MCIG, INC.

FORM 10-Q
(Quarterly Report)

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Address	4720 SALISBURY ROAD, STE 100
	JACKSONVILLE, FL, 32256
Telephone	570-778-6459
CIK	0001525852
Symbol	MCIG
SIC Code	2111 - Cigarettes
Industry	Tobacco
Sector	Consumer Non-Cyclicals
Fiscal Year	04/30

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

FORM 10-Q

[√] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 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, FL	**32256**
(Address of principal executive offices)	(*Zip Code*)
Registrant's telephone number, including area code	**570-778-6459**

2901 Highland Drive, Unit 13B, Las Vegas, NV 89109
(Former name and address, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [√] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). [√] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if smaller reporting company)	Smaller reporting company [√]

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

As of March 15, 2018, the Company had 415,310,809 shares of common stock, $0.0001 par value outstanding.

Transitional Small Business Disclosure Format Yes [ ] No [√]

mCig, Inc.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Interim Condensed Financial Statements and Notes to Interim Financial Statements

General

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's annual report on Form 10-K for the year ended April 30, 2017. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three months and six months ended January 31, 2018 are not necessarily indicative of the results that can be expected for the year ending April 30, 2018.

mCig, Inc.
and SUBSIDIARIES
Consolidated Balance Sheets

ASSETS

	January 31, 2018 (Unaudited)	April 30 2017
Current Assets		
Cash and cash equivalents	$ 679,951	$ 1,634,662
Accounts receivable, net	2,152,255	149,968
Inventory	50,803	54,278
Notes receivable	1,530	1,529
Prepaid expenses	41,715	147,015
Total current assets	2,926,254	1,987,452
Property, plant and equipment, net	3,258,738	3,070,497
Cost basis investment	952,023	902,023
Intangible assets, net	993,085	1,018,302
Total assets	$ 8,130,100	$ 6,978,274
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 143,720	$ 779,995
Due to shareholder	486,666	173,312
Other current liabilities	3,100	150,000
Reserve for uncollected accounts	431,409	11,030
Deferred revenue	13,010	517,033
Total current liabilities	1,077,905	1,631,370

Total Liabilities	1,077,905	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 October 31, 2017 and April 30, 2017, respectively.	1,185	1,285
Common stock, $0.0001 par value, voting; 560,000,000 shares authorized; 415,310,809 and 386,094,258 shares issued, and outstanding, as of January 31, 2018 and April 30, 2017, respectively.	41,531	38,609
Treasury stock	(680,330)	(680,330)
Additional paid in capital	12,538,696	11,118,841
Accumulated deficit	(4,778,465)	(5,131,501)
Total stockholders' equity	7,122,617	5,346,904
Non-Controlling Interest	(70,422)	-
Total Equity	7,052,195	-
Total liabilities and stockholders' equity	$ 8,130,100	$ 6,978,274

See accompanying notes to audited consolidated financial statements.

mCig, Inc.
and SUBSIDIARIES
Consolidated Statements of Operations
(unaudited)

	For the three months ended January 31,		For the nine months ended January 31,	
	2018	**2017**	**2018**	**2017**
Sales	$ 780,241	$ 1,362,689	$ 6,006,252	$ 2,237,405
Construction costs	31,320	-	2,663,181	-
Merchandise	257,960	-	756,970	-
Commissions	18,893	-	56,307	-
Amortization & depreciation associated with sales	115,495	-	199,455	-
Merchant fees, shipping, and other costs	44,658	1,074,459	397,394	1,655,692
Total Cost of Sales	468,326	1,074,459	4,073,228	1,655,692
Gross Profit	311,915	288,230	1,933,024	581,713
Selling, general, and administrative	84,033	67,360	241,786	160,965
Professional fees	65,043	6,240	106,056	20,030
Stock based compensation	233,500	(91,203)	278,750	179,647
Marketing & advertising	13,345	-	25,503	-
Research and development	513	-	4,634	-
Consultant fees	430,092	101,169	962,209	208,980
Amortization and depreciation	10,581	13,486	31,472	35,140
Total operating expenses	837,107	97,052	1,650,410	604,762
Income (Loss) from operations	(525,192)	191,178	282,614	(23,049)
Other income	-	654,033	-	711,054
Net income (loss) before non-controlling interest	(525,192)	845,211	282,614	688,005
Gain (loss) attributable to non-controlling interest	70,422	(5,341)	70,422	(11,039)
Net income (loss) attributable to controlling interest	$ (454,770)	$ 850,552	$ 353,036	$ 699,044
Basic and diluted (Loss) per share:				
Income(Loss) per share from continuing operations	0.00	(0.00)	0.00	(0.00)
Income(Loss) per share	0.00	(0.00)	0.00	(0.00)
Weighted average shares outstanding - basic and diluted	392,843,133	342,035,457	392,843,133	331,114,006

See accompanying notes to unaudited consolidated financial statements.

mCig, Inc.

and SUBSIDIARIES

Statements of Cash Flows

(unaudited)

	For the nine months ended January 31, 2018	2017
Cash flows from operating activities:		
Net (Loss)	$ 282,614	$ 688,005
Adjustments to reconcile net loss to net		
Cash provided by (used in) operating activities:		
Depreciation and amortization	230,927	35,140
Common stock issued for services	278,750	-
Decrease (Increase) in:		
Accounts receivable, net	(2,002,287)	(567,060)
Inventories	3,475	(64,914)
Prepaid expenses and other current assets	105,300	(193,840)
Accounts payable, accrued expenses and taxes payable	(783,176)	958
Deferred revenue	(504,023)	84,355
Reserve for uncollectable accounts	420,379	-
Total adjustment to reconcile net income to net cash	(2,250,655)	(705,362)
Net cash provided In operating activities	(1,968,041)	(17,356)
Cash flows from investing activities:		
Increase (Decrease) in:		
Net cash received from acquisition	(50,000)	(152,023)
Acquisition of property, plant and equipment	(388,897)	(6,621)
Acquisition of intangible assets	(5,054)	(27,584)
Net cash received in investing activities	(443,951)	(186,228)
Cash Flows from Financing Activities:		
Borrowing from related party	313,354	(58,945)
Notes Payable	-	-
Treasury Stock	-	-
Proceeds from Issuance of Stock, Net	1,143,927	602,475
Net Cash Provided By (Used in) Financing Activities	1,457,281	543,530
Net Change in Cash	(954,711)	339,946
Cash at Beginning of Year	1,634,662	80,542
Cash at End of Period	$ 679,951	$ 420,488
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Non-cash Investing and Financing Activities:		
OBITX proceeds from issuance of stock	$ 275,650	$ -
Conversion of preferred stock to common stock	$ -	$ 1,000
Purchase of Domains and Websites	$ -	$ 248,893
Purchase of CHO Brand and Intellectual Property	$ -	$ 53,276
Settlement of Vapolution, Net	$ -	$ (26,959)
Purchase of Agri-Contractors	$ -	$ 160,008

See accompanying notes to unaudited consolidated financial statements.

mCig, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

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 wholly-owned subsidiaries, NYAcres, Inc., (“NYACRES”), Grow Contractors Inc., (“GROW”), mCig Internet Sales, Inc., (“MINT”), mCig Limited LTD (“MCIG Europe”), Tuero Capital, Inc., (“TUERO”), Tuero Asset Management, LLC (“TAM”), Vapolution, Inc., (“VAPO”), and VitaCig, Inc., (“VITA”), and its majority controlled subsidiary OBITX, Inc., (“OBITX”)

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, 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. In November 2017 we entered into a joint venture project (“NYAcres Project”) with the FarmOn! Foundation in Copake, New York to grow hemp on a 212-acre farm.

The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company.

Subsidiaries of the Company

The Company currently operates, in addition to mCig, Inc., eight wholly owned subsidiaries, and one majority controlled subsidiary, which are consolidated:

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 Grow Contractors Inc., the Company purchased Agri-Contractors, LLC and subsequently merged operations with Grow Contractors Inc. Agri-Contractors, LLC will be absorbed by Grow Contractors Inc., over a period of time yet to be determined. 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, LTD.

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.

We incorporated in November 2017 to provide a mechanism in which to enter into a joint venture project with FarmOn! Foundation . NYAcres is a wholly owned subsidiary of the Company.

OBITX, Inc.

We incorporated OBITX, Inc., under the name GigETech, Inc., in the state of Delaware on March 30, 2017. We then assigned our newly acquired social media platform software to OBITX. We launched the social media platform on April 20, 2017. OBITX was a wholly owned subsidiary of the Company through October 31, 2017. On November 1, 2017 implemented several consulting agreements, raised its own capital, and subsequent to this reporting period, on February 9, 2018 filed a Form S-1 Registration Statement to effectuate a spin-off of OBITX into its own separate entity.

Tuero Capital, Inc.

We incorporated in May 2017 to provide financial services in support of the cannabis industry. Tuero Capital, Inc., was incorporated in the state of Florida , and is a wholly owned subsidiary of the Company.

Tuero Asset Management Corp

We incorporated on September 1, 2017 for the legal purpose of ownership of all of MCIG's tangible and intangible assets. Tuero Asset Management Corp was incorporated in the state of Florida , and is a wholly owned subsidiary of the Company.

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

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, the wholly owned subsidiaries of GROW, MINT, MCIG Europe, NYACRES, OBITX, TUERO, TAM, VAPO, and VITA for the quarter ended January 31, 2018. Significant intercompany balances and transactions have been eliminated.

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 three months ended January 31, 2018, there were no significant customers. For the nine months ended January 31, 2018 sales to the Company's primary three customers accounted for approximately 57.5% of revenue. The following chart shows the segments in which the top three customers were reported:

Primary Customers

Nine Months ended January 31, 2018	Amount	% of Total Sales
Construction Customer	1,042,804	17.4%
Media Customer	1,250,000	20.8%
Supply Customer	1,159,333	19.3%
Total	3,452,137	57.5%

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:

Segment	Subsidiary
Construction and Consulting	Grow Contractors, Inc.
CBD	mCig Internet Sales, Inc.
Vaporizer	VitaCig, Inc.
Media	OBITX, Inc. (formerly known as GigeTech, Inc) Tuero Capital, Inc.
Cannabis Supplies	Vapolution, Inc.
Corporate	mCig, Inc. Tuero Asset Management Corp
Agriculture	NYAcres, Inc.

We began recording segments in fiscal year 2017 (ending April 30, 2017). W e report our financial performance based on the segments described in Note 8 – Segment Information.

Business Segments

	Total Revenue Three Months Ended January 31,		Percentage of Total Revenue Three Months Ended January 31,	
	2018	2017	2018	2017
Consulting and Construction	$ 118,195	$ 1,090,982	15.1%	80.1%
CBD	28,218	133,869	3.6%	9.8%
Vaporizers	73,353	137,838	9.4%	10.1%
Media	75,906	-	9.7%	0.0%
Supplies	484,569	-	62.1%	0.0%
Agriculture	-	-	0.0%	0.0%
Corporate	-	-	0.0%	0.0%
Total	$ 780,241	$ 1,362,689	100.0%	100.0%

Business Segments

	Total Revenue Nine Months Ended January 31,		Percentage of Total Revenue Nine Months Ended January 31,	
	2018	2017	2018	2017
Consulting and Construction	$ 3,112,545	$ 1,340,844	51.8%	59.9%
CBD	56,064	310,534	0.9%	13.9%
Vaporizers	336,254	586,027	5.6%	26.2%
Media	1,342,056	-	22.3%	0.0%
Supplies	1,159,333	-	19.3%	0.0%
Agriculture	-	-	0.0%	0.0%
Corporate	-	-	0.0%	0.0%
Total	$ 6,006,252	$ 2,237,405	100.0%	100.0%

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 January 31, 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 (SFFAS) 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 reviews all outstanding accounts receivable for collectability on a quarterly basis. An allowance for doubtful accounts is recorded for any amounts deemed uncollectable. The Company does not accrue interest receivable on past due accounts receivable. The Company recognized $418,460 and $0 as an uncollectable reserve for the nine months ending January 31, 2018 and January 31, 2017, respectively.

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.

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 $62,889 and $0 in excess of federally insured limits at January 31, 2018 and 2017.

Cost-Basis Investments
The Company's non-marketable equity investment in the NYAcres Project, Cannabiz Supply, 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* ". During the nine months ended January 31, 2018 and 2017 there were no impairment losses.

Equity-Basis Investments
The Company accounted for its original ownership of VitaCig, Inc., (Nevada) as an equity-basis investment. As of January 31 , 201 8 , and January 3 1 , 201 7 , 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, 201 6 , 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, 2017. Based on these actual expenses, the warranty reserve, as estimated by management as of January 3 1 , 201 8 and January 3 1 , 201 7 were at $0. Any adjustments to warranty reserves are to be recorded in cost of sales.

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 and relatively few sales, no certainty of continuation can be stated. The accompanying financial statements for the three months and nine months ended January 31, 2018 and 2017 have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has suffered losses from operations and has an accumulated deficit, 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. Notes Payable

The Company entered into a note of $150,000 with APO Holdings as part of the acquisition of the 420Cloud software in March 2017. The note was due June 30, 2017. The note was paid through conversion into common stock of the Company through a private placement on July 31, 2017.

Note 5. Property, Plant and Equipment

The following is a detail of equipment at January 31, 2018 and April 30, 2017:

Property, Plant, and Equipment

	As of			
		January 31, 2018		April 30, 2017
Office furniture	$	18,322	$	1,792
Rollies machine		5,066		5,066
Computer equipment		1,544		1,544
ATM machines		299,970		-
Agriculture tools and equipment		5,408		-
420 Cloud		3,132,177		3,063,635
Total acquisition cost	$	3,462,487	$	3,072,037
Accumulated depreciation		203,749		1,540
Total property, plant, and equipment	$	3,258,738	$	3,070,497

Depreciation expense on property, plant and equipment was $199,725 and $1,150 for the nine months ended January 31, 2018 and 2017, respectively.

Note 6: Accounts Receivable

The Company's accounts receivable is primarily from its construction and media segment.

The Company maintains subscription receivables of $183,784 for the exercise of warrants and options. 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

	Amount
Construction receivables	593,457
Retail Sales receivables	1,384,420
Subscription receivables	358,162
Total accounts and subscription receivables	2,336,039
Subscription receivables not yet collected	183,784
Total accounts receivable	2,152,255

Note 7. Intangible Assets:

Intangible assets, net amortization over five years for domain names and three years for websites, consisted of the following:

Intangible Assets

	Weighted Average Useful Life (in Years)	As of January 31, 2018		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		$	$	$
Finite lived intangible assets				
Website Designs	5	65,857	23,161	42,696
VitaCBD, LLC	5	200,000	40,000	160,000
Total finite lived intangible assets		265,857	63,161	202,696
Infinite lived intangible assets				
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		1,084,842	63,161	993,084

Intangible Assets

	Weighted Average Useful Life (in Years)	As of April 30, 2017		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		$	$	$
Finite lived intangible assets				
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
Infinite lived intangible assets				
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

Note 8. Business Segments:

The Company operates primarily in five segments; i) construction and consulting, ii) vaporizers, iii) CBD, iv) media, v) cannabis supplies, vi) agriculture, and vi) corporate. This summary reflects the Company's current segments, as described below.

Information concerning the revenues and operating income (loss) for the three months ended January 31, 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 Three Months Ended January 31, 2018	Construction	Vaporizers	CBD	Agriculture	Media	Supply	Corporate	Total
Revenue	$ 118,195	$ 73,353	$ 28,218	$ -	$ 75,906	$ 484,569	$ -	$ 780,241
Segment Income (Loss) from Operations	(10,593)	4,229	(24,049)	(28,876)	(78,462)	49,352	(366,166)	(454,770)
Total Assets	785,985	262,724	46,059	(28,876)	4,717,014	101,708	2,245,486	8,130,100
Capital Expenditures	15,714	225	-	55,408	5,689	-	(3,076,467)	(2,999,431)
Depreciation and Amortization	130	181	90	-	115,495	-	10,180	126,076

For the Three Months Ended January 31, 2017	Construction	Vaporizers	CBD	Agriculture	Media	Supply	Corporate	Total

Revenue	$ 1,090,982	$ 137,838	$ 133,869	$ -	$ -	$ -	$ -	$ 1,362,689
Segment Income (loss) from Operations	234,597	(29,727)	5,182	-	-	-	640,500	850,552
Total Assets	169,018	143,670	5,689	-	-	-	1,489,541	1,807,918
Capital Expenditures	3,554	59,327	-	-	-	-	246,105	308,986
Depreciation and Amortization	-	181	13,215	-	-	-	90	13,486

Information concerning the revenues and operating income (loss) for the nine months ended January 31, 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 Nine Months Ended January 31, 2018	**Construction**	**Vaporizers**	**CBD**	**Agriculture**	**Media**	**Supply**	**Corporate**	**Total**
Revenue	$ 3,112,545	$ 336,254	$ 56,064	$ -	$ 1,342,056	$ 1,159,333	$ -	$ 6,006,252
Segment Income (Loss) from Operations	180,186	80,641	(25,802)	(28,876)	766,473	83,464	(694,752)	361,334
Total Assets	785,335	262,724	46,059	(28,876)	4,670,214	106,156	2,241,464	8,083,076
Capital Expenditures	15,714	225	-	55,408	256,089	-	(3,076,467)	(2,749,031)
Depreciation and Amortization	389	543	270	-	199,455	-	30,270	230,927

For the Nine Months Ended January 31, 2017	**Construction**	**Vaporizers**	**CBD**	**Agriculture**	**Media**	**Supply**	**Corporate**	**Total**
Revenue	$ 1,340,844	$ 586,027	$ 310,534	$ -	$ -	$ -	$ -	2,237,405
Segment Income from Operations	211,806	81,436	40,657	-	-	-	365,145	699,044
Total Assets	169,018	143,670	49,332	-	-	-	1,489,541	1,851,561
Capital Expenditures	3,554	59,327	-	-	-	-	246,105	308,986
Depreciation and Amortization	-	362	33,928	-	-	-	758	35,048

Note 9. 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 three months and nine months ended January 31, 2018 and January 31, 2017, respectively.

mCig, Inc.
and SUBSIDIARIES
Adjusted Consolidated Statements of Operations
(unaudited)

	For the three months ended January 31,		For the nine months ended January 31,	
	2018	**2017**	**2018**	**2017**

Sales	$ 780,241	$ 1,362,689	$ 6,006,252	$ 2,237,405
Total Cost of Sales	352,831	1,074,459	3,873,773	1,655,692
Gross Profit	427,410	288,230	2,132,479	581,713
Selling, general, and administrative	84,033	67,360	241,786	160,965
Professional Fees	65,043	6,240	106,056	20,030
Marketing & Advertising	13,345	-	25,503	-
Research & Development	513	-	4,633	-
Consultant Fees	430,092	101,169	962,209	208,980
Depreciation	-	271	-	1,181
Total Operating Expenses	593,026	175,040	1,340,187	391,156
Income (Loss) From Operations	(165,616)	113,190	792,292	190,557
Other Income (Expense)	-	-	-	53,915
Net Income (Loss) Before Non-Controlling Interest	(165,616)	113,190	792,292	244,472
Gain (Loss) Attributable to Non-Controlling Interest	(70,422)	5,241	(70,422)	14,100
Net Income (Loss) Attributable to Controlling Interest	$ (95,194)	$ 107,949	$ 862,714	$ 230,372
Basic and Diluted (Loss) Per Share:				
Income(Loss) per share from Continuing Operations	$ (0.00)	$ 0.00	$ 0.00	$ 0.00
Income(Loss) Per Share	$ (0.00)	$ 0.00	$ 0.00	$ 0.00
Weighted Average Shares Outstanding - Basic and Diluted	392,843,133	342,035,457	392,843,133	331,114,006

The following table is a reconciliation of the EBITDA and Adjusted Net Income (non-GAAP measures) to the Net Income with the GAAP Consolidated Statements of Operation for the three months and nine months ended January 31, 2018 and January 31, 2017, respectively.

mCig, Inc.
and SUBSIDIARIES
Reconciliation of Adjusted Consolidated Statements of Operations
(unaudited)

	For the three months ended January 31,		For the nine months ended January 31,	
Reconciliation	2018	2017	2018	2017
Net income (loss) attributable to controlling interest	(454,770)	850,552	353,037	699,044
Interest	-	-	-	(1,009)
Depreciation and Amortization	126,076	13,386	230,927	35,140
EBITDA	(328,694)	863,938	583,964	734,184
Adjustment for Non-Intangible Asset Depreciation	-	(271)	-	(1,181)
Stock Based Compensation	233,500	(91,203)	278,750	200,424
Settlement on Investment	-	(654,033)	-	(674,855)
Adjusted Net Income	(95,194)	118,431	862,714	258,572

Note 10. Acquisition

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.

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

Note 11. Related Parties and Related Party 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 will utilize the Line of Credit as needed for day-to-day operations. During this quarter the company utilized $200 under the Line of Credit Agreement and $2,000 was assigned to the Line of Credit from the assumed liability of the VitaCig acquisition to Paul Rosenberg (see Note 8).

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. Either party may terminate the agreement upon 30 days written notice to the other party.

On September 1, 2017 Mr. Michael Hawkins, the Company's CFO exercised his option to acquire 5,416,551 shares of common stack for the price of $135,412.78. The purchase was paid from Mr. Hawkins outstanding balance owed him in accounts payable.

On September 13, 2017 the Company entered into an agreement to provide social media and other advertising services to Render Payment, LLC. Michael Hawkins, the then Chief Financial Officer, is a non-controlling member with greater than 10% ownership in Render Payment, LLC. Under terms of the agreement, we were paid $1,250,000 which is currently outstanding.

On September 23, 2017 the Company entered into an agreement with Carl G. Hawkins, the son Michael Hawkins, the Company's CEO to act as corporate counsel. The terms of the agreement was for $3,000 per month and 250,000 shares of common stock. Mr. Carl Hawkins received an option to acquire 1,000,000 shares at $0.217 per share.

On October 1, 2017 Michael Hawkins agreed to a reduction of pay. Mr. Hawkins pay was reduced from $13,500 per month to $10,500 per month. As a condition for this reduction the Company vested one year of his stock options immediately.

On December 2, 2017 Paul Rosenberg, the Company's CEO and Chairman of the Board, converted 1,000,000 shares of Series A Preferred into 10,000,000 shares of common stock.

On November 1, 2017 OBITX, Inc., a subsidiary of MCIG, issued a seven year warrants for the purchase of 500,000 common shares of OBITX at the purchase price of $1.00 per share to Paul Rosenberg, the Company's CEO.

On November 1, 2017 OBITX, Inc., a subsidiary of MCIG, issued a seven year warrants for the purchase of 500,000 common shares of OBITX at the purchase price of $1.00 per share to Epic Industry Corp, a single member company owned by Michael Hawkins, the Company's CFO.

On November 1, 2017 FinTech Labs, LLC, a company in which Paul Rosenberg is a 50% owner, acquired 500,000 shares of OBITX at the purchase price of $50.

On November 1, 2017 Epic Industry Corp, a single member company owned by Michael Hawkins, acquired 250,000 shares of OBITX at the purchase price of $25.

On November 1, 2017 Paul Rosenberg invested $100,000 into OBITX. Mr. Rosenberg received 1,000,000 shares of OBITX common stock in exchange for the investment.

On January 1, 2018 Paul Rosenberg invested $150,000 into OBITX. Mr. Rosenberg received 1,500,000 shares of OBITX common stock in exchange for the investment.

On November 1, 2017, OBITX, Inc., entered into a consulting agreement with Alex Mardikian, the Chief Executive Officer and a consulting agreement with Brandy Craig, the Chief Financial Officer of the Company. The terms of the Agreement are the same. 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 then current price per share. The Company and consultant may elect to convert a portion of this into equity of the company. In addition, each consultant was issued a seven-year warrant to acquire 250,000 shares of the Company Stock at $1.00 per share.

On November 1, 2017, OBITX, Inc., entered into a consulting agreement with the Law Offices of Carl G. Hawkins to serve as corporate counsel. The agreement calls for a one-time payment of $5,000 plus $150 per hour for legal services. The payments may be booked as a note due, which may be converted into shares of the company at then current price per share. The Company and counsel may elect to convert a portion of this into equity of the company. In addition, counsel was issued a seven-year warrant to acquire 250,000 shares of the Company Stock at $1.00 per share.

On November 1, 2017 OBITX, Inc., entered into an agreement with the Company, to convert the $3,043,285 owed to MCIG for the assigned 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.

Note 12. Stockholders' Equity

Common Stock

As of January 3 1 , 201 8 , the Company was authorized to issue 560,000,000 common shares at a par value of $0.0001. As of January 31 , 201 8 , the Company had issued and outstanding 4 15 , 3 10,809 common shares.

During the three months ended January 3 1 , 201 8 the Company issued 2,300,000 in a legal settlement with the Delaney Equity Group, LLC, 200,000 to our legal team in support of the settlement action, and 10,000,000 shares through the conversion of Preferred Stock .

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 January 31, 2018. 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.

Note 13. 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 January 31, 2018, the Company recorded compensation cost of $0 within operating expenses related to stock options granted in 2016. As of January 31, 2018 total compensation cost related to non-vested awards not yet recognized was $0.

The weighted average fair value at date of grant for options granted under the option plan is $0.____ 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 January 31, 2018 is presented below:

	Shares	Weighted Average Exercise Price
Options outstanding at beginning of period (May 1, 2017)	15,926,830	$ 0.1362
Granted	1,000,000	0.21
Forfeited	4,450,000	0.12
Exercised	2,100,000	0.26
Options outstanding at January 31, 2018	10,826,830	$ 0.063

There are currently 16,200,000 unissued options under the 2016 Stock Option Plan.

The following table summarizes information for stock options outstanding at January 31, 2018:

Range of Exercise Prices	Options Outstanding: Number Outstanding @ 7/31/17	Options Outstanding: Weighted-Average Remaining in years	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Number Exercisable @ 1/31/18	Options Exercisable: Weighted-Average Exercise Price
$0.034 - $0.107	10,826,830	2.32	$ 0.153	10,826,830	$ 0.153

Note 13. Warrants

A summary of warrant activity for period ended January 31, 2018 is as follows:

	Shares	Weighted Average Conversion Price
Warrants outstanding at April 30, 2017	32,499,310	$ 0.025
Exercised	6,416,551	$ -
Granted	-	$ -
Warrants outstanding at October 31, 2017	26,032,759	$ 0.025

On September 1, 2017, Michael Hawkins, the Company's CFO exercised a warrant to acquire 5,416,551 shares of the Company's common stock. The stock was issued to Epic Industry Corp, a company wholly owned by Michael Hawkins.

On September 23, 2017, Carl G. Hawkins, the Company's corporate counsel exercised a warrant to acquire 1,000,000 shares of the Company's common stock, at $0.025 per share for $25,000.

Note 11. Subsequent Events

There are no reportable subsequent events.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and related notes thereto in our Annual Report on Form 10-K for the year ended April 30, 2016.

Certain statements in this section contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report and not clearly historical in nature are forward-looking, and the words "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "intends," "potential," and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) generally are intended to identify forward-looking statements. Any statements in this report that are not historical facts are forward-looking statements. Actual results may differ materially from those discussed from time to time in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.

General 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. In November 2017 we entered into a joint venture project ("NYAcres Project") with the FarmOn! Foundation in Copake, New York to grow hemp on a 212-acre farm.

The Company continues to look at strategic acquisitions and product and service developments for future growth. We are currently incubating a cannabis supply company.

MARIJUANA INDUSTRY OVERVIEW

As of April 2017, there are a total of 28 states, plus the District of Columbia, with legislation passed as it relates to medicinal 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 28 states, and the District of Columbia, have adopted laws that exempt patients who use medicinal cannabis under a physician's supervision from state criminal penalties. These are collectively referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state's laws are different.

The states that have legalized medicinal 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	
10. Illinois	20. New Mexico	

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, 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.

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 the new FDA guidelines.

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, the government's proposals to levy hefty taxes on e-cigarettes 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.

Tobacco consortiums, recently established vaping associations and regulatory bodies have a significant role to play in the global e-cigarette industry since the future growth of the market largely depends on the regulatory framework. The implementation of the Tobacco Product Directive (TPD) by the European Union (EU) is by far the most controversial directive and has taken effect from May 2016. Following the regulations, the companies are expected to bring about drastic changes in their marketing and distribution strategies, which might affect the market growth through the forecast period.

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

CANNABIDIOL (CBD) INDUSTRY OVERVIEW

Cannabidiol (CBD) is the part of the cannabis plant that doesn't get you “high” like the THC side of the plant. It is typically used for health reasons instead of for recreational purposes. The CBD products are either derived from industrial hemp plants or marijuana plants. It is estimated that the CBD market will grow to a $2.1 billion market in consumer sales by 2020 with $450 million of those sales coming from hemp-based sources. That's 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 28 states and the District of Columbia which have legalized cannabis products, 15 additional states have legalized CBD products. Many hemp based CBD products are sold in every state believing they are not subject to the law. MCIG concurs and operates under this belief.

The US government approach towards CBD is confusing, at best. The Federal government is unclear as to oversight of these products. CBD is specifically defined under the Controlled Substances Act (“CSA”), however, the Drug Enforcement Agency (“DEA”) believes it is a Schedule 1 controlled substance. The Courts have ruled against the DEA in this assumption. The Industrial Hemp Farming Act of 2015 would amend the CSA to exclude hemp, and thus hemp-based CBD.

Historically, the DEA has made persistent efforts to regulate hemp products. In 2001, DEA issued an Interpretive Rule attempting to ban all hemp seed and hempseed oil food products that contained even minuscule, insignificant amounts of residual THC. The Hemp Industries Association immediately filed suit to stop the enforcement of this rule, which resulted in what became known as the “Hemp Food Rules Challenge.” Ultimately, the subsequent ruling made by the Ninth Circuit issued serendipitously on February 6, 2004, found that the DEA had not followed necessary scheduling procedures to add non-psychoactive hemp to the list of Schedule I controlled substances; and additionally, that Congress clearly did not intend that hemp be prohibited by the Controlled Substance Act when it adopted language from the 1937 Marijuana Tax Act to define the drug ‘marijuana.’

In December of 2016, the DEA in conjunction with the North Dakota Department of Agriculture (NDDA) indicated that shipment of hemp products made from hemp grown under the state’s hemp pilot program and Congress’ Agricultural Act of 2014 (Farm Bill), would require a permit from the DEA, as the hemp protein powder and hempseed oil food items were subject to DEA regulation.

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 Conso lidated 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.

DESCRIPTION OF SEGMENTS

Construction and Consulting 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		

CBD Segment

We provide wholesale and retail CBD products through multiple websites. We sale our own private label – VitaCBD, and we sale other brands through contractual arrangements.

Vaporizer Segment

We manufacture, distribute, and retail the mCig – an affordable loose-leaf eCig . Designed in the USA – the mCig provides a smoking experience by heating plant material, waxes, and oils delivering, in the Company's opinion, a smoother inhalation experience.

The Company manufactures and retails home-use vaporizers. Through VitaCig, Inc., a Florida Company, a wholly owned subsidiary, the Company is engaged in the manufacturing and retailing of a nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

Media Segment

In 2017 we acquired a social platform which launched on April 20, 2017 as 420cloud, designed specifically for the cannabis industry. In addition, we acquired and operate 420 Job Search, Ehesive, and WhoDab. We offer advertisement of cannabis products throughout the 420Cloud environment.

Supplies Segment

In 2017 we began operating a cannabis supply business in Nevada on a trial basis. We are incubating the opportunity through a local entity in which we have obtained an option to acquire should we deem the project viable.

Agriculture

In 2017 we entered into a joint venture with FarmOn! Foundation to grow hemp on a 212 acre farm in Copake, New York.

DESCRIPTION OF SUBSIDIARIES

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 2 2 , 2017, 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 Grow Contractors Inc., the Company purchased Agri-Contractors, LLC and subsequently merged operations with Grow Contractors Inc. Agri-Contractors, LLC will be absorbed by Grow Contractors Inc., over a period of time yet to be determined. 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 is not incorporated in the fiscal year 2017 performance.

OBITX, Inc.

We incorporated OBITX, Inc., as GigETech, Inc., in the state of Delaware on April 3, 2017. We then assigned our newly acquired social media platform software to OBITX. We launched the social media platform on April 20, 2017. OBITX, Inc., is a majority owned subsidiary of the Company.

NYAcres, Inc.

We incorporated NYAcres, Inc., in the state of New York in November 2017. We then entered into a joint venture project known as "NYAcres Project" with FarmOn! Foundation for the growing of Hemp in the state of New York.

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.

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.

Critical Accounting Policies and Estimates

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

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
Our revenue is derived from the subscription, non-software related hosted services, term-based and perpetual licensing of software products, associated software maintenance and support plans, consulting services, training, and technical support. Most of our customer arrangements involve multiple solutions and various license rights, bundled with post-contract customer support and other meaningful rights that together provide a complete end-to-end solution to the customer.

We recognize revenue when all four revenue recognition criteria have been met: persuasive evidence of an arrangement exists, we have delivered the product or performed the service, the fee is fixed or determinable and collection is probable.

Determining whether and when some of these criteria have been satisfied often involves assumptions and judgments that can have a significant impact on the timing and amount of revenue we report.

Multiple Element Arrangements

We enter into multiple element revenue arrangements in which a customer may purchase a combination of software, upgrades, maintenance and support, hosted services, and consulting.

For our software and software-related multiple element arrangements, we must: (1) determine whether and when each element has been delivered; (2) determine whether undelivered products or services are essential to the functionality of the delivered products and services; (3) determine the fair value of each undelivered element using vendor-specific objective evidence ("VSOE"); and (4) allocate the total price among the various elements. VSOE of fair value is used to allocate a portion of the price to the undelivered elements and the residual method is used to allocate the remaining portion to the delivered elements. Absent VSOE, revenue is deferred until the earlier of the point at which VSOE of fair value exists for any undelivered element or until all elements of the arrangement have been delivered. However, if the only undelivered element is maintenance and support, the entire arrangement fee is recognized ratably over the performance period. Changes in assumptions or judgments or changes to the elements in a software arrangement could cause a material increase or decrease in the amount of revenue that we report in a particular period.

We determine VSOE for each element based on historical stand-alone sales to third parties or from the stated renewal rate for the elements contained in the initial arrangement. In determining VSOE, we require that a substantial majority of the selling prices for a product or service fall within a reasonably narrow pricing range.

We have established VSOE for our software maintenance and support services, custom software development services, consulting services and training, when such services are sold optionally with software licenses.

For multiple-element arrangements containing our non-software services, we must: (1) determine whether and when each element has been delivered; (2) determine the fair value of each element using the selling price hierarchy of VSOE of selling price, third-party evidence ("TPE") of selling price or best-estimated selling price ("BESP"), as applicable; and (3) allocate the total price among the various elements based on the relative selling price method.

For multiple-element arrangements that contain both software and non-software elements, we allocate revenue to software or software-related elements as a group and any non-software elements separately based on the selling price hierarchy. We determine the selling price for each deliverable using VSOE of selling price, if it exists, or TPE of selling price. If neither VSOE nor TPE of selling price exist for a deliverable, we use BESP. Once revenue is allocated to software or software-related elements as a group, we recognize revenue in conformance with software revenue accounting guidance. Revenue is recognized when revenue recognition criteria are met for each element.

We are generally unable to establish VSOE or TPE for non-software elements and as such, we use BESP. BESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings. We determine BESP for a product or service by considering multiple factors including, but not limited to major product groupings, geographies, market conditions, competitive landscape, internal costs, gross margin objectives and pricing practices. Pricing practices taken into consideration include historic contractually stated prices, volume discounts where applicable and our price lists. We must estimate certain royalty revenue amounts due to the timing of securing information from our customers. While we believe we can make reliable estimates regarding these matters, these estimates are inherently subjective. Accordingly, our assumptions and judgments regarding future products and services as well as our estimates of royalty revenue could differ from actual events, thus materially impacting our financial position and results of operations.

Subscription and Services and Support Revenue

We recognize revenue for hosted services that are priced based on a committed number of transactions, rateably beginning on the date the services associated with the committed transactions are first made available to the customer and continuing through the end of the contractual service term. Over-usage fees, and fees billed based on the actual number of transactions from which we capture data, are billed in accordance with contract terms as these fees are incurred. We record amounts that have been invoiced in accounts receivable and in deferred revenue or revenue, depending on whether all revenue recognition criteria have been met.

Our services and support revenue are composed of consulting, training, and maintenance and support, primarily related to the licensing of our enterprise, mobile and device products and solutions. Our support revenue also includes technical support and developer support to partners and developer organizations.

Our consulting revenue is recognized using a time and materials basis and is measured monthly based on input measures, such as hours incurred to date, with consideration given to output measures, such as contract milestones when applicable.

Our maintenance and support offerings, which entitle customers to receive product upgrades and enhancements on a when and if available basis or technical support, depending on the offering, are recognized rateably over the performance period of the arrangement.

Our software subscription offerings, which may include product upgrades and enhancements on a when and if available basis, hosted services, and online storage, are generally offered to our customers over a specified period of time and we recognize revenue associated with these arrangements rateably over the subscription period.

Operating Results

Our operating results for the three months ended January 31, 2018 and 2017 are summarized as follows:

	Three months ended January 31,	
	2018	**2017**
Sales	$ 780,241	$ 1,362,689
Cost of Sales	468,326	1,074,459
Gross Profit	311,915	288,230
Total Operating Expenses	837,107	97,052
Other Income	-	654,033
Net Income (Loss) from Continuing Operations	(525,192)	845,211

Our operating results for the nine months ended January 31, 2018 and 2017 are summarized as follows:

	Nine months ended January 31,	
	2017	**2016**
Sales	$ 6,006,252	$ 2,237,405
Cost of Sales	4,073,228	1,655,692
Gross Profit	1,933,024	581,713
Total Operating Expenses	1,650,409	604,762
Other Income	-	711,054
Net Income (loss) from Continuing Operations	282,615	688,005

Adjusted Net Income

Our adjusted operating results for the three months ended January 31, 2018 and 2017 are summarized as follows:

	Three months ended October 31,	
	2018	**2017**
Sales	$ 780,241	$ 1,362,689
Cost of Sales	352,831	1,074,459
Gross Profit	427,410	288,230
Total Operating Expenses	593,026	175,040
Other Income	-	-
Net Income from Continuing Operations	(165,616)	113,190

Our adjusted operating results for the nine months ended January 31, 2018 and 2017 are summarized as follows:

	Nine months ended October 31,	
	2018	**2017**
Sales	$ 6,006,252	$ 2,237,405
Cost of Sales	3,873,773	1,655,692
Gross Profit	2,132,479	581,713
Total Operating Expenses	1,340,187	391,156
Other Income	-	53,915
Net Income from Continuing Operations	792,292	244,472

Results of Operations

Three Months Ended January 31, 2018 Compared to Three Months Ended January 31, 2017

Revenue

Our revenue from operations for the three months ended January 31, 2018 was $780,241 compared to $1,362,689, a decrease of $582,448 or approximately 42.7%, from the three months ended January 31, 2017. This decrease is due to decreases of $972,787 in construction, $105,651 in CBD sales, and $64,485 in e-Cig sales. These decreases were offset by increases in advertising sales of $75,906 and cannabis supply of $484,569, as compared to the three months ended January 31, 2017.

Cost of Goods Sold

Our cost of goods sold for the three months ended January 31, 2018 was $468,326 compared to $1,074,459 for the three months ended January 31, 2017. The decrease is primarily due to the decrease in sales.

Gross Profit

Our gross profit for the three months ended January 31, 2018 was $311,915 compared to $288,230 for the three months ended January 31, 2017. The gross profit of $311,915 for the three months January 31, 2018 represents approximately 40.8% as a percentage of total revenue. The gross profit of $288,230 for the three months ended January 31, 2018 represents approximately 21.2% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in cannabis supply revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $740,055 to $837,107 for the three months ended January 31, 2018, from $97,052 for the three months ended January 31, 2017.

The increase was primarily due to the increases in stock-based compensation of $324,703, selling, general and administrative expenses of $16,673, professional fees of $58,803, marketing and advertising of $13,345, research and development of $513, consulting of $328,923 offset by a decrease in amortization and depreciation of $2,905.

Our total operating expenses for the three months ended January 31, 2018 of $837,107 consisted of $84,033 of selling, general and administrative expenses, $65,043 of professional fees, consulting expense of $430,092, marketing expense of $13,345, research and development of $513, stock-based compensation of $233,500, and $10,581 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Income

Our net income decreased by $716,370 to a net operating loss of $525,192 for the three months ended January 31, 201 from a net income of $191,178 for the three months ending January 31, 2017. The decrease in net income is primarily a result of the gross profit increase of $23,685, offset by an increase in operating expenses of $740,055.

Nine Months Ended January 31, 2018 Compared to Nine Months Ended January 31, 2017

Revenue

Our revenue from operations for the nine months ended January 31, 2018 was $6,006,252 compared to $2,237,405, an increase of $3,768,847 or approximately 168%, from the nine months ended October 31, 2016. This increase is due to increases of $1,771,701 in construction, $1,342,056 in advertising sales, $1,159,333 in cannabis supply sales. These increases were offset by decreases in CBD sales of $254,470 and $249,773 in e-Cig sales, as compared to the three months ended January 31, 2017.

Cost of Goods Sold

Our cost of goods sold for the nine months ended January 31, 2018 was $4,073,228 compared to $1,655,692 for the nine months ended January 31, 2017. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the nine months ended January 31, 2018 was $1,933,024 compared to $581,713 for the nine months ended January 31, 2017. The gross profit of $1,933,024 for the nine months ended January 31, 2017 represents approximately 32.3% as a percentage of total revenue. The gross profit of $581,713 for the nine months ended January 31, 2017 represents approximately 26.0% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in cannabis supply and advertising revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $1,045,647 to $1,650,409 for the nine months ended January 31, 2017, from $604,762 for the nine months ended January 31, 2017.

The increase was primarily due to the increases in stock-based compensation of $99,103, selling, general and administrative expenses of $80,821, professional fees of $86,026, marketing and advertising of $25,503, research and development of $4,634, consulting of $753,229 offset by a decrease in amortization and depreciation of $3,668.

Our total operating expenses for the nine months ended January 31, 2018 of $1,650,409 consisted of $241,786 of selling, general and administrative expenses, $106,056 of professional fees, consulting expense of $962,209, marketing expense of $25,503, research and development of $4,634, stock-based compensation of $278,750, and $31,472 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Income

Our net income decreased by $405,390 to $282,615 for the nine months ended January 31, 2018 from $688,005 for the nine months ending January 31, 2017. The decrease in net income is primarily a result of the gross profit increase of $1,351,311, offset by an increase in operating expenses of $1,045,647.

Liquidity and Capital Resources

Introduction

During the nine months ended January 31, 2018 we used $954,711 in operating cash flows. Our cash on hand as of January 31, 2018 was $679,951.

Cash Requirements

We had cash available of $679,951 as of January 31, 2018. Based on our revenues, cash on hand and current monthly burn rate of approximately $100,000 per month, we believe that our cash is sufficient to fund operations through April 2018.

Sources and Uses of Cash

Operations

We used $1,968,041 in cash by operating activities for the nine months ended January 31, 2018, as compared to cash used of $17,356 for the nine months ended January 31, 2017.

Net cash provided by operations consisted primarily of the net income of $282,614 offset by non-cash expenses of $509,677 consisting of $230,927 in depreciation and amortization of intangible assets and $278,750 in stock-based compensation. Additionally, changes in assets and liabilities consisted of increases of $2,002,287 in accounts receivable, accounts payable of $783,176, deferred revenue of $504,023, and inventory of $3,475, with decreases in prepaid expenses of $105,300, and reserve for uncollectable accounts of $420,379.

Investments

There was net cash used of $443,951 in investing activities for the nine months ended October 31, 2017 compared to cash used by investing activities of $186,228 for the nine months ended January 31, 2017. Our investing activities consisted primarily of $50,000 in acquisition costs, $388,897 in equipment purchases and $5,054 in website designs.

Financing

We had net cash provided in financing activities of $1,457,281 and $543,530 for the nine months ended January 31, 2018 and 2017 respectively. Our financing activities consisted of an increase in net proceeds from the issuance of stock of $1,143,927 and an increase of $313,354 of advances made by a related party.

Results of Adjusted Operations

Three Months Ended January 31, 2018 Compared to Three Months Ended January 31, 2017

Revenue

Our revenue from operations for the three months ended January 31, 2018 was $780,241 compared to $1,362,689, a decrease of $582,448 or approximately 42.7%, from the three months ended January 31, 2017. This decrease is due to decreases of $972,787 in construction, $105,651 in CBD sales, and $64,485 in e-Cig sales. These decreases were offset by increases in advertising sales of $75,906 and cannabis supply of $484,569, as compared to the three months ended January 31, 2017.

Cost of Goods Sold

Our cost of goods sold for the three months ended January 31, 2018 was $352,831 compared to $1,074,459 for the three months ended January 31, 2017. The decrease is primarily due to the decrease in sales.

Gross Profit

Our gross profit for the three months ended January 31, 2018 was $427,410 compared to $288,230 for the three months ended January 31, 2017. The gross profit of $427,410 for the three months January 31, 2018 represents approximately 54.8% as a percentage of total revenue. The gross profit of $288,230 for the three months ended January 31, 2018 represents approximately 21.2% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in cannabis supply revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $417,986 to $593,026 for the three months ended January 31, 2018, from $175,040 for the three months ended January 31, 2017.

The increase was primarily due to the increases in selling, general and administrative expenses of $16,673, professional fees of $58,803, marketing and advertising of $13,345, research and development of $513, consulting of $328,923 offset by a decrease in amortization and depreciation of $2,905.

Our total operating expenses for the three months ended January 31, 2018 of $593,026 consisted of $84,033 of selling, general and administrative expenses, $65,043 of professional fees, consulting expense of $430,092, marketing expense of $13,345, and research and development of $513. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Income

Our net income decreased by $278,806 to a net operating loss of $165,616 for the three months ended January 31, 201 from a net income of $113,190 for the three months ending January 31, 2017. The decrease in net income is primarily a result of the gross profit increase of $146,043, offset by an increase in operating expenses of $417,986.

Nine Months Ended January 31, 2018 Compared to Nine Months Ended January 31, 2017

Revenue

Our revenue from operations for the nine months ended January 31, 2018 was $6,006,252 compared to $2,237,405, an increase of $3,768,847 or approximately 168%, from the nine months ended October 31, 2016. This increase is due to increases of $1,771,701 in construction, $1,342,056 in advertising sales, $1,159,333 in cannabis supply sales. These increases were offset by decreases in CBD sales of $254,470 and $249,773 in e-Cig sales, as compared to the three months ended January 31, 2017.

Cost of Goods Sold

Our cost of goods sold for the nine months ended January 31, 2018 was $3,873,773 compared to $1,655,692 for the nine months ended January 31, 2017. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the nine months ended January 31, 2018 was $2,132,479 compared to $581,713 for the nine months ended January 31, 2017. The gross profit of $2,132,479 for the nine months ended January 31, 2017 represents approximately 35.6% as a percentage of total revenue. The gross profit of $581,713 for the nine months ended January 31, 2017 represents approximately 26.0% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in cannabis supply and advertising revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $949,031 to $1,340,187 for the nine months ended January 31, 2017, from $391,156 for the nine months ended January 31, 2017.

The increase was primarily due to the increases in selling, general and administrative expenses of $80,821, professional fees of $86,026, marketing and advertising of $25,503, research and development of $4,634, and consulting of $753,229.

Our total operating expenses for the nine months ended January 31, 2018 of $1,340,187 consisted of $241,786 of selling, general and administrative expenses, $106,056 of professional fees, consulting expense of $962,209, marketing expense of $25,503, and research and development of $4,634. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

Net Income

Our net income increased by $604,142 to $862,714 for the nine months ended January 31, 2018 from $258,572 for the nine months ending January 31, 2017. The decrease in net income is primarily a result of the gross profit increase of $1,550,766, offset by an increase in operating expenses of $949,031.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we consider material.

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 financial statements for the three months and nine months ended January 31, 2018 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

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

Item 3. 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-Q.

Item 4. 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 July 31, 2017. 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.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting during the quarter ended January 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls
A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The Company's management, including its Principal Executive Officer and its Principal Financial Officer, do not expect that the Company's disclosure controls will prevent or detect all errors and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In the three months ended October 31, 2016, the Company issued 2,600,000 shares of common stock in exchange for $650,000.

Item 3. Defaults Upon Senior Securities

There have been no events that are required to be reported under this Item.

Item 4. Mine Safety Disclosures

There have been no events that are required to be reported under this Item.

Item 5. Other Information

There have been no events that are required to be reported under this Item.

31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 *	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Furnished herewith.

SIGNATURES

Pursuant to the requirements 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.

Dated: April 16, 2018		/s/ Paul Rosenberg
	By:	Paul Rosenberg
	Its:	Chief Executive Officer (Principal Executive Officer)
Dated: April 16, 2018		/s/ Michael W. Hawkins
	By:	Michael W. Hawkins
	Its:	Chief Financial Officer (Principal Financial Officer)

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

I, Paul Rosenberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of mCig, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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 auditors 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: April 16, 2018

/s/ Paul Rosenberg

By: Paul Rosenberg

Its: Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer

I, Michael Hawkins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of mCig, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 registrant, 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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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 auditors 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: April 16, 2018

/s/ Michael W. Hawkins

By: Michael W. Hawkins
Its: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended January 31, 2018 of mCig, Inc. (the “Company”), as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, Paul Rosenberg, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: April 16, 2018

/s/ Paul Rosenberg
By: Paul Rosenberg
Its: Chief Executive Officer
(Principal Executive Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 USC SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended January 31, 2018 of mCig, Inc. (the "Company"), as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Michael Hawkins, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: April 16 , 2018

	/s/ Michael W. Hawkins
By:	Michael W. Hawkins
Its:	Chief Financial Officer
	(Principal Financial Officer)

This certification accompanies this report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purpose of Section 18 of the Securities Exchange Act of 1934, as amended.