are as follows:

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Business Segments by Company/Subsidiary

Segment	Subsidiary
CMD	Agri-Contractors, LLC
	Grow Contractors, Inc.
	CBJ Distributing, LLC
Retail Sales	mCig Internet Sales, Inc
	Vapolution, Inc.
	VitaCig, Inc.
Media and Technologies	OBITX, Inc.
Agriculture	CAL Foundation
	CAAcres, Inc.
	NYAcres, Inc.
	mCig, Inc.
Corporate	mCig Limited
	Tuero Asset Management, Inc.
	Tuero Capital, Inc.

We recorded segments as i) CMD, ii) CBD, iii) e-Cig, iv) Supply, and v) corporate. During the third quarter of 2017, our chief operating decision maker, who is also our Chief Executive Officer, requested changes in the information that he regularly reviews for purposes of allocating resources and assessing performance. As a result, we report our financial performance based on our new segments described in Note 8 – Segment Information. This change had no impact on consolidated net income or cash flows.

Business Segments – Gross Revenue

	Total Revenue			Percentage of Total Revenue		
	Year Ended April 30,			Year Ended April 30,		
	2018	2017	2016	2018	2017	2016
CMD	\$3,673,218	\$2,327,144	\$ 51,870	51.7%	48.7%	3.0%
Retail Sales	2,041,616	2,449,928	1,671,551	28.6%	51.3%	97.0%
Media and Technologies	1,408,846	-	-	19.7%	0.0%	0.0%
Agriculture	-	-	-	0.0%	0.0%	0.0%
Corporate	-	-	-	0.0%	0.0%	0.0%
Total	\$7,078,680	\$4,777,072	\$1,723,421	100.0%	100.0%	100.0%

Stock-Based Compensation

The Company accounts for share-based awards issued to employees in accordance with *FASB ASC 718, Compensation – Stock Compensation*. 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.

Cost of Revenue

Cost of revenue includes: manufacturing and distribution costs for products sold and programs licensed; operating costs related to product support service centers and product distribution centers; costs incurred to include software on PCs sold by OEMs, to drive traffic to our websites and products, and to acquire online advertising space; costs incurred to support and maintain Internet-based products and services, including datacenter costs and royalties; warranty costs; inventory valuation adjustments; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products.

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 multiple FDIC insured state and federal banking institutions. The Company had no cash equivalents at April 30, 2018 or 2017.

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Inventory

In accordance with *ASU 2015-11 – Inventory (Topic 330) – Simplifying the Measurement of Inventory*, the Company's 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.

As of April 30, 2018, 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, Plant, and Equipment

Property, plant and equipment ("PPE") 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.

The Company classifies its software under the *Financial Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFAS) No. 10, Accounting for Internal Use Software, and the Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting of Costs of Computer Software Developed or Obtained for Internal Use. When software is used in providing goods and services it is classified as PPE. The Company considers its 420 Cloud software as a major part of the Company's operations that is intended to provide profits.*

Accounts Receivable

The Company's accounts receivables are primarily through its construction and media and technologies segments. As the retail division is either paid through credit card processing and prepaid wholesale purchases, the Company projects insignificant amounts of 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 reviews the reserve, to i) determine if the reserve is probably uncollectible, and ii) if a loss is probable, a reasonable estimate of the amount of the loss. We then allocate a portion or all of the reserve for bad debt, in accordance with *FASB ASC 450-20-25-2*. Once the vendor releases the funds, the bad debt reserve is appropriately reversed. The Company recognized \$27,415 and \$11,030 as an uncollectable reserve for the periods ending April 30, 2018 and April 30, 2017, respectively.

Advertising Costs and Expense

The advertising costs are expensed as incurred. During the years ended April 30, 2018 and 2017, the advertising costs were \$78,801 and \$136,227, 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 that is amortized over their useful life in accordance with the guidelines of *ASC 350-30 General Intangible Other than Goodwill* and *ASC 350-50 Website Development Costs*. In addition to these finite intangible assets, the Company accounts for its infinite intangible assets without depreciation and/or amortization. These assets are reviewed annually by an independent review to determine if an impairment should be recognized. No impairment was warranted for the Company's infinite intangible assets.

Research and Development

The costs of research and development are expensed as incurred. During the years ended April 30, 2018 and 2017, the research and development costs were \$6,612 and \$15,530, 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.

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

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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 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* 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.

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares consist of Series A convertible preferred stock, convertible debentures, stock options and warrant common stock equivalent shares.

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 our e-cig products. 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 \$0 and \$904,914 in excess of federally insured limits at April 30, 2018 and 2017, respectively.

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.

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets, ASU 2011-08, Intangible-Goodwill and Other (Topic 350) Testing Goodwill for Impairment, and ASU 2012-02 Intangibles-Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment our intangible assets are evaluated for potential impairment annually, generally during the fourth quarter, by comparing the fair value of a reporting unit to its carrying value. If the carrying value exceeds the fair value, impairment is measured by comparing the derived fair value of to its carrying value, and any impairment determined would be recorded in the current period. The Company recognized no impairment on its intangible assets for the periods ending April 30, 2018 and April 30, 2017.*

Cost-Basis Investments

The Company's non-marketable equity investment in Omni Health, Inc., and Stony Hill Corp 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”*. The Company elected to purchase CBJ Distributing under its Option Agreement subsequent to this reporting period, as such we maintain the cost-basis for this option. During 2018 we impaired \$120,000 of our cost basis investment in VitaCBD, LLC. There were no impairment losses for 2017.

Equity-Basis Investments

The Company accounted for its approximately 9% ownership of VitaCig, Inc., (Nevada) as an equity-basis investment. As of April 30, 2018, and April 30, 2017, there is no net book value of the ownership of VitaCig, as 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.

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, 2018. Based on these actual expenses, the warranty reserve, as estimated by management as of April 30, 2018 and April 30, 2017 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, 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.

Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will incur and that the amount of the loss can be reasonably estimated. As of April 30, 2018 and April 30, 2017, the Company recognized a loss on contingencies of \$0 and \$0, respectively.

Stock Options

In September 2016, we adopted a stock option plan. We account for stock options in accordance with *ASC 718 – Compensation – Stock Compensation* for employees. The company incorporates *ASC Subtopic 505-50, Equity – Equity Based Payments to Non-Employees* for issuance of stock options to non-employees.

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.

On December 15, 2016, the following two ASU's became effective, *ASU 2015-11, Simplifying the Measurement of Inventory* issued July 2015 and *ASU 2014-09, Revenue From Contracts With Customers*, issued May 2014, and must be utilized in fiscal years beginning after the effective date. The company has adopted and implemented the standards as part of its 2017 fiscal year. The early implementation had no effect on the financial performance of the Company. The Company reports its inventory by segments.

In June 2014, the FASB issued ASU 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. 2015-08 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. 2015-03 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. 2015-09, 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, 2015. 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 May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which amends the existing accounting standards for revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. In March 2016, the FASB issued Accounting Standards Update No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (ASU 2016-08) which clarifies the implementation guidance on principal versus agent considerations. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customers. The new standard further requires new disclosures about contracts with customers, including the significant judgments the company has made when applying the guidance. We will adopt the new standard effective May 1, 2018, using the modified retrospective transition method. We finalized our analysis and the adoption of this guidance will not have a material impact on our financial statements and our internal controls over financial reporting.

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, 2015, 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, 2018 and 2017 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.

While the Company has positive cash flow and has recognized a substantial gain in 2017, the gain is due in large part to the selling of certain assets for

profit and the settlement of several claims. There are no assurances the Company can continue to generate a profit or maintain positive cash flow. The Company suffered losses from operations in all years prior to 2017 and in 2018, 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.

Note 4. Inventory and Work in Progress

The early implementation of *ASU 2015-11, Simplifying the Measurement of Inventory* had no effect on the financial performance of the Company. The Company reports its inventory by segments. The inventory levels for the segments for previous years are based upon best estimates of management and are provided for quality review measures only.

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Inventory Overview						
For the year ending April 30,						
	2018		2017		2018	2017
	Retail Sales		Agriculture		Total	
Inventory	\$ 39,334	\$ 54,278	\$ 23,953	-	\$ 63,297	\$ 54,278
Allowance for obsolete inventory	-	-	-	-	-	-
Total Inventory	\$ 39,334	\$ 54,278	\$ 23,953	\$ -	\$ 63,297	\$ 54,278

The Company reports its agriculture crop growth as work-in-progress until such time as the crop has been harvested and either sold or utilized by the Company.

Work in Progress Overview			
For the year ending April 30,			
	2018		2017
	Agriculture		
Work in progress New York	\$ 64,245	\$ -	-
Work in progress California	-	-	-
Total Work in progress	\$ 64,245	\$ -	-

Note 5: Accounts Receivable

The Company's has accounts receivable in construction, media and technologies, and retail sales.

In its retail sales the accounts receivable is primarily from its vendor tasked with accepting all credit card payments for purchases from its customers, and are held in escrow for potential chargebacks, and are reported at the amount due from the vendor. While the Company expects these receivables to be fully collectible it has created an allowance for doubtful accounts for the period. The Company recorded \$17,401 in accounts receivable from its retail customers in 2018 bringing the total amount due from merchant services to \$28,431. The Company has created a reserve of \$27,415. The Company has expensed this as bad debt in order to record the loss during the year in which it occurred. Management does not believe these funds will be collected and is currently weighing legal options and other methods available to collect. Should we collect any of these funds in subsequent years we will reverse the bad debt.

The Company recorded \$561,807 in accounts receivable from its CMD customers. The Company has created a reserve of \$559,145. The Company has expensed this as bad debt in order to record the loss during the year in which it occurred. Should we collect any of these funds through legal means in subsequent years we will reverse the bad debt.

The Company maintains subscription receivables of \$186,784 for the exercise of warrants and options. \$117,000 of the funds were not received prior to the filing of this report and as such are not incorporated in the balance sheet statement. A complete breakdown of the accounts receivable and subscriptions receivable is as follows:

Accounts Receivable			
For the year ending April 30,			
	2018		2017
A/R from credit card reserve	\$ 28,431	\$ 11,030	
A/R from direct customers	2,061,352	149,968	
Subscription receivables	186,784	366,614	
Allowance for bad debt	-	(11,030)	
Subscription receivable not received by time of filing	(117,300)	(366,614)	
Total Accounts Receivable	\$ 2,159,267	\$ 149,968	

Note 6. Property, Plant and Equipment

During 2017 the Company acquired equipment for its Rollies operation, a service whereby the company provides onsite packing services at dispensaries where marijuana cigarettes are sold. The cost of the machine includes actual cost, transportation, travel for inspection and testing. The Company acquired computer equipment for its Grow Contractors division, which it will depreciate over its useful life of 3 years.

In a major transaction, the Company acquired the 420 Cloud software environment which includes, 420 Cloud mobile, 420 Cloud browser, 420 Cloud API, WhoDab, BangPunch, 420 single sign-on mobile wallet, 420 job search, Weedistry, Ehesive, 420 cue, 420 wise guy, and Palm weed. At the end of the fiscal year the software was still in development. The Company launched 420 cloud mobile on April 20, 2017.

The following is a detail of equipment at April 30, 2018 and April 30, 2017:

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Property, Plant, and Equipment

	For the year ending April 30,	
	2018	2017
Office furniture	\$ 29,090	1,792
Rollies machine	5,066	5,066
Computer equipment	1,544	1,544
420 Cloud	3,127,251	3,063,635
ATM Machines	299,970	-
Total acquisition cost	\$ 3,462,921	3,072,037
Accumulated depreciation	324,902	1,540
Total property, plant, and equipment	\$ 3,138,019	3,070,497

Depreciation expense on property, plant and equipment was \$324,902 and \$1,540 for the years ended April 30, 2018 and 2017, respectively.

Note 7. Cost Basis Investments

The Company has invested \$967,608 through April 30, 2018. A breakdown of these investments include:

	For the year ending April 30,	
	2018	2017
Stony Hill Corp	\$ 700,000	700,000
Omni Health, Inc	152,023	152,023
CBJ Distributing Option	50,000	50,000
New York Hemp Pilot Program	50,000	-
California City Cannabis Licenses	15,585	-
Total acquisition cost	\$ 967,608	\$ 902,023

Note 8. Intangible Assets:

The company recognizes both finite lived and infinite lived intangible assets. All infinite lived intangible assets are evaluated by the Company and third-party appraisers to determine if any impairments are necessary. The evaluation determined that no impairment was necessary for the years ending April 30, 2018 and April 30, 2017. The intangible assets consist of:

	For the year ending April 30,	
	2018	2017
Cherry HempOil Trademarks	\$ 24,457	\$ 24,457
VitaCig Trademarks	31,404	31,180
VitaStik Trademarks	400,000	400,000
CBD Domain names	247,500	247,500
VitaStik Domain Names	12,500	12,500
VitaCBD, LLC	200,000	200,000
420Cloud Domain Names	100,000	100,000
Various Website Designs	41,760	32,208
Various other internet domain	3,348	3,348
Total acquisition cost	\$ 1,060,969	\$ 1,051,193
Less: Amortization	225,649	32,891
Current Intangible Assets	\$ 835,320	\$ 1,018,302

Intangible assets, net consisted of the following:

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	Intangible Assets			
	Weighted Average Useful Life (in Years)	As of April 30, 2018		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		\$	\$	\$
<i>Finite lived intangible assets</i>				
Website Designs	5	41,760	25,649	16,111
VitaCBD, LLC	5	200,000	200,000	-
Total finite lived intangible assets		241,760	225,649	16,111
<i>Infinite lived intangible assets</i>				
Internet domain names		363,348	-	363,348
Trademarks and intellectual properties		455,861	-	455,861
Total infinite lived intangible assets		819,209	-	819,209
Total Intangible Assets		1,060,969	225,649	835,320

The Company was amortizing VitaCBD, LLC at the rate of \$10,000 per quarter and had expensed \$50,000 through the end of April 30, 2018. As a result

of our annual impairment review we determined that our partner, Stony Hill Corporation, has elected to closed its operations through VitaCBD, LLC in which we were a minority 20% owner. We elected to impair the remaining \$150,000 in intangible value.

Intangible Assets				
	Weighted Average Useful Life (in Years)	As of April 30, 2017		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		\$	\$	\$
<i>Finite lived intangible assets</i>				
Website Designs	5	32,208	22,891	9,317
VitaCBD, LLC	5	200,000	10,000	190,000
Total finite lived intangible assets		232,208	32,891	199,317
<i>Infinite lived intangible assets</i>				
Internet domain names		363,348	-	363,348
Trademarks and intellectual properties		455,637	-	455,637
Total infinite lived intangible assets		818,985	-	818,985
Total Intangible Assets		1,051,193	32,891	1,018,302

Amortization expense on intangible assets was \$2,758 and \$788 for the years ended April 30, 2018 and 2017, respectively. The weighted average remaining useful life on intangible assets at April 30, 2018 is approximately 36 months.

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

Year	Amortization
2019	\$ 5,371
2020	5,370
2021	5,370
2022	0
2023	0
Total	\$ 16,111

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Note 9: Consolidated Statements of Operations Notes

Professional Fees

The Company's professional fees consists of legal fees, accounting fees, and securities fees. The legal fees include general corporate counsel fees, legal expenses associated with various law suits, and the preparation of SEC filings. We currently maintain a reserve for two legal actions, one in the state of Nevada and one in Oregon. Following is a breakdown of legal fees:

Professional Fees			
	For the year ending April 30,		
	2018	2017	
Legal fees	\$ 105,403	\$	37,631
Accounting fees	58,499		19,700
Securities fees	6,895		6,531
Reserve for Solaris action	592,924		-
Reserve for Oregon action	157,656		-
Total acquisition cost	\$ 921,377	\$	63,862

Consultant Fees

The Company utilizes consultants in many aspects of its daily operations. We adhere to the IRS code for classification of consultants versus employees. We utilize consultants in the following areas:

Consultant Fees			
	For the year ending April 30,		
	2018	2017	
Corporate	\$ 435,308	\$	389,300
Retail sales	585,880		50,447
Agriculture	84,399		-
Construction	152,378		25,794
Tech services	115,000		-
Total acquisition cost	\$ 1,372,965	\$	465,541

Bad Debts

The Company has recorded bad debt based upon its inability to collect merchant fees from its online retail operations. During the past year we have been unable to secure payment from our former merchant service provider who has went out of business. In addition, due to the two pending law suits in Nevada and Oregon, we have created a reserve for the unpaid invoices with these two customers.

Bad Debts

	For the year ending April 30,	
	2018	2017
Uncollectible merchant fees	\$ 12,462	\$ -
Uncollectible construction invoices	559,795	-
Total acquisition cost	\$ 572,257	\$ -

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Note 10. Business Segments

The Company operates primarily in four segments i) construction and consulting, ii) retail sales iii) media and technologies iv) agriculture, and corporate.

This summary reflects the Company's current segments, as described below.

Information concerning the revenues and operating income (loss) for the year ending April 30, 2018 and 2017, and the identifiable assets for the segments in which the Company operates are shown in the following table:

Business Segments						
For the Period Ended April 30, 2018	CMD	Retail	Technology	Agriculture	Corporate	Total
Revenue	\$ 3,673,218	\$ 2,041,616	\$ 1,363,846	\$ -	\$ -	\$ 7,078,680
Segment Income (Loss) from Operations	(698,351)	225,468	637,738	(121,405)	(1,120,379)	(1,076,929)
Total Assets	798,062	467,708	4,544,937	(77,680)	2,098,349	7,831,376
Capital Expenditures	15,715	225	403,186	86,363	(33,182)	472,307
Depreciation and Amortization	518	1,084	320,953	796	190,360	513,711

For the Period Ended April 30, 2017	CMD	Retail	Technology	Agriculture	Corporate	Total
Revenue	\$ 2,327,144	\$ 2,104,480	\$ -	\$ -	\$ 345,448	\$ 4,777,072
Segment Income from Operations	280,749	1,071,495	(12,890)	-	187,703	1,527,057
Total Assets	1,299,943	739,222	3,085,577	-	1,853,532	6,978,274
Capital Expenditures	9,778	308,202	3,063,635	-	1,575,856	4,957,471
Depreciation and Amortization	130	903	-	-	10,848	11,881

Note 11. Non-GAAP Accounting and GAAP Reconciliation – Net Income and EBITDA

The Company reports all financial information required in accordance with generally accepted accounting principles (GAAP). The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information because it is useful to understand MCIG's performance that many investors believe may obscure MCIG's ongoing operational results.

For example, MCIG uses non-GAAP net income (Adjusted Net Income), which excludes stock-based compensation, amortization of acquired intangible assets, impairment of intangible assets, costs from acquisitions, restructurings and other infrequently occurring items, non-cash deferred tax provision and litigation and related settlement costs. MCIG uses EBITDA and Adjusted Net Income, which adjusts net income (loss) for amortization of intangible assets, impairment of intangible assets, stock-based compensation, costs related to acquisitions, restructuring and other infrequently occurring items, settlement of litigation, gains or losses on dispositions, pro forma adjustments to exclude lines of business that have been acquired during the periods presented, current cash tax provision, depreciation, and interest expense (income), net.

The company believes that excluding certain costs from Adjusted Net Income and EBITDA provides a meaningful indication to investors of the expected on-going operating performance of the company. Whenever MCIG uses such historical non-GAAP financial measures, it provides a reconciliation of historical non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measure.

The following tables reflect the non-GAAP Consolidated Statements of Operations for the years ending April 30, 2018 and April 30, 2017, respectively.

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

	For the Year Ending April 30,	
	2018	2017
Sales	\$ 7,078,680	\$ 3,717,188
Total Cost of Sales	4,150,440	2,881,043
Gross Profit	2,928,240	836,145
Selling, general, and administrative	320,577	122,029
Professional Fees	170,797	63,862
Marketing & Advertising	78,803	136,227
Research & Development	6,612	15,530
Consultant Fees	1,372,965	465,541
Depreciation	2,758	271
Total Operating Expenses	1,952,512	803,460
Income (Loss) From Operations	975,728	32,685
Other Income (Expense)	-	-

Net Loss Before Non-Controlling Interest	975,728	32,685
Loss (Income) Attributable to Non-Controlling Interest	(128,073)	-
Net Income (Loss) Attributable to Controlling Interest	\$ 1,103,801	\$ 32,685
Basic and Diluted (Loss) Per Share:		
Income(Loss) per share from Continuing Operations	\$ 0.00	\$ 0.00
Income(Loss) Per Share	\$ 0.00	\$ 0.00
Weighted Average Shares Outstanding - Basic and Diluted	401,878,568	386,092,219

The following tables is a reconciliation of the EBITDA and Adjusted Net Income (non-GAAP measures) to the Net Income with the GAAP Consolidated Statements of Operations for the years ending April 30, 2018 and April 30, 2017, respectively.

Adjusted Net Income Reconciliation		
	For year ending April 30,	
CONSOLIDATED STATEMENT of OPERATIONS:	2018	2017
Net Income (Loss)	(1,076,929)	1,527,352
Interest		-
Depreciation and Amortization	513,711	11,881
EBITDA	(563,218)	1,539,233
Adjustment for Non-Intangible Asset Depreciation	(2,758)	(271)
Stock Based Compensation	346,940	151,675
Gains not in ordinary course of business	-	(1,607,952)
Settlements, bad debt, and legal costs	1,322,837	(50,000)
Adjusted net income	1,103,801	32,685

Note 12. Sale of Assets

On February 23, 2017, the Company entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Stony Hill Corp, a Nevada corporation ("Stony"). Pursuant to the terms and conditions of the Asset Purchase Agreement, the Company sold 80% of certain assets that comprise the VitaCBD business, which principally consisted of a brand name (the "Assets"), and an option (the "Option") to sell the remaining 20% for an additional purchase price of \$200,000. At the Closing, Stony formed a special purpose entity, VitaCBD LLC (the "Entity"), a Washington State LLC, into which Stony assigned the Assets as consideration for 80% ownership of the entity, and into which the Company assigned the remaining 20% of assets related to the Assets held by mCig as consideration for 20% ownership of the Entity. Stony shall have a majority control of the board of directors and officers and a majority control of the managers, directors and officers of the Entity. Profits and losses will be allocated based on ownership percentages.

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The VitaCBD business is primarily a line of cannabidiol ("CBD") retail brand products that include CBD tinctures, ejuices, edibles, isolates, salves, waxes, oils and capsules, as well as related trade names, social media, accounts and other related assets. The purchase price comprised of the following:

Purchase Price	
Cash	\$ 150,000
Fair value of 200,000 shares of Stony Hill Corp at \$2.84 per share issued upon close of Asset Purchase Agreement	568,000
Fair value of 150,000 shares of Stony Hill Corp at \$2.84 per share issued on May 24, 2017 (recorded as contractual consideration as of March 31, 2017)	426,000
Total sell price	\$1,144,000
Difference in Fair Market Value and contract stated price	294,000
Total value	\$ 850,000

The Company applied the provisions of *ASC 805, Business Combinations and ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business*, in accounting for the sell. Under this guidance, the Company accounted for the transaction as asset sale with the revenue generated attributed to the CBD Division of MCIg.

The Company recorded a cost basis investment of \$700,000 in Stony Hill Corp. The Company received \$994,000 in Stony stock based upon the date of delivery; however, under the terms of the agreement the acquisition price was set at \$2.00, the price of the stock on the date the agreement was entered into. The Company has elected to value the asset at the lesser price.

In addition, the Company added an intangible asset of \$200,000 representing its 20% ownership into VitaCBD, LLC which shall be amortized over a period of five years. The fair value of the 20% was \$228,000 on the date of assignment; however, the Company has granted Stony an option to acquire this 20% at the purchase price of \$200,000. The Company elected to value the asset at the lesser number. Amortization totaled \$10,000 for the fiscal year ended April 30, 2017 and will total \$40,000 per year until depleted. In 2018 Stony Hill determined to cease operations under VitaCBD, LLC and subsequently we impaired the remaining value at the end of FY2018.

In accordance with the Asset Purchase Agreement, if the average common stock market price of the Stony's common stock held by mCig falls below \$1.57 per share, or \$550,000 total value ("Market Value"), during any 7-day period during the first year following the Second Stock Issuance (May 24, 2017), then Stony is obligated to issue to mCig additional shares of the Stony's common stock to increase the then Market Value held by mCig to \$550,000. As of purchase price of \$2.00 per share for a total of \$400,000, with the remainder of \$300,000 in stock issued on May 13, 2017.

Note 13. Related Parties and Related Party Transactions

Related Parties

In addition to the subsidiaries of the Company, the following individuals/entities have been identified as related parties in accordance with the guidelines of *ASC 850 – Related Party Disclosures* :

Related Parties			
Name/Entity	Position	Became	Ended
Paul Rosenberg	CEO/Director	Inception	Current

Michael Hawkins	CFO	April 8, 2016	Current
Alex Mardikian	CMO	April 1, 2017	Current
Omni Health, Inc.	Greater than 10% stockholder	Inception	June 22, 2016
VitaCBD, LLC	Greater than 10% stockholder	March 15, 2017	April 30, 2018
Zoha Development, LLC	Scalable Solutions	March 3, 2016	December 31, 2016
Robert Kressa	CEO, Grow Contractors	November 1, 2016	Current
Ronald Sassano	Construction Manager	March 3, 2016	June 30, 2017

Intercompany Transfer Balances

We are a holding company that operates 9 subsidiaries. The Company will provide intercompany transfers between itself and the subsidiaries as needed for operations. In addition, a subsidiary may provide an intercompany transfer to one of MCIg's other subsidiary. The company documents these transfers as Intercompany Transfers which are eliminated under consolidation and eliminations. The following balances are recorded as Intercompany Transfers as of April 30, 2017:

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Details of intercompany transfers balances between the Company and its subsidiaries consist of:

Intercompany Transfers			As of
			April 30, 2018
Lender	Borrower		Amount
mCig, Inc.	Grow Contractors Inc.		154
VitaCig, Inc.	mCig, Inc.		129,099
mCig, Inc.	mCig Internet Sales, Inc.		298,522
mCig, Inc.	Obitx, Inc. (F/K/A GigeTech, Inc.)		578,661
mCig, Inc.	Vapolutions, Inc.		46,729
VitaCig, Inc.	Vapolutions, Inc.		8,000
VitaCig, Inc.	mCig Internet Sales, Inc.		11,815
VitaCig, Inc.	NYAcres, Inc.		10,000
VitaCig, Inc.	Tuero Capital, Inc.		20,000
mCig, Inc.	NYAcres, Inc.		298,000
Tuero Capital, Inc.	mCig, Inc.		3,337
mCig, Inc.	Cal Acres Foundation		15,585
mCig Internet Sales, Inc.	Grow Contractors Inc.		13,422
Tuero Capital, Inc.	mCig Internet Sales, Inc.		\$2,500
			As of
			April 30, 2017
Lender	Borrower		Amount
mCig, Inc.	Grow Contractors Inc.		465,575
VitaCig, Inc.	mCig, Inc.		8,982
mCig, Inc.	mCig Internet Sales, Inc.		451,022
mCig, Inc.	OBITX, Inc. (F/K/A GigeTech, Inc.)		3,076,467
mCig, Inc.	Vapolutions, Inc.		41,533
mCig, Inc.	Scalable Solutions, LLC		75,449

Related Party Transactions

During 2016, the Company advanced to Omni Health, Inc., ("OMHE") \$86,012 for internet product sales, and inventory purchases bringing the total outstanding balance due to the Company to \$186,276 on April 30, 2016, which was recorded as due from related party. During FY 2017 OMHE paid to the Company \$23,153 towards the outstanding liability. On June 22, 2016, the Company entered into a Separation and Share Transfer Agreement with OMHE (See Note 13) bringing the outstanding balance to \$95,000 at the time of closing. On October 31, 2016, we converted the note plus the interest earned (outstanding balance of \$98,105) into 17,677,058, as per the conversion formula. The fair market value of the stock received was \$152,023 at the time of conversion. The Company recognized a gain of \$53,918.

The Company entered a Line of Credit with Paul Rosenberg (see Subsequent Events) for up to \$100,000 in funding on May 1, 2016. During 2016, 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, 2017, the Company borrowed \$173,312 from Paul Rosenberg. On May 1, 2017, the Company increased the amount of the Line of Credit and Convertible Promissory Note for up to \$250,000 in funding by Paul Rosenberg to accurately record the day-to-day transactions of the Company and Paul Rosenberg. In February 2018 we increased the line of credit to \$1,000,000. As of April 30, 2018, the Company owed Mr. Rosenberg \$571,138, which includes the amount of \$120,000 earned, covered under his employment agreement which was not paid to Mr. Rosenberg.

On September 1, 2016, the Company entered into an employment agreement with Michael Hawkins, the Chief Financial Officer and an employment agreement with Paul Rosenberg, the Chief Executive Officer of the Company ("employees"). Mr. Hawkins was the Interim Chief Financial Officer which agreement was scheduled to expire on September 6, 2016. Mr. Rosenberg has been the CEO since inception and served without an agreement. The terms of the Agreement are the same. The agreements call for \$156,000 per year base salary with a three-year term. Only \$3,000 per month guaranteed to be paid in cash, while the remainder (\$10,000 per month) is booked as a note due, which may be converted into shares of the company at then current price per share. The initial year's conversion option was accrued upon entering into the agreement. The employees earn annual bonuses based upon gross sales, net profits, and annual increases in sales and profits. The Company and employees may elect to convert a portion of this salary into equity of the company. In addition, each employee was issued a seven-year warrant to acquire four percent (4%) of the Company Stock at the market price as of September 1, 2016 with 25% vested immediately and 25% on each subsequent year anniversary of employment. On September 1, 2017 Mr. Hawkins agreement was modified to \$10,000 per month and his options vested.

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On September 1, 2016 the company's Chief Financial Officer, Michael Hawkins, exercised a Warrant purchasing 4,800,000 shares of common stock at the price of \$0.025, totaling \$120,000. The purchase price was offset by the \$120,000 owed to Mr. Hawkins under his employment agreement. Mr. Hawkins gifted 1,000,000 shares of his stock to Carl G. Hawkins, his son.

On December 31, 2016, the Company shutdown Scalable Solutions. The total losses of Scalable Solutions during its existence was \$70,159. The Company elected not to pursue payment from Zoha Development, LLC for the 20% in losses it owed as a matter of the shutdown. The Company believed that the benefits of continuing to work with Ronald Sassano, and the potential revenue he would bring to the Company, outweighed the \$14,031 loss recorded by MCIG.

On January 17, 2017, we entered into a settlement agreement with the previous owners of Vapolution, Inc. The owners returned 1,700,000 shares of mCig common stock to the Company. See Note 13, Acquisitions for further details of the transaction.

On January 23, 2017 the company's Chief Financial Officer, Michael Hawkins, exercised a Warrant purchasing 616,551 shares of common stock at the price of \$0.025, totaling \$15,414. The amount was originally listed as a subscription receivable which was paid in full prior to the end of fiscal year 2017.

On January 31, 2017, the company sold 25,000 shares of Series A Preferred Stock to Paul Rosenberg, the company's Chief Executive Officer, at \$4.00 per share for a total purchase price of \$100,000. In addition, the company granted Mr. Rosenberg a five-year warrant to purchase 250,000 shares of common stock at \$0.75 per share.

On January 31, 2017, the company sold 25,000 shares of Series A Preferred Stock to Epic Industry Corp., a wholly owned company by Michael Hawkins, the company's Chief Financial Officer, at \$4.00 per share for a total purchase price of \$100,000. In addition, the company granted Epic Industry Corp. a five-year warrant to purchase 250,000 shares of common stock at \$0.75 per share.

On February 23, 2017, we entered into a purchase agreement with VitaCBD, LLC where we sold our 20% ownership of the VitaCBD brand to Stony Hill Corp in exchange for 20% of VitaCBD, LLC. See Note 13, Acquisitions.

On April 1, 2017, the Company entered into an employment agreement with Alex Mardikian, the Chief Marketing Officer. The term of the agreement was for a period of one year. The agreement calls for \$84,000 per year base salary with various performance based incentives and bonuses. In addition, Mr. Mardikian received an option to acquire 4% of OBITX, Inc., at par value, and an option to acquire 1,000,000 shares of MCIG common stock at \$0.23 per share with certain vesting requirements. Either party may terminate the agreement upon 30 days written notice to the other party. On November 1, 2017 this agreement was terminated as Mr. Mardikian became the CEO of OBITX and entered into an agreement with OBITX.

Since the Separation and Share Transfer Agreement, we have provided certain consulting services to OMHE throughout the remainder of 2017. As of April 30, 2018, we were owed \$4,392 for services provided.

On September 1, 2017 the company's Chief Financial Officer, Michael Hawkins, exercised a Warrant purchasing 5,416,551 shares of common stock at the price of \$0.025, totaling \$135,414. The purchase price was offset by the \$135,414 owed to Mr. Hawkins under his employment agreement.

On November 1, 2017, the company assigned all rights and obligations to the 420 Cloud Software Network to OBITX in exchange for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock. The cost basis of the Assets at the time of transfer was \$3,043,285. MCIG conducted an independent review of the Assets in August 2017. The independent review stated that no impairment was needed and that the assets had a fair market value in excess of the current cost basis.

On March 31, 2017 MCIG acquired 10,000 shares of OBITX common shares representing 100% ownership at the time.

On August 1, 2017, the Company entered into a contract with OBITX for hosting and email services. In addition, the OBITX will provide additional marketing services for MCIG and other internet based activities as mutually agreed upon. Under terms of the agreement, MCIG is to \$2,000 per month for a period of 12 months. All additional services not identified are billed at an hourly rate of \$150 per hour.

On September 13, 2017, OBITX entered into an agreement to provide social media and other advertising services to Render Payment, LLC. The contract calls for the payment of \$1,250,000 for services rendered with a 90 day payment term. Michael Hawkins, the former Chief Financial Officer, is a non-controlling member with greater than 10% ownership in Render Payment, LLC.

On November 1, 2017 the Company entered into separate agreements with Alex Mardikian ("Company Officers"), and Paul Rosenberg ("Company Director"). The Company Officers and Company Director agreements were for an initial 90 day period. Mr. Mardikian has been the CEO of OBITX since inception and has served as MCIG's Chief Marketing Officer. The agreement calls for a numerical amount in monthly payments, which may be converted into common stock of OBITX, and a warrant to acquire shares through a vesting schedule. In addition, Mr. Mardikian was authorized to acquire certain shares with registration rights.

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The Company entered a Line of Credit with OBITX, for up to \$500,000 in funding on November 1, 2016. The Line of Credit will terminate on April 30, 2019. It was given at a 0% interest rate and is payable upon termination date with the option to convert the agreement into equity at a 15% discount to the then current market rate. Since inception, OBITX had various transactions in which MCIG paid expenses on behalf of OBITX. As of January 31, 2018, OBITX borrowed \$3,567,163 from MCIG. \$3,043,285 of which represents the 420 Cloud Software Network that was exchanged for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock on November 1, 2017. As of April 30, 2018, the amount outstanding on the Line of Credit with OBITX is \$578,661. The Line of Credit was increased to \$1,000,000 on January 1, 2018.

On November 1, 2017, OBITX entered into a consulting agreement with Alex Mardikian, the Chief Executive Officer. The agreements call for \$7,000 per month for a period of one year. The payments may be booked as a note due, which may be converted into shares of the company at a then-current price per share. The Company and consultant may elect to convert a portion of this into equity of the company. In addition, he was authorized to purchase 50,000 shares of common stock at par value (\$0.0001 per share), and was issued a seven-year warrant to acquire 250,000 shares of OBITX Stock at \$1.00 per share or at the opening price on a federally regulated exchange service, whichever is less.

On November 1, 2017 Alex Mardikian, OBITX's Chief Executive Officer, purchased 50,000 shares of OBITX common stock for \$5.00.

On November 1, 2017 Paul Rosenberg, the company's Director, purchased 500,000 shares of OBITX common stock for \$50.00.

On November 1, 2017 Epic Industry Corp, a wholly owned company of MCIG's Chief Financial Officer, Michael Hawkins, purchased 250,000 shares of OBITX common stock for \$25.

On November 1, 2017 Paul Rosenberg entered into an agreement with OBITX to purchase up to 5,000,000 shares of common stock at the price of \$0.10 per share. As of the time of this filing Mr. Rosenberg has purchased 2,500,000 for \$250,000.

Note 14. Commitments and Contingencies

On February 13, 2017, the Company entered into a binding Letter of Intent with CBJ Distributing, LLC (“CBJ”). In exchange for \$50,000 in inventory financing, we were issued an option to acquire 80% of CBJ based upon the following formula: The purchase price (“Purchase Price”) equals the sum of money identified by the formula $[(\text{assets-liabilities}) + (\text{net income}) \text{ times three}]$, which may be paid through some combination of cash, secured convertible note, and/or Common Stock of mCig, which price may be adjusted upon terms mutually satisfactory to the parties based upon an audit of the financial statements and condition of CBJ. The option to acquire expires on June 30, 2018. Under terms of the LOI, CBJ will conduct its business under the joint operational control and authority of mCig, in which CBJ shall report to mCig’s Board of Directors; all sales and expenses of CBJ, shall flow through mCig, with financial oversight provided by mCig’s Chief Financial Officer. Through June 30, 2018, the net profit of CBJ shall be distributed 80% to the owners of CBJ with the remaining amount to mCig. On June 30, 2018 we acquired CBJ Distributing, LLC. See Subsequent Events for additional details.

Rent expense for the year ended April 30, 2018 and 2017 was \$37,078 and \$8,400, respectively. Our commitment for rent expense terminated on April 30, 2017. The company currently rents on a month-by-month basis.

Note 15. Acquisitions

The Company considers *FASB 805-10-55, Implementation Guidance and Illustrations for Business Combinations* when accounting for acquisitions. The Company has elected to implement *ASU 2017-01, Clarifying the Definition of a Business* although its required implementation date is for financial statements for periods beginning after December 15, 2017. The Company believes the early implementation of ASU 2017-01 has no material effect on its financial reporting.

Domain Acquisitions

On May 15, 2016 the Company acquired three domain names. The Company considers the acquisition of these domain names as a purchase of an asset, not a business. In this particular acquisition, we acquired the domain names, which at the time of acquisition had not been utilized in the market. At the time of acquisition, the assets had no operational income and could not generate revenue without the Company developing a business operation for the domain names.

The Company considers the acquisition of these domain names as a purchase of an asset, not a business. ASU 2017-01 added two major changes to the current guidance to narrow the application of its definition of a business. Under ASU 2017-01, the first analysis, referred to as the Screen states that if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set does not qualify as a business. As such, it gets caught in the Screen and will not fall under the rules of ASC 805. In this particular acquisition, we acquired a group of similar identifiable assets, CBD domain names. 100% of the purchase price was allocated for the domain names. In accordance to rule, the following table reflects the determination of the purchase price of the domain names:

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CBD Domain Name Asset Purchase Price

7,500,000 shares of MCIG stock at fair market value	\$	247,500
Total Purchase Price	\$	247,500

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

CBD Domain Name Accounting Classifications

Intangible assets - Domains	\$	247,500
Total assets acquired	\$	247,500
Additional paid in capital, net stock issuance	\$	247,500
Total equity	\$	247,500

Omni Health, Inc., formerly known as VitaCig, Inc.

On June 22, 2016, the Company and Omni Health, Inc., FKA VitaCig, Inc., (“OMHE”) entered into a Separation and Share Transfer Agreement whereby OMHE transferred the assets and operations of its electronic cigarette (“E-Cig”) business to the Company in exchange for the return of 172,500,000 shares of OMHE Common Stock to the treasury of OMHE, and for a reduction of the amount owed to the Company by OMHE in excess of \$95,000.

The Company recognized a purchase price of the E-Cig business of \$68,123. In consideration of *FASB 805-55-20 thru 23, Effective Settlement of a Preexisting Relationship Between the Acquirer and Acquiree in a Business Combination*, the Company determined the purchase price to be \$68,123, which is the amount owed by OMHE to the Company above the \$95,000 convertible promissory note. In addition, the company returned 172,500,000 shares of OMHE Common Stock, which had a current market value of \$1,052,250, but had no recorded net present value on the Company’s balance sheet. In accordance to rule, the following table reflects the determination of the purchase price of the E-Cig business:

E-Cig Business Acquisition Price

Balance owed to MCIG as of April 30, 2016 (audited)	186,276
Book value of 172,500,000 shares of OMHE common stock	-
Payments received between May 1 - June 21, 2016	(23,153)
Conversion into Convertible Note on June 3, 2016	(95,000)
Balance due on June 22, 2016 (purchase price)	68,123

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

E-Cig Accounting Classifications

Cash	\$	44,281
Accounts Receivable		10,518
Prepaid Expenses		3,300
Inventory		26,608

Intangible assets - website		1,393
Intangible assets - VitaCig Brand		28,820
Related Party Receivable		(68,123)
Total assets acquired	\$	46,797
Current Liabilities	\$	12,923
Deferred Revenue		31,874
Due to Related Party		2,000
Total liabilities assumed	\$	46,797

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The E-Cig business, along with the associated assets and liabilities were subsequently assigned to VitaCig, Inc., a wholly owned subsidiary of MCIG, Inc.

Gray Matter, LLC - Cherry Hemp Oil (CHO)

On August 15, 2016, the Company entered into an Asset Purchase Agreement with Gray Matter, LLC. The Agreement was consummated on September 1, 2016. The Company acquired all inventory and intellectual property in exchange for \$30,000 in common stock. As a condition to this acquisition, the Company entered into a Consulting Agreement with John James Southard who became the President, mCig CBD Division.

The purchase price of the assets of Gray Matter, LLC – Cherry Hemp Oil (“CHO”) was \$30,000. The Company recognized the purchase of the Cherry Hemp Oil business. The Company issued \$30,000 in common stock of MCIG based upon the closing price of stock on the date of the entering into a definitive agreement for the acquisition of CHO (August 15, 2016). In accordance to rule, the following table reflects the determination of the purchase price of the CHO business:

CHO Business Acquisition Price		
882,353 Shares of MCIG Stock	\$	30,000
Total Purchase Price	\$	30,000

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

CHO Accounting Classifications		
Cash	\$	4,456
Inventory		3,545
Accounts Receivable		87
Intangible assets (Website)		24,457
Total assets acquired	\$	32,545
Deferred Revenue	\$	545
Due to Related Party		2,000
Total liabilities assumed	\$	2,545
Additional paid in capital, net stock issuance	\$	30,000
Total equity	\$	30,000
Total liabilities assumed and equity increase	\$	32,545

The CHO business, along with the associated assets and liabilities were subsequently assigned to MCIG Internet Sales, Inc., a wholly owned subsidiary of MCIG, Inc.

Agri-Contractors, LLC

On November 1, 2016, the Company entered into an Asset Purchase Agreement with Agri-Contractors, LLC. The Agreement was consummated on November 18, 2016. The Company acquired all intellectual property in exchange for \$160,000 in common stock. As a condition to this acquisition, the Company entered into a Consulting Agreement with Robert Kressa II, who became the President and CEO of Grow Contractors Inc., a wholly owned subsidiary of MCIG, Inc.

The Company considers the acquisition of Agri-Contractors, LLC as a purchase of an asset, not a business. In this particular acquisition, we acquired a group of similar identifiable assets, the Grow Contractors brand and website. 100% of the purchase price was allocated for to the intangible assets of the brand and website. In accordance to rule, the following table reflects the determination of the purchase price of the Grow Contractors brand and website:

Grow Contractors Brand and Website Asset Purchase Price		
1,000,000 Shares of MCIG Stock	\$	160,000
Total Purchase Price	\$	160,000

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The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

Grow Contractors Accounting Classifications		
Intangible assets - website	\$	15,000
Intangible assets - Grow Contractors brand		145,008
Total assets acquired	\$	160,008
Other Current Liabilities	\$	8

Total liabilities assumed	\$	8
Additional paid in capital, net stock issuance	\$	160,000
Total equity	\$	160,000
Total liabilities assumed and equity increase	\$	160,008

Vapolution, Inc.

On January 17, 2017, the Company acquired operational control of Vapolution, Inc., through a settlement agreement. Under the terms of the settlement agreement the Company gained operational control of Vapolution, Inc., and the previous owners relinquished back to the Company 1,700,000 shares of MCIG common stock.

On January 23, 2014, the Company acquired Vapolution, Inc. for 5,000,000 shares of common stock. The Company issued 2,500,000 on October 30, 2015 with the final installment of 2,500,000 issued on October 1, 2015. In accordance with the agreement mCig, Inc. acquired 100% of Vapolution, Inc., but operational control for the following 10 years remained with the previous owners. Furthermore, the previous owners retained the right to rescind the transaction until June 30, 2017. As such, the Company continues to treat the investment into Vapolution, Inc., as an investment, not a consolidation. The Company's non-marketable equity investment in Vapolution was recorded using the cost-basis method of accounting, and was previously 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.

The settlement agreement with the previous owners of Vapolution, Inc., returned to the Company 1,700,000 shares of MCIG common stock, \$961 in cash, and \$40,541 in inventory. In accordance to rule, the following table reflects the determination of the purchase price of the E-Cig business:

Vapolution Business Acquisition Price		
1,700,000 Shares of MCIG Stock at fair market value	\$	680,000
Cash		961
Inventory		40,541
Total Purchase Price	\$	721,502

In consideration of *FASB 805-55-20 thru 23*, Effective Settlement of a Preexisting Relationship Between the Acquirer and Acquiree in a Business Combination, the Company determined a preexisting contractual relationship existed, and that the purchase price would be the amount of the fair market value of the terms within the settlement agreement and subsequently reported as a gain in its financial statements.

An accounting of the transaction is as follows:

Vapolution Gain on Acquisition		
Total purchase price	\$	721,502
Original purchase price	\$	692,500
FY 2015 Impairment recorded		625,000
Preexisting contractual relationship value at time of acquisition	\$	67,500
Gain on acquisition	\$	654,002

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VitaCBD, LLC

On February 23, 2017, we entered into a purchase agreement with VitaCBD, LLC where we sold 20% ownership of the intellectual property rights and inventory of the VitaCig brand in exchange for 20% of VitaCBD, LLC. Prior to this, we sold 80% of the intellectual property rights associated with the VitaCBD brand to Stony Hill Corp for \$850,000. (See Note 10) Stony Hill Corp incorporated VitaCBD, LLC and simultaneous with MCIG's assignment, assigned its 80% ownership to VitaCBD, LLC, giving VitaCBD, LLC 100% ownership of the VitaCBD brand. The following chart shows the fair market value of the VitaCBD brand at the time of sale to Stony Hill:

	Total	Stony Hill	MCIG
VitaCBD Inventory	7,000	7,000	-
VitaCBD Trademark	1,484	1,484	-
VitaCBD website and design	22,591	22,591	-
Intangible Asset - VitaCBD brand	1,031,125	818,925	212,200
Fair market value of VitaCBD brand	1,062,200	850,000	212,200

In consideration of *FASB 805-55-20 thru 23*, Effective Settlement of a Preexisting Relationship Between the Acquirer and Acquiree in a Business Combination, the Company determined a preexisting contractual relationship existed, and that the purchase price would be lesser amount of the fair market value or the net book value of the assets on our balance sheet at the time of acquisitions. The fair market value of the assets at the time of the acquisition was \$212,000 and the actual book value on our balance sheet was \$-0-. As such, the Company determined the purchase price of the 20% of VitaCBD, LLC was \$-0-. The company treats this acquisition as a cost basis investment and as such reported as a gain on its financial statements. In according to FASB 325-20-30-2, Nonmonetary Exchange of Cost Method Investments, an accounting of the transaction is as follows:

VitaCBD, LLC Gain on Acquisition		
Fair market value of VitaCBD, LLC at time of acquisition	\$	1,062,200
Write down of MCIG 20% value		(212,200)
Value of VitaCBD, LLC after MCIG write down	\$	850,000
MCIG 20% value of VitaCBD, LLC	\$	170,000
MCIG book value contribution		-
Cost basis investment - gain on asset	\$	170,000

Vapomins V ertiebsgesellschaft mbH

On February 1, 2017, the Company acquired all the intellectual property, to include all federal and international domains, trade secrets, and trademarks, associated with the VitaStik brand. The purchase price was 1,500,000 shares of MCIG, Inc., common stock.

The Company considers the acquisition of the VitaStik brand as a purchase of an asset, not a business. In this particular acquisition, we acquired a group of similar identifiable assets, the VitaStik brand, trade secrets, and domain names. The assets have no operational income and cannot generate revenue without major consideration and effort by the Company. In accordance to rule, the following table reflects the determination of the purchase price of the VitaStik brand, trade secrets, and domain names.

VitaStik Brand, Trademarks and Domains Asset Purchase Price		
1,500,000 Shares of MCIG Stock	\$	412,500
Total Purchase Price	\$	412,500

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

VitaStik Accounting Classifications		
Intangible assets - domains	\$	12,500
Intangible assets - VitaStik trademarks		400,000
Total assets acquired	\$	412,500
Additional paid in capital, net stock issuance	\$	412,500
Total equity	\$	412,500

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APO Holdings, LLC

On March 31, 2017 the Company acquired software code for a cloud based social media platform to be known as 420Cloud. The Company considers the acquisition of 420Cloud as a purchase of an asset, not a business. In this particular acquisition, we acquired software code and supporting functions for five different software packages that had not been finalized, marketed, and launched at the time of acquisition. The Company expects to continue to expend a significant amount of time and capital to further develop the software. At the time of acquisition, the assets have no operational income and could not generate revenue without major consideration and effort by the Company. In accordance to rule, the following table reflects the determination of the purchase price of 420Cloud.

420 Cloud Asset Purchase Price		
12,222,222 shares of MCIG stock at fair market value	\$	2,994,444
90-day convertible promissory note		150,000
Total Purchase Price	\$	3,144,444

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed, and their accounting classifications, at the date of acquisition:

420Cloud Accounting Classifications		
Software - 420 Cloud	\$	1,100,556
Software - 420 Cloud API System		314,444
Software - WhoDab		314,444
Software - 420 Job Search		786,111
Software - Ehesive		628,889
Total assets acquired	\$	3,144,444
Short term note	\$	150,000
Total liabilities assumed	\$	150,000
Additional paid in capital, net stock issuance	\$	2,994,444
Total equity	\$	2,994,444
Total liabilities assumed and equity increase	\$	3,144,444

Stony Hill Corp

In conjunction with the sale of the VitaCBD brand to Stony Hill Corp the Company was issued \$700,000 in equity ownership of Stony Hill Corp. On February 13, 2017, we acquired 200,000 shares of Stony Hill Corp at the purchase price of \$2.00 per share. On May 13, 2017, the Company was issued an additional 150,000 shares in Stony Hill Corp. We account for this acquisition as a cost basis investment.

Pro-forma Financial

In accordance with ASC 805-10-50, the Company is providing the following unaudited pro-forma to present a summary of the combined results of the Company's consolidated operations with the acquisitions as if the acquisitions had been completed as of the beginning of the reporting period. For purposes of this pro-forma, we combined only those acquisitions in which we considered a business acquisition; i.e., E-Cig business, CHO business, and Vapolution business.

Pro-forma Financial Statement Incorporating all Acquisitions			
		For period ending April 30,	
CONSOLIDATED STATEMENT OF OPERATIONS:		2018	2017
Sales	\$	7,078,680	\$ 4,882,911
Cost of Sales		4,471,393	2,907,240
Gross Profit		2,607,287	1,975,671
Operating Expenses		3,782,287	978,120
Income (Loss) from Operations		(1,175,000)	997,551
Other Income / (Expense)		-	1,696,781

Net Income (Loss) Before Non-Controlling Interest	\$ (1,175,000)	\$ 2,694,332
Gain Attributable to Non-Controlling Interest	(128,073)	17,540
Net Income (Loss) Attributable to Controlling Interest	\$ (1,046,927)	\$ 2,676,792

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Note 16. Stockholders' Equity

Common Stock

As of April 30, 2018, the Company was authorized to issue 560,000,000 common shares at a par value of \$0.0001. As of April 30, 2018, the Company had issued and outstanding, 415,610,809 common shares. During 2018 we issued 29,516,551 shares of common stock.

During the year ended April 30, 2018 the Company issued 5,950,000 shares of common stock for services rendered valued at \$346,940 and issued 13,566,551 shares of common stock valued at \$927,714 for investment purposes. In addition, the Company issued 10,000,000 shares in conversion of Series A Preferred stock into common stock.

As of April 30, 2017, the Company was authorized to issue 560,000,000 common shares at a par value of \$0.0001. As of April 30, 2017, the Company had issued and outstanding, 386,092,219 common shares. During 2017 we issued 85,002,926 shares of common stock and cancelled 5,224,923.

Preferred Stock

The Company has authorized 50,000,000 shares of preferred stock, of which it has designated 23,000,000 as Series A Preferred, at \$0.0001 par value. The Company has 11,850,000 issued and outstanding as of April 30, 2018. There were a total of 12,850,000 issued and outstanding as of April 30, 2017. 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.

During 2018 Mr. Rosenberg, the Company's CEO elected to convert 1,000,000 shares of Series A Preferred stock into 10,000,000 shares of common stock.

During 2017 Mr. Rosenberg, the Company's CEO, retired 7,000,000 shares of Series A Preferred stock. Four shareholders elected to convert 3,200,000 Series A Preferred shares into 32,000,000 common shares.

On January 31, 2017, the company issues 50,000 Series A Preferred shares in exchange for \$200,000.

Note 17. 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:

	2018	2017
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%

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.

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Income Tax Computation		
	2018	2017
	Tax Asset	Tax Asset
Income (Loss) per Books	(1,076,937)	1,527,057
Sales of non-taxable assets	-	57,502
Deferred Expenses	750,579	-
Stock-based compensation	346,940	151,675
Stock received for sales	-	615,608
Amortization	190,000	-
NOL (Net Income)	(210,592)	(702,272)
Prior NOL	624,569	1,326,841
Current NOL	413,977	624,569

At April 30, 2018 and 2017, the Company had net operating loss carry forwards available to offset future taxable income of approximately \$413,977 and \$624,569, 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 2010 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, 2018, 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 to offset 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, 2018 and 2017, 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, Florida, New York, and Nevada. The Company is subject to U.S. federal and state income tax examinations by tax authorities for tax years 2014 through 2018 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, 2018 or 2017. The Company's policy is to recognize interest and penalties related to income taxes as components of interest expense and other expense, respectively.

Note 18. 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.

	Basic Income (Loss) Per Common Share	
	For the period ended April 30,	
	2018	2017
Net income (loss) before non-controlling interest	(1,205,002)	1,544,597
Net income (loss) from non-controlling interest	128,073	(17,540)
Net income (loss)	\$ (1,076,929)	\$ 1,527,057
Basic income (loss) per common share before non-controlling interest	(0.0028)	0.0040
Basic income (loss) per common share from non-controlling interest	0.0003	(0.0000)
Basic income (loss) per share	(0.0027)	0.0040
Basic weighted average number of shares outstanding	401,878,568	386,092,219

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

Note 19. Stock Option Plan

Under its Year 2016 Stock Option Plan (the "Plan"), the Company grants stock options for a fixed number of shares to employees and directors with an exercise price equal to the fair market value of the shares at the date of grant.

Options granted under the Plan are exercisable at the exercise price of grant and, subject to termination of employment, expire three years from the date of issue, are not transferable other than on death, and vest in monthly installments commencing at various times from the date of grant. As of April 30, 2018, the Company recorded compensation cost of \$0 within operating expenses related to stock options granted in 2018.

The weighted average fair value at date of grant for options granted during fiscal 2018 is \$0.1362 per option. The fair value of each option at date of grant utilized the closing price of the stock on the date of issue.

A summary of the Company's stock option plan as of April 30, 2018 is presented below:

	Stock Option Summary	
	Shares	Weighted Average Exercise Price
Options outstanding at May 1, 2016	-	\$ -
Granted in FY 2017	32,800,000	0.1362
Forfeited in FY 2017	10,800,000	0.0213
Exercised in FY 2017	9,923,170	0.0421
Options outstanding at April 30, 2017	12,076,830	0.0485
Granted in FY 2018	9,551,830	0.1840
Forfeited in FY 2018	4,376,830	0.0583
Exercised in FY 2018	3,450,000	0.0340
Options outstanding at April 30, 2018	12,225,000	\$ 0.0869

There are currently 24,576,830 unissued options under the 2016 Stock Option Plan.

The following table summarizes information for stock options outstanding at April 30, 2018:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding @ 4/30/18	Weighted-Average Remaining in years	Weighted-Average Exercise Price	Number Exercisable @ 4/30/17	Weighted-Average Exercise Price
\$0.034 - \$0.244	12,225,000	1.00	\$ 0.0869	12,225,000	\$ 0.0869

Note 20. Warrants

A total of 43,332,412 warrants were issued on September 1, 2016 to various individuals/entities. These warrants were issued as a condition of employment agreements with the CEO and CFO. A total of 10,833,103 shares vest immediately with 10,833,103 vesting on the anniversary date for three years. The conversion price of the warrants is at \$0.025.

On January 31, 2017, the company granted Mr. Rosenberg and Mr. Hawkins a five-year warrant to purchase 250,000 shares each of common stock at \$0.75 per share.

On September 1, 2017 the remaining warrants issued to Michael W. Hawkins were vested in exchange for his reduction in salary.

A summary of warrant activity for period ended April 30, 2018 is as follows:

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Stock Warrant Summary

	Shares	Weighted Average Exercise Price
Warrants outstanding at May 1, 2016	-	\$ -
Granted in FY 2017	43,832,412	0.2060
Exercised in FY 2017	10,833,102	0.0250
Warrants outstanding at April 30, 2017	32,999,310	0.0250
Granted in FY 2018	-	-
Exercised in FY 2018	6,416,551	0.0250
Options outstanding at April 30, 2018	26,582,759	\$ 0.2060

Note 21. Subsequent Events

On June 1, 2018 the Company acquired 2.5 acres of land in California City, California for \$230,000. The Company intends to operate CAAcres, Inc., under the cultivation, distribution, and manufacturing licenses owned by CAL Foundation on the premises.

On June 30, 2018 the Company exercised its option to acquire CBJ Distributing, LLC with an effective date of May 1, 2018.

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

On November 15, 2016, and effective the same date, on the recommendation of the Registrant's Board of Directors, the Registrant engaged Weinstein & Company, as its independent registered audit firm to audit the Registrant's financial statements for the fiscal year ended April 30, 2017 and to perform procedures related to the financial statements included in the Registrant's quarterly reports on Form 10-Q, beginning with the quarter ending October 31, 2016. The Company elected to utilize Weinstein & Company as its independent registered audit firm to audit the Registrant's financial statements for the fiscal year ended April 30, 2018.

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, 2018. 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.

Scope of Management's Report on Internal Control Over Financial Reporting

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of CBJ Distributing, LLC, which we are incubating and maintain an option to acquire until June 30, 2018. Under an agreement, the Company operates in consolidation with MCIG for financial reporting.

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.

Our Chief Executive Officer and Chief Financial Officer have performed an evaluation of our internal control over financial reporting under the framework in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at April 30, 2018.

Based on the results of its assessment, our management concluded that our internal control over financial reporting was not effective as of April 30, 2018 based on such criteria. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

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Risk Assessment – We did not have an effective risk assessment process. From a governance perspective, we historically did not have a formal process to identify, update and assess risks, including changes in our business practices that could significantly impact our consolidated financial statements as well as the system of internal control over financial reporting.

Control Environment – We did not maintain an effective control environment as evidenced by:

- Lack of majority independent board members.
- An insufficient number of personnel to adequately exercise appropriate oversight of accounting judgements and estimates.

Control Activities – We did not have control activities that were designed and operating effectively to identify and address all likely sources of material misstatements, including non-standard transactions. In addition, management review controls were not sufficient or in place to identify all potential accounting errors.

Information and Communications – We did not implement appropriate information technology controls related to access rights for certain financial spreadsheets that are relevant to the preparation of the consolidated financial statements and our system of internal control over financial reporting. In addition, we did not implement the appropriate information technology disaster recovery controls in place to ensure the completeness of financial information surrounding Terra Tech revenues and inventory.

Monitoring – We did not maintain effective monitoring of controls related to the financial close and reporting process. In addition, we did not maintain the appropriate level of review and remediation of internal control over financial reporting deficiencies throughout interim and annual financial periods.

We have not had sufficient time to fully remediate the aforementioned deficiencies and/or there was insufficient passage of time to evidence that the controls that were implemented during 2017 were effective. Therefore, the aforementioned control deficiencies continued to exist as of April 30, 2017. We believe the control deficiencies described herein, individually and when aggregated, represent material weaknesses in our internal control over financial reporting at April 30, 2017 since such deficiencies result in a reasonable possibility that a material misstatement in our annual or interim consolidated financial statements may not be prevented or detected on a timely basis by our internal controls. As a result of our assessment, we have therefore concluded that our internal control over financial reporting was not effective at April 30, 2018.

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

Material Weakness Discussion and Remediation

We believe that the consolidated financial statements included in this Annual Report on Form 10-K for the year ended April 30, 2018 fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

We were not able to fully implement and/or test the design and the operating effectiveness of our control procedures as of April 30, 2018. This required us to design new processes and controls concurrently, and thus did not allow us sufficient time to fully implement and/or test the design and operating effectiveness of the new controls.

We intend to continue to take appropriate and reasonable steps to make necessary improvements to our internal control over financial reporting, including:

- Continuing to improve the control environment through (i) being staffed with sufficient number of personnel to address segregation of duties issues, ineffective controls and to perform control monitoring activities, (ii) increasing the level of GAAP knowledge through retaining of a technical accountant, (iii) implementing formal process to account for non-standard transactions, and (iv) implementing and formalizing management oversight of financial reporting at regular intervals;
- Continuing to update the documentation of our internal control processes, including implementing formal risk assessment processes;
- Implementing control activities that address relevant risks and assure that all transactions are subject to such control activities;
- Ensure systems that impact financial information and disclosures have effective information technology controls;
- Executing plan to increase number of independent directors to enhance corporate governance and Board composition;
- Implementing plan to increase oversight and review of ad hoc spreadsheets while also working to reduce their use.

We believe that the remediation measures described above will strengthen our internal control over financial reporting and remediate the material weaknesses we have identified. We expect that our remediation efforts, including design, implementation and testing will continue throughout fiscal year 2018.

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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, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

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.

ITEM 9B. OTHER INFORMATION.

None.

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:

Name	Director or Officer Since	Age	Positions
Paul Rosenberg	2013	48	President and Chief Executive Officer, and Chairman of the Board
Michael Hawkins	2016	56	Chief Financial Officer
Alex Mardikian	2017	47	Chief Marketing Officer

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.

Alex Mardikian has been our Chief Marketing Officer since April 1, 2017. Alex Mardikian has an extensive background in manufacturing, marketing and sales, with 30-years of experience, which encompasses owning and operating his own successful companies, both in the private and public sectors, from Fortune 50 companies scaled down to start-ups, all of which he held a title. This included his role as Western Regional Manager, Product Design and Certification, for Schlumberger Industries and as a founding principal of publicly traded company Sonic Jet Performance and Force Protection, publicly traded on the OTC and successfully listed and traded on the Nasdaq. His success is warranted by communicating and achieving the value proposition of a company and / or product line, through gorilla marketing for global and exclusive licensing of Von Dutch, Ed Hardy, Quadrophonia with The WHO and the Grammy Label by appointment by the Recording Academy. In the last decade, Alex has focused his direction more so on digital marketing and the cannabis industry. Over that span to date, he has been appointed key roles in MegaUpload, in relation to leveraging consumer and media data of a user base of 50M unique IP's daily and public relations, Otherside Farms, an Education and Cultivation co-op in Southern California, Northsight Capital in Arizona and mCig Group, headquartered in Florida. He attended the University of Southern California, UC Riverside and Mt. San Antonio College specializing in Mechanical Engineering, with emphasizes in Hydraulics and Fluid Power Technologies.

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

Except as noted below, 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 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. In September 2016, the Company adopted a stock option plan. See Notes to Financial Statement in Item 8.

In September 2016, we entered into employment agreements with our CEO and CFO. The terms of the agreement with our CFO were modified on September 1, 2017. We entered into employment agreements with our CMO in April 2017. On November 1, 2017 our CMO became the CEO of Obitx, Inc., our subsidiary. His agreement as CMO of MCIG was terminated and a new agreement was entered into with Obitx.

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, 2017, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during 2017. 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, 2018 and April 30, 2017:

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	2018	156,000	41,147	0	0	0	0	0	197,147
	2017	108,000	93,488	0	0	0	0	0	201,488
Michael Hawkins CFO	2018	132,000	41,147	0	0	0	0	0	173,147
	2017	119,500	63,735	0	0	0	0	0	183,235
Alex Mardikian CMO	2018	84,000	0	0	0	0	0	0	84,000
	2017	7,000	0	0	0	0	0	0	7,000

Agreements

On September 1, 2016, the Company entered into an employment agreement with Michael Hawkins, the Chief Financial Officer and an employment agreement with Paul Rosenberg, the Chief Executive Officer of the Company. Mr. Hawkins was the Interim Chief Financial Officer which agreement was scheduled to expire on September 6, 2016. Mr. Rosenberg has been the CEO since inception and served without an agreement. The terms of the Agreement are the same. The agreements call for \$156,000 per year base salary with a three year term. Only \$3,000 per month guaranteed to be paid in cash, while the remainder (\$10,000 per month) is booked as a note due, which may be converted into shares of the company at then current price per share. The initial year's conversion option was accrued upon entering into the agreement. The employees earn annual bonuses based upon gross sales, net profits, and annual increases in sales and profits. The Company and employees may elect to convert a portion of this salary into equity of the company. In addition, each employee was issued a seven-year warrant to acquire four percent (4%) of the Company Stock at the market price as of September 1, 2016 with 25% vested immediately and 25% on each subsequent year anniversary of employment. On September 1, 2017 Mr. Hawkins salary was reduced to \$120,000 per year. In consideration, the warrants issued to Mr. Hawkins have been fully vested.

On April 1, 2017, the Company entered into an employment agreement with Alex Mardikian, the Chief Marketing Officer. The agreement calls for \$84,000 base salary. The agreement is for a period of one year, but may be cancelled at any time, and as such constitute at-will employment. Under the agreement, he earns an annual bonus based upon gross sales, net profits, and annual increases in sales and profits in GigeTech, Inc., a wholly owned subsidiary of MCIG. Mr. Mardikian was issued a seven-year warrant to acquire four percent (4%) of the GigeTech, Inc., stock at par value as of April 1, 2017 with 25% vested immediately and 25% on launch of 420Cloud, 25% upon positive cash flow from 420Cloud, and 25% upon the one-year anniversary of employment. In addition, Mr. Mardikian was issued a five-year option for 1,000,000 shares of MCIG, Inc., at \$0.23 per share.

Outstanding Equity Awards as of April 30, 2017

The Company issued 2,600,000 shares of common stock to APO Holdings, LLC in exchange for \$650,000 through a Private Placement.

Options Exercises and Stocks Vested

During 2018 a total of 3,450,000 shares were issued under the election of the option holder. 2,450,000 currently maintain a subscription receivable against the shares.

The options granted under the planned based awards have varying vesting schedules and conditions.

Grants of Plan-Based Awards

The Company implemented a 2017 Stock Base Incentive Program authorizing the distribution of up to 50,000,000 shares. In 2017 the company granted 32,800,000 under the plan and cancelled 10,800,000 leaving a total grant of up to 22,000,000 common shares of stock at an average price of \$0.0485 per share. In 2018 the company granted 9,551,830 under the plan and cancelled 4,376,830 leaving a total grant of up to 5,174,900 common shares of stock at an average price of \$0.1840 per share.

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, 2018 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 415,610,809 shares of common stock outstanding as of April 30, 2018.

Unless other indicated, the address of each beneficial owner listed below is c/o mCig, Inc., 4720 Salisbury Road, Suite 100, Jacksonville, Florida 32256.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class ⁽¹⁾
Paul Rosenberg	12,738,238 common shares	3.06%
	11,825,000 preferred shares	99.99%
Michael Hawkins	6,033,102 common shares	1.45%
	25,000 preferred shares	0.01%
Total as a group (1)	18,771,340 common shares	4.51%
	11,850,000 preferred shares	100.00%
TOTAL STOCK VOTING POWER		
Paul Rosenberg	131,238,238 stock voting power	24.58%
Total as a group (1)	137,271,340 stock voting power	25.71%

(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 outstanding on April 30, 2018. As of April 30, 2018, there were 415,610,809 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

On May 1, 2016, the Company entered into a Line of Credit Agreement for up to \$100,000 with Paul Rosenberg, the Chairman and CEO. The Company utilized the Line of Credit as needed for day-to-day operations. On April 30, 2017, we amended the agreement to increase the authorized limit to \$250,000 and simultaneously converted the outstanding payable to Mr. Rosenberg under his employment agreement to the Line of Credit leaving a balance owed, as of April 30, 2017, of \$173,312. On February 1, 2018 we increased the amount of the Line of Credit to \$1,000,000. As of April 30, 2018, we have an outstanding balance owed to Mr. Rosenberg of \$561,364.

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 November 15, 2016, we engaged, Weinstein & Company to serve as our independent registered public accounting firm for the year ending April 30, 2017. MaloneBailey, LLP served as our independent registered public accounting firm for the year ending April 30, 2016. The following table shows the fees that were billed for the audit and other services provided for 2018 and 2017.

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	2018	2017
Audit Fees	\$ 26,500	\$ 24,500
Audit-Related Fees	5,000	-
Tax Fees	5,000	-
All Other Fees	-	-
Total	\$ 35,500	\$ 24,500

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 2018 and 2017 were pre-approved by the Board of Directors.

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ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibits	Description
21.1	Articles of Incorporation of Tuero Asset Management, Inc.
21.2	Articles of Incorporation of CAL Foundation F/K/A NewCo2
21.3	Articles of Incorporation of CAACres, Inc.
21.4	Articles of Incorporation of NYAcres, Inc.
21.5	Amended Articles of Incorporation of Obitx, Inc.
23.1	Consent of Weinstein & Company
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act*
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act*
	XBRL Instance 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 30, 2018 By: /s/ Paul Rosenberg
Paul Rosenberg

Chief Executive Officer (Principal Executive Officer)

August 30, 2018 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 (Principal Executive Officer)	August 30, 2018
<u>/s/ Michael W. Hawkins</u> Michael W. Hawkins	Chief Operating Officer and Director	August 30, 2018

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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 year ending April 30, 2018 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 significant 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 24, 2018

/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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 year ending April 30, 2018 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 significant 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 24, 2018

/ s/ Michael W. Hawkins
Michael W. 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 mCig Inc. (the "Company") on Form 10-K for the period ending April 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, 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 24, 2018

/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 mCig, Inc. (the "Company") on Form 10-K for the period ending April 30, 2018, 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 24, 2018

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

**Electronic Articles of Incorporation
For**

P17000073560
FILED
September 01, 2017
Sec. Of State
ndmccleessam

TUERO ASSET MANAGEMENT CORP

The undersigned incorporator, for the purpose of forming a Florida profit corporation, hereby adopts the following Articles of Incorporation:

Article I

The name of the corporation is:
TUERO ASSET MANAGEMENT CORP

Article II

The principal place of business address:
6055 ANELLO DRIVE
MELBOURNE, FL. 32940

The mailing address of the corporation is:
6055 ANELLO DRIVE
MELBOURNE, FL. 32940

Article III

The purpose for which this corporation is organized is:
ANY AND ALL LAWFUL BUSINESS.

Article IV

The number of shares the corporation is authorized to issue is:
10,000

Article V

The name and Florida street address of the registered agent is:
MICHAEL W HAWKINS
6055 ANELLO DRIVE
MELBOURNE, FL. 32940

I certify that I am familiar with and accept the responsibilities of registered agent.

Registered Agent Signature: MICHAEL W HAWKINS

Article VI

The name and address of the incorporator is:
MICHAEL W HAWKINS
6055 ANELLO DR
MELBOURNE, FL 32940

Electronic Signature of Incorporator: MICHAEL W HAWKINS

I am the incorporator submitting these Articles of Incorporation and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of this corporation and every year thereafter to maintain "active" status.

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:
Title: P,T
MCIG, INC.
2901 HIGHLAND DRIVE
LAS VEGAS, NV. 89109

Article VIII

The effective date for this corporation shall be:
09/01/2017

P17000073560
FILED
September 01, 2017
Sec. Of State
ndmccleessam



Secretary of State
Articles of Incorporation of a
Nonprofit Public Benefit Corporation

ARTS-PB-501(c)(3)

FILED
 Secretary of State
 State of California
 JAN 19 2018

IMPORTANT — Read instructions before completing this form.

Filing Fee — \$30.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
 Certification Fee — \$5.00

Note: A separate California Franchise Tax Board application is required to obtain tax-exempt status. For more information, go to <https://www.ftb.ca.gov>.

lll This Space For Office Use Only

1. Corporate Name (Go to www.sos.ca.gov/business/be/name-availability for general corporate name requirements and restrictions.)

The name of the corporation is NewCo2 Corp.

2. Business Addresses (Enter the complete business addresses. Item 2a cannot be a P.O. Box or "in care of" an individual or entity.)

a. Initial Street Address of Corporation - Do not enter a P.O. Box 30344 Woodbury Cir.	City (no abbreviations) Menifee	State CA	Zip Code 92584
b. Initial Mailing Address of Corporation, if different than Item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either individual OR Corporation.)

INDIVIDUAL - Complete items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation) Michael	Middle Name	Last Name Polastro	Suffix
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box 30344 Woodbury Cir.	City (no abbreviations) Menifee	State CA	Zip Code 92584

CORPORATION - Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporation Agent's Name (if agent is a corporation) - Do not complete item 3a or 3b

Item 4a: One or both boxes must be checked.

Item 4b: If "public" purposes is checked in Item 4a, or if you intend to apply for tax-exempt status in California, you must enter the specific purpose in Item 4b.

4. Purpose Statement

a. This corporation is a nonprofit Public Benefit Corporation and is not organized for private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for: public purposes charitable purposes


b. The specific purpose of this corporation is to grow hemp and marijuana for educational and scientific purposes,
and to possibly donate products intended for illness to local organizations.

5. Additional Statements (See instructions and Filing Tips.)

- a. This corporation is organized and operated exclusively for the purposes set forth in Article 4 hereof within the meaning of Internal Revenue Code section 601(c)(3).
- b. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.
- c. The property of this corporation is irrevocably dedicated to the purposes in Article 4 hereof and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.
- d. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable, educational and/or religious purposes and which has established its tax-exempt status under Internal Revenue Code section 501(c)(3).

6. Read and Sign Below (This form must be signed by each incorporator. See instructions. Do not include a title.)

Michael Polastro Michael Polastro
 Signature Type or Print Name

 Secretary of State Articles of Incorporation of a General Stock Corporation	ARTS-GS
	<p>IMPORTANT — Read instructions before completing this form.</p> <p>Filing Fee - \$100.00</p> <p>Copy Fees - First page \$1.00; each attachment page \$0.50; Certification Fee - \$5.00</p> <p><small>Note: Corporations may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to https://www.ftb.ca.gov.</small></p>

FILED *CAB*
 Secretary of State
 State of California
 MAY 10 2018

IPC This Space For Office Use Only

1. Corporate Name (Go to www.sos.ca.gov/business/be/home-availability for general corporate name requirements and restrictions.)

The name of the corporation is CAAres, Inc.

2. Business Addresses (Enter the complete business addresses.)

a. Initial Street Address of Corporation - Do not list a P.O. Box <u>30344 Wadbury Cir.</u>	City (no abbreviations) <u>Menifee</u>	State <u>CA</u>	Zip Code <u>92584</u>
b. Initial Mailing Address of Corporation, if different than item 2a <u>16830 Ventura Blvd, Suite #360</u>	City (no abbreviations) <u>Encino</u>	State <u>CA</u>	Zip Code <u>91436</u>

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL - Complete items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State <u>CA</u>	Zip Code

CORPORATION - Complete item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) - **Do not complete item 3a or 3b**
California Corporate Agents, Inc.

4. Shares (Enter the number of shares the corporation is authorized to issue. Do not leave blank or enter zero (0).)

This corporation is authorized to issue only one class of shares of stock.
 The total number of shares which this corporation is authorized to issue is 10,000 shares.

5. Purpose Statement (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

6. Read and Sign Below (This form must be signed by each incorporator. See instructions for signature requirements.)

[Signature]
 Signature

Micuna W Hawkins
 Type or Print Name

ACKNOWLEDGEMENT COPY
CERTIFICATE OF INCORPORATION
OF
NYAcres, Inc.
Under Section 402 of the Business Corporation Law

I, the undersigned, a natural person of at least 18 years of age, for the purpose of forming a corporation under Section 402 of the Business Corporation Law of the State of New York hereby certify:

FIRST: The name of the corporation is:

NYAcres, Inc.

(English Translation is: New York Acres Incorporated)

SECOND: This corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The county, within this state, in which the office of the corporation is to be located is COLUMBIA.

FOURTH: The total number and value of shares of common stock which the corporation shall have authority to issue is: 999,999 SHARES WITH A PAR VALUE OF \$.0001 PER SHARE.

FIFTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the corporation served upon him or her is:

Tessa Edick
548 Empire Rd
Copake, NY 12516

SIXTH: The corporation designates the following as its registered agent upon whom process against it may be served within the State of New York is:

Tessa Edick
548 Empire Rd
Copake, NY 12516

SEVENTH: The existence of the corporation shall begin upon filing of these Certificate of Incorporation with the Department of State.

EIGHTH: The corporation shall have a perpetual existence.

NINTH: No Director of this corporation shall be personally liable to the corporation, or its shareholders for damages for any breach of duty in such capacity, provided that this provision shall not limit the liability of any director if a judgment or other final adjudication, adverse to him, establishes that his act or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage, to which he was not legally entitled or that his acts violated Section 719 of the New York Business Corporation Law.

TENTH: The holders of any of the corporation's equity shares shall be entitled to preemptive rights in accordance with the provisions of BCL section 622.

I certify that I have read the above statements, I am authorized to sign this Certificate of Incorporation, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

Carl G. Hawkins (signature)

Carl G. Hawkins, INCORPORATOR
841 Prudential Drive, Suite 1203
Jacksonville, FL 32207

Filed by:
Carl Hawkins
841 Prudential Drive, Suite 1203
Jacksonville, FL 32207

ACKNOWLEDGEMENT COPY

Page 2 of 2

AMENDED AND RESTATED CERTIFICATE of

the

ARTICLES OF INCORPORATION

OF

GIGETECH, INC.

1. This Amended and Restated Certificate of the Articles of Incorporation of GigeTech, Inc., (the "Company") originally filed with the State of Delaware on March 30, 2017, is filed with the Secretary of State of the State of Delaware on 3rd day of October 2017. This Amended and Restated Certificate of the Articles of Incorporation was adopted by the Board of Directors of the Company, pursuant to unanimous written consent of the directors of the Company on October 31, 2017, and by majority consent of the Company's shareholders, and in accordance with sections 245 and 242 of the Delaware General Corporation law.

2. These Articles of Amendment were adopted by the Board of Directors of the Company with shareholder approval. The majority vote by which the stockholders holding shares in the corporation voted in favor, through written consent, of the amendment.

3. The Articles of Incorporation are hereby amended by replacing, in its entirety, the following Amended Articles of Incorporation, to read as follows:

ARTICLE ONE

The name of the corporation shall be OBITX, Inc.

ARTICLE TWO

The registered address of the corporation shall be 16192 Coastal Hwy, Lewes, Sussex County, Delaware, 19958. The registered agent shall be Harvard Business Services, Inc.

ARTICLE THREE

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the laws of the state of Delaware.

ARTICLE FOUR STOCK

The total number of shares of all classes of stock that the Corporation shall have the authority to issue consists of:

- (a) Two Hundred Million (200,000,000) shares of Common Stock, par value \$0.0001 per share;
- (b) One Million (1,000,000) Series A Preferred Stock, par value \$0.0001 per share;
- (c) One Million Five Hundred Thousand (1,500,000) Series B Preferred Stock, par value \$0.0001 per share;
- (d) One Hundred Million (100,000,000) shares of "blank check preferred stock" par value \$0.0001 per share;

The designations, powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations and restrictions thereof in respect of the Common Stock, the Series A Preferred Stock, the Series B Preferred Stock, and the Blank Check Preferred Stock are as follows:

1

A. COMMON STOCK

1. **Voting.** Except as otherwise expressly provided by law, and subject to the voting rights provided to the holders of Preferred Stock by this Certificate of Incorporation, the Common Stock shall have exclusive voting rights on all matters requiring a vote of stockholders, voting together with the holders of Preferred Stock, as one class.

2. **Other Rights.** Each share of Common Stock issued and outstanding shall be identical in all respects one with the other, and no dividends shall be paid on any shares of Common Stock unless the same is paid on all shares of Common Stock outstanding at the time of such payment. Except for and subject to those rights expressly granted to the holders of the Preferred Stock, or except as may be provided by the laws of the State of Delaware, the holders of Common Stock shall have exclusively all other rights of stockholders.

B. SERIES A PREFERRED STOCK

Preferred Stock of the Company, to be named "Series A Preferred Stock", consisting of 1,000,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. **Designation and Rank.** The designation of such series of the Preferred Stock shall be the Series A Preferred Stock, par value \$0.0001 per share (the "Series A Preferred Stock"). The maximum number of shares of Series A Preferred Stock shall be 1,000,000. The Series A Preferred Stock shall rank senior to the Company's common stock, par value \$0.0001 per share (the "Common Stock"), and to all other classes and series of equity securities of the Company which by their terms do not rank senior to the Series A Preferred Stock ("Junior Stock"). The Series A Preferred Stock shall be subordinate to and rank junior to all indebtedness of the Company now or hereafter outstanding.

2. **Dividends.** No dividend shall be declared or paid on the Series A Preferred Stock.

3. Voting Rights. Except as otherwise provided herein or by law, the shares of the Series A Preferred Stock shall be entitled to vote with the shares of the Corporation's Common Stock at any annual or special meeting of the stockholders of the Corporation. Each share of Series A Preferred Stock shall be entitled to vote those number of shares equal to one thousand (1,000) times the amount of the Series A Preferred Stock held by the individual. The individual, through the ownership of this Series A Preferred Stock, has the voting power to act on behalf of the Corporation, to call a special meeting of the shareholders, to remove and/or replace the Board of Directors or management or any individual members thereof in the event that one or more of the foregoing has done, or failed to do, anything which, in his sole judgment, will materially and adversely impact the business of the Corporation in any manner whatsoever, including, but not limited to, any violations of any state or federal securities laws, or any action which could cause the bankruptcy, dissolution, or other termination of the Corporation. In no event will the ombudsman have the right or power to participate in the normal and usual daily operations of the Corporation.

4. Notices. Any notice required by the provisions hereof to be given to the holders of shares of the Series A Preferred Stock shall be deemed given when deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Conversion.

a) Conversions at Option of Holder. Each share of Series A Preferred Stock shall be convertible, at the discretion of Holders into fifty (50) shares of Common Stock of the. Holders of the Series A Preferred Stock shall effect conversions by providing the Corporation with the form of conversion notice. The Notice of Conversion shall specify the number of shares of Series A Preferred Stock to be converted, the number of shares of Series A Preferred Stock owned prior to the conversion at issue, and the date on which such conversion is to be effected, which date may not be prior to the date the Holder delivers such Notice of Conversion to the Corporation by facsimile (the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. The calculations and entries set forth in the Notice of Conversion

2

shall control in the absence of manifest or mathematical error. To effect conversions, as the case may be, of shares of Series A Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing such shares of Series A Preferred Stock to the Corporation unless all of the shares of Series A Preferred Stock represented thereby are so converted, in which case the Holder shall deliver the certificate representing such share of Series A Preferred Stock promptly following the Conversion Date at issue. Shares of Series A Preferred Stock converted or redeemed in accordance with the terms hereof shall be canceled and may not be reissued.

b) Mechanics of Conversion

i. Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver to the Holder (A) a certificate or certificates which, after the Effective Date, representing the number of shares of Common Stock being acquired upon the conversion of shares of Series A Preferred Stock, and (B) a bank check in the amount of accrued and unpaid dividends (if the Corporation has elected or is required to pay accrued dividends in cash. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Corporation shall immediately return the certificates representing the shares of Series A Preferred Stock tendered for conversion.

ii. Obligation Absolute. The Corporation's obligations to issue and deliver the Conversion Shares upon conversion of Series A Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to the Holder in connection with the issuance of such Conversion Shares.

iii. Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of the Series A Preferred Stock and payment of dividends on the Series A Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders, not less than such number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of herein) upon the conversion of all outstanding shares of Series A Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid, non-assessable.

iv. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series A Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of such shares of Series A Preferred Stock so converted and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

c) Stock Dividends and Stock Splits. If the Corporation, at any time while the Series A Preferred Stock is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation pursuant to this Series A Preferred Stock), (B) subdivide outstanding shares of Common Stock

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into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification of shares of the Common Stock any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

d) Pro Rata Distributions. If the Corporation, at any time while Series A Preferred Stock is outstanding, shall distribute to all holders of Common Stock (and not to Holders) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price shall be determined by multiplying such Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holders of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Calculations. All calculations under this Section shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the description of any such shares of Common Stock shall be considered on issue or sale of Common Stock. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holders: Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any of this Section, the Corporation shall promptly mail to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

6. Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the shares of Series A Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue Preferred Stock Certificates if the holder contemporaneously requests the Company to convert such shares of Series A Preferred Stock into Common Stock.

7. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designation. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Series A Preferred Stock and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holders of the Series A Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction

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restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

8. Specific Shall Not Limit General: Construction. No specific provision contained in this Certificate of Designation shall limit or modify any more general provision contained herein. This Certificate of Designation shall be deemed to be jointly drafted by the Company and all initial purchasers of the Series A Preferred Stock and shall not be construed against any person as the drafter hereof.

9. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series A Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

C. Series B CONVERTIBLE PREFERRED STOCK.

Preferred Stock of the Company, to be named "Series B Preferred Stock", consisting of 1,500,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. Designation and Rank. The designation of such series of the Preferred Stock shall be the Series B Preferred Stock, par value \$0.0001 per share (the "Series B Preferred Stock"). The maximum number of shares of Series B Preferred Stock shall be 1,500,000. The Series B Preferred Stock shall rank senior to the Company's common stock, par value \$0.0001 per share (the "Common Stock"), and junior to all other classes and series of equity securities of the Company which by their terms rank senior to the Series B Preferred Stock ("Junior Stock"). The Series B Preferred Stock shall be subordinate to and rank junior to all indebtedness of the Company now or hereafter outstanding.

2. Dividends. No dividend shall be declared or paid on the Series A Preferred Stock.

3. Voting Rights. Except as otherwise provided herein or by law, the shares of the Series B Preferred Stock shall be entitled to vote with the shares of the Corporation's Common Stock at any annual or special meeting of the stockholders of the Corporation. Each share of Series B Preferred Stock shall be entitled to vote those number of shares equal to one hundred (100) votes for each share of Series B Preferred Stock held by the individual.

4. Notices. Any notice required by the provisions hereof to be given to the holders of shares of the Series A Preferred Stock shall be deemed given when deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Conversion.

a) Conversions at Option of Holder. Each share of Series B Preferred Stock shall be convertible, at the discretion of Holders, after twenty four months of ownership, into ten (10) share of Common Stock. The holders of the Series B Preferred Stock shall effect conversions by providing the Corporation with a form of conversion notice. The Notice of Conversion shall specify the number of shares of Series B Preferred Stock to be converted, the number of shares of Series B Preferred Stock owned prior to the conversion at issue, and the date on which such conversion is to be effected, which date may not be prior to the date the Holder delivers such Notice of Conversion to the Corporation by facsimile (the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that

such Notice of Conversion to the Corporation is deemed delivered hereunder. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions, as the case may be, of shares of Series B Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing such shares of Series B Preferred Stock to the Corporation unless all of the shares of Series B Preferred Stock represented thereby are so converted, in which case the Holder shall deliver the certificate representing such share of Series B Preferred Stock promptly following the Conversion Date at issue. Shares of Series B Preferred Stock converted or redeemed in accordance with the terms hereof shall be canceled and may not be reissued.

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b) Mechanics of Conversion

i. Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver to the Holder (A) a certificate or certificates which, after the Effective Date, representing the number of shares of Common Stock being acquired upon the conversion of shares of Series B Preferred Stock, and (B) a bank check in the amount of accrued and unpaid dividends (if the Corporation has elected or is required to pay accrued dividends in cash. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Corporation shall immediately return the certificates representing the shares of Series B Preferred Stock tendered for conversion.

ii. Obligation Absolute. The Corporation's obligations to issue and deliver the Conversion Shares upon conversion of Series B Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to the Holder in connection with the issuance of such Conversion Shares.

m. Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of the Series B Preferred Stock and payment of dividends on the Series B Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders, not less than such number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of herein) upon the conversion of all outstanding shares of Series B Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid, non-assessable.

iv. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series B Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of such shares of Series B Preferred Stock so converted and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

c) Stock Dividends and Stock Splits. If the Corporation, at any time while the Series B Preferred Stock is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation pursuant to this Series B Preferred Stock), (B) subdivide outstanding shares of Common Stock into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification of shares of the Common Stock any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

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d) Pro Rata Distributions. If the Corporation, at any time while Series B Preferred Stock is outstanding, shall distribute to all holders of Common Stock (and not to Holders) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price shall be determined by multiplying such Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holders of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Calculations. All calculations under this Section shall be made to the nearest cent or the nearest 1/100¹ of a share, as the case may be. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the description of any such shares of Common Stock shall be considered on issue or sale of Common Stock. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holders: Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any of this Section, the Corporation shall promptly mail to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

6. Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the shares of Series B Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue Preferred Stock Certificates if the holder contemporaneously requests the Company to convert such shares of Series B Preferred Stock into Common Stock.

7. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designation. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Series B Preferred Stock and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holders of the Series B Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

8. Specific Shall Not Limit General. Construction. No specific provision contained in this Certificate of Designation shall limit or modify any more general provision contained herein. This Certificate of Designation shall be deemed to be jointly drafted by the Company and all initial purchasers of the Series B Preferred Stock and shall not be construed against any person as the drafter hereof.

9. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series B Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or

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partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

10. No Preemptive Rights. No holder of the Series B Preferred shall be entitled as of right to subscribe for, purchase or receive any part of any new or additional shares of any class, whether now or hereinafter authorized, or of bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares of any class, but all such new or additional shares of any class or bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares may be issued and disposed of by the Board of Directors on such terms and for such consideration (to the extent permitted by law), and to such person or persons as the Board of Directors in their absolute discretion may deem advisable.

11. Legends. Any certificate evidencing the Series B Preferred Stock and the securities issued upon conversion of the Series B Preferred Stock shall bear legends in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD, OR TRANSFERRED FOR VALUE WITHOUT EITHER REGISTRATION UNDER THOSE LAWS OR THE FURNISHING OF AN OPINION OF COUNSEL SATISFACTORY TO COUNSEL FOR THE COMPANY THAT TO DO SO WOULD NOT VIOLATE THE REGISTRATION PROVISIONS OF SUCH LAWS."

D. BLANK CHECK PREFERRED STOCK

Preferred Stock of the Company, to be named "Blank Check Preferred Stock", consisting of 100,000,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. Issuance. The blank check preferred stock may be issued from time to time in one or more series. Subject to the limitations set forth herein and any limitations prescribed by law, the Board of Directors is expressly authorized, prior to issuance of any series of blank check preferred stock, to fix by resolution or resolutions providing for the issue of any series the number of shares included in such series and the designations, relative powers, preferences and rights, and the qualifications, limitations, and restrictions of such series. Pursuant to the foregoing general authority vested in the Board of Directors, but not in the limitations of the powers conferred on the Board of Directors thereby and by the laws of the State of Delaware, the Board of Directors is expressly authorized to determine with respect to each series of blank check preferred stock:

- a) The designation or designations of such series and the number of shares (which number from time to time may be decreased by the Board of Directors, but not below the number of shares then outstanding, or may be increased by the Board of Directors unless otherwise provided in creating such series) constituting such series;
- b) The rate or amount and times at which, and the preferences and conditions under which, dividends shall be payable on shares of such series, the status of such dividends as cumulative or noncumulative, the date or dates from which dividends, if cumulative, shall accumulate, and the status of such shares as participating or nonparticipating after the payment of dividends as to which such shares are entitled to any preference;
- c) The rights and preferences, if any, of the holders of shares of such series upon the liquidation, dissolution or winding up of the affairs of, or upon any distribution of the assets of the Corporation, which amount may vary depending upon whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates, and the status of the shares of such series as participating or nonparticipating after the satisfaction of any such rights and preferences;
- d) The full or limited voting rights, if any, to be provided for shares of such series, in addition to the voting rights applied by law;
- e) The times, terms, and conditions, if any, upon which shares of such series shall be subject to redemption, including the amount the holders of shares of such series shall be entitled to receive upon redemption (which

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amount may vary under different conditions or at different redemption rates) and the amount, terms, conditions and manner of operation of any purchase, retirement or sinking fund to be provided for the shares of such series;

f) The rights, if any, of holders of shares of such series to convert such shares into, or to exchange such shares for, shares of any other class or classes or of any other series of the same class, the prices or rates of conversion or exchange, and adjustments thereto, and any other terms and conditions applicable to such conversion or exchange;

g) The limitations, if any, applicable while such series is outstanding on the payment of dividends or making of distributions on, or the acquisition or redemption of, Common Stock or any other class of shares of such series either as to dividends or upon liquidation, to the shares of such series;

h) The conditions or restrictions, if any, upon the issue of any additional shares (including additional shares of such series or any other series or of any other class) ranking on a parity with or prior to the shares of such series either as to dividends or upon liquidation; and

i) Any other relative powers, preferences and participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of shares of such series; in each case, so far as not inconsistent with the provisions of this Certificate of Incorporation or the General Corporation Law of the State of Delaware as then in effect.

ARTICLE FIVE DIRECTORS

The number of directors of the Corporation shall be fixed in the manner determined by unanimous consent of the then current Board of Directors or by majority consent of the shareholders. The election of directors of the Corporation need not be by ballot unless the By-laws so require. The board of directors shall be set to three members. The then current Board of Directors may fill any vacate positions of the Board of Directors by unanimous consent.

ARTICLE SIX LIMITATION ON LIABILITY

A director and/or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts of omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the director derived any improper personal benefit. Liability of a director and/or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the laws of the state of Delaware, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE SEVEN

POWERS OF BOARD OF DIRECTORS

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders, it is further provided:

1. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered:

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1.1 To make, alter, amend or repeal the By-laws in any manner not inconsistent with the laws of the State of Delaware or this Certificate of Incorporation;

1.2 Without the assent or vote of the stockholders, to authorize and issue securities and obligations of the Corporation, secured or unsecured, and to include therein such provisions as to redemption, conversion or other terms thereof as the Board of Directors in its Sole discretion may determine, and to authorize the mortgaging or pledging, as security thereof, of any property of the Corporation, real or personal, including after-acquired property;

1.3 To determine whether any, and if any, what part, of the net profits of the Corporation or of its surplus shall be declared in dividends and paid to the stockholders, and to direct and determine the use and disposition of any such net profits or such surplus; and

1.4 To fix from time to time the amount of net profits of the Corporation or of its surplus to be reserved as working capital or for any other lawful purpose.

In addition to the powers and authorities herein or by statute expressly conferred upon it, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject nevertheless, to the provisions of the laws of the State of Delaware, of this Certificate of Incorporation, and of the By-laws of the Corporation.

2. Any director or any officer elected or appointed by the stockholders or by the Board of Directors may be removed at any time by two-thirds majority vote of the then current Board of Directors or by majority vote of the shareholders of the Corporation.
3. From time to time any of the provisions of this Certificate of Incorporation may be altered, amended or repealed, and other provisions authorized by the laws of the State of Delaware by unanimous consent of the Board of Directors or by majority vote of the stockholders of the Corporation.

ARTICLE EIGHT

WRITTEN CONSENT

All actions which may be taken by vote of the Board of Directors or the shareholders may be taken by written consent, so long as the written consent carries the total votes necessary to approve any action as specified by the Articles of Incorporation or the Company' s Bylaws.

/s/ Brandy Craig
Brandy Craig, CFO

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