MCIG, INC.

FORM 10-Q
(Quarterly Report)

Filed 12/21/17 for the Period Ending 10/31/17

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 OCTOBER 31, 2017

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 November 15, 2017, the Company had 402,810,809 shares of common stock, $0.0001 par value outstanding.

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

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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 October 31, 2017 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

	October 31, 2017	April 30, 2017
Current Assets		
Cash and cash equivalents	$ 980,084	$ 1,634,662
Accounts receivable, net	1,839,880	149,968
Inventory	105,903	54,278
Notes receivable	1,529	1,529
Prepaid expenses	27,500	147,015
Total current assets	2,954,896	1,987,452
Property, plant and equipment, net	3,064,413	3,070,497
Cost basis investment	902,023	902,023
Intangible assets, net	999,083	1,018,302
Total assets	$ 7,920,415	$ 6,978,274
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 27,879	$ 779,995
Due to shareholder	499,361	173,312
Other current liabilities	-	150,000
Reserve for uncollected accounts	431,409	11,030

Deferred revenue	5,217	517,033
Total current liabilities	963,866	1,631,370
Total Liabilities	963,866	1,631,370
Stockholders' equity		
Preferred stock, $0.0001 par value; 50,000,000 shares authorized; 12,850,000 and 23,000,000 shares issued and outstanding, as of October 31, 2017 and April 30, 2017, respectively.	1,285	1,285
Common stock, $0.0001 par value, voting; 560,000,000 shares authorized; 402,810,809 and 386,094,258 shares issued, and outstanding, as of October 31, 2017 and April 30, 2017, respectively.	40,281	38,609
Treasury stock	(680,330)	(680,330)
Additional paid in capital	11,919,006	11,118,841
Accumulated deficit	(4,323,693)	(5,131,501)
Total stockholders' equity	6,956,549	5,346,904
Total liabilities and stockholders' equity	$ 7,920,415	$ 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 October 31, 2017	For the three months ended October 31, 2016	For the six months ended October 31, 2017	For the six months ended October 31, 2016
Sales	$ 2,030,929	$ 620,015	$ 5,209,960	$ 874,717
Construction costs	232,351	-	2,631,861	-
Merchandise	456,789	-	514,614	-
Commissions	9,380	-	37,415	-
Merchant fees, shipping, and other costs	47,511	399,864	336,864	581,265
Total Cost of Sales	746,031	399,864	3,520,754	581,265
Gross Profit	1,284,898	220,151	1,689,206	293,452
Selling, general, and administrative	53,429	57,914	132,277	85,526
Professional fees	27,414	8,830	44,114	21,930
Stock based compensation	45,250	102,550	45,250	270,850
Marketing & advertising	4,753	-	18,667	-
Research and development	4,121	-	4,121	-
Consultant fees	350,049	79,657	532,117	107,811
Amortization and depreciation	52,381	13,486	104,852	21,562
Total operating expenses	537,397	262,437	881,398	507,679
Income (Loss) from operations	747,501	(42,286)	807,808	(214,227)
Other income (expense)	-	55,815	-	57,023
Net income (loss) before non-controlling interest	747,501	13,529	807,808	(157,204)
Gain attributable to non-controlling interest	-	3,061	-	(5,698)
Net income (loss) attributable to controlling interest	$ 747,501	$ 10,468	$ 842,808	$(151,506)
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	325,653,281	392,843,133	320,718,798

See accompanying notes to unaudited consolidated financial statements.

mCig, Inc.
and SUBSIDIARIES
Statements of Cash Flows

(unaudited)

	For the six months ended October 31, 2017	For the six months ended October 31, 2016
Cash flows from operating activities:		
Net (Loss)	$ 807,808	$ (157,204)
Adjustments to reconcile net loss to net		
Cash provided by (used in) operating activities:		
Depreciation and amortization	104,852	21,562
Common stock issued for services	45,250	-
Decrease (Increase) in:		
Accounts receivable, net	(1,689,912)	(32,294)
Inventories	(51,625)	(27,201)
Prepaid expenses and other current assets	119,515	(225,000)
Accounts payable, accrued expenses and taxes payable	(752,116)	21,367
Deferred revenue	(511,816)	52,675
Reserve for uncollectable accounts	420,379	-
Total adjustment to reconcile net income to net cash	(2,315,473)	(188,891)
Net cash provided In operating activities	(1,507,665)	(346,095)
Cash flows from investing activities:		
Increase (Decrease) in:		
Net cash received from acquisition	-	(176,479)
Acquisition of property, plant and equipment	(78,586)	(5,066)
Acquisition of intangible assets	(963)	(277,536)
Net cash received in investing activities	(79,549)	(459,081)
Cash Flows From Financing Activities:		
Borrowing from related party	326,049	317,684
Notes Payable	(150,000)	-
Treasury Stock	-	(500)
Proceeds from Issuance of Stock, Net	756,587	693,262
Net Cash Provided By (Used in) Financing Activities	932,636	1,010,446
Net Change in Cash	(654,578)	205,270
Cash at Beginning of Year	1,634,662	80,542
Cash at End of Period	$ 980,084	$ 285,812
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Non-cash Investing and Financing Activities:		
Conversion of preferred stock to common stock	$ -	$ 1,000

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, Agri-Contractors, LLC (“AGRI”), OBITX , Inc., (“OBITX”), 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").

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. 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., nine wholly owned subsidiaries which are consolidated:

Agri-Contractors, LLC

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

OBITX, Inc.

We incorporated OBITX, Inc., under the name 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 was a wholly owned subsidiary of the Company through October 31, 2017. On November 1, 2017 several actions were completed as OBITX prepares to file a S-1 Registration Statement, and MCIG will spin-off OBITX into its own separate entity.

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.

Scalable Solutions, LLC

The Company organized Scalable Solutions, LLC ("SS") on March 7, 2016 under the laws of the state of Nevada. mCig has been issued 40 membership units and Zoha Development, LLC ("ZOHA") has been issued 20 units. ZOHA has a ten year option to purchase 40 additional units which expires March 6, 2026. We subsequently closed Scalable Solutions, LLC on December 31, 2016.

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 OBITX, GROW, MINT, MCIG Europe, TUERO, TAM, VAPO, and VITA for the quarter ended October 31, 2017. 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 and six months ended October 31, 2017, sales to the Company’s primary three customers accounted for approximately 75.8% and 81.1% of revenues and 87.7% of accounts receivable, respectively. For the three months and six months ended October 31, 2017 the Company recognized one significant customer, Render Payment, LLC.

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	Scalable Solutions, Inc. (2016 only) 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

We began recording segments in 2017. Originally, we tracked our segments as i) construction, ii) retail, and iii) wholesale. During the third quarter of 2017, our chief operating decision maker, who is also our Chief Executive Officer, requested changes in the information that he regularly reviews for purposes of allocating resources and assessing performance. As a result, we report our financial performance based on our new segments described in Note __ – Segment Information. We have recast certain prior period amounts to conform to the way we internally manage and monitor segment performance during 2017. This change had no impact on consolidated net income or cash flows.

Business Segments

	Total Revenue		Percentage of Total Revenue	
	Three Months Ended October 31,		Three Months Ended October 31,	
	2017	2016	2017	2016
Consulting and Construction	$ 283,657	$ 187,594	14.0%	30.3%
CBD	5,758	83,820	0.3%	13.5%
Vaporizers	4 9 , 195	348,601	2.4%	56.2%
Media	1,250,100	-	61.6%	0.0%
Supplies	441,919	-	21.8%	0.0%
Corporate	-	-	0.0%	0.0%
Total	$ 2,030,929	$ 620,015	100.0%	100.0%

Business Segments

	Total Revenue		Percentage of Total Revenue	
	Six Months Ended October 31,		Six Months Ended October 31,	
	2017	2016	2017	2016
Consulting and Construction	$ 2,994,350	$ 249,862	57.5%	28.6%
CBD	27,846	176,282	0.5%	20.2%
Vaporizers	262,900	448,573	5.0%	51.3%
Media	1,250,100	-	24.0%	0.0%
Supplies	674,764	-	13.0%	0.0%
Corporate	-	-	0.0%	0.0%
Total	$ 5,209,960	$ 874,717	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 October 31, 2017, 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's accounts receivable in its construction and retail segments. As the retail division is either paid through credit card processing and prepaid wholesale purchases, the Company projects insignificant amounts of outstanding accounts receivable for its retail division. The company has a retail sales receivable of $1,250,000 as trade receivable.

The Company recognizes receipt of payment at the time the funds are deposited with the merchant services account of the Company. When the merchant services vendor determines to maintain a reserve for potential refunds and chargebacks, the Company reviews the reserve, to i) determine if the reserve is probably uncollectible, and ii) if a loss is probable, a reasonable estimate of the amount of the loss. We then allocate a portion of the reserve for bad debt, in accordance with *FASB ASC 450-20-25-2* . Once the vendor releases the funds, the bad debt reserve is appropriately reversed. The Company recognized $431,409 and $0 as an uncollectable reserve for the six months ending October 31, 2017 and October 31, 2016, respectively.

Accounts Receivable

	Amount
Construction Receivable	$ 500,260
Retail Sales Receivable	1,339,620
Total	$ 1,839,880

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.

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 $259,894 and $0 in excess of federally insured limits at October 31, 2017 and 2016.

Cost-Basis Investments
The Company's non-marketable equity investment in Vapolution 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 3 months and 6 months ended October 31, 2017 and 2016 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 October 31 , 2017, and October 3 1 , 2016, 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 October 31, 2017 and October 31, 2016 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 six months ended October 31, 2017 and 2016 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

On June 15, 2016, the Company issued a convertible promissory note in the amount of $25,000 for future legal work. The note was due on June 14, 2017 and bears interest at 10% per annum. The loan can then be converted into shares of the Company's common stock at a rate of 80% multiplied by the market price, which is the average of the closing price on the preceding five (5) trading days. The note was converted in October 2016.

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

In a major transaction, the Company acquired the 420 Cloud software environment which includes, 420 Cloud mobile, 420 Cloud browser, 420 Cloud API, 420 single sign-on mobile wallet, 420 job search, Weedistry, Ehesive, 420 cue, 420 wise guy, and Palm weed. At the end of the fiscal year the software was still in development. The Company launched 420 Cloud mobile on April 20, 2017. During the quarter ending July 31, 2017 the company expended $22,430 towards the development in the 420 Cloud project. We recognize amortization of the software that has been launched.

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

Property, Plant, and Equipment

	As of			
	October 31, 2017		April 30, 2017	
Office furniture	$	15,410		1,792
Rollies machine		5,066		5,066
Computer equipment		1,544		1,544
420 Cloud		3,127,244		3,063,635
Total acquisition cost	$	3,149,264	$	3,072,037
Accumulated depreciation		84,851		1,540
Total property, plant, and equipment	$	3,064,413	$	3,070,497

Depreciation expense on property, plant and equipment was $83,311 and $180 for the six months ended October 31, 2017 and 2016, respectively.

Note 6: Accounts Receivable

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

We utilize high risks credit card processing companies. Vendors tasked with accepting all credit card payments for purchases from its customers, are typically held in escrow for potential chargebacks. As traditional credit card processing is unavailable in the cannabis markets, we utilize services that require greater holding periods and higher retention requirements. While the Company expects these receivables to be fully collectible it has created an allowance for doubtful accounts for the period. As of July 31, 2017 we have $54,109 in accounts receivable from our retail customers and we maintain a reserve of $11,030. The company has a retail sales receivable of $1,250,000 as trade receivable.

The Company maintains subscription receivables of $366,614 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 Receivable	$	500,260
Retail Sales Receivable		1,339,620
Subscription Receivable		171,127
Total	$	2,011,007
Subscription Receivable not yet paid		(171,127)
Total Accounts Receivable	$	1,839,880

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

		As of October 31, 2017		
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		$	$	$
Finite lived intangible assets				
Website Designs	5	30,099	20,001	10,098
VitaCBD, LLC	5	200,000	30,000	170,000
Total finite lived intangible assets		230,099	50,001	180,098
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		1,058,276	59,193	999,083

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, 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 July 31, 2017 and 2016, and the identifiable assets for the segments in which the Company operates are shown in the following table:

Business Segments

For the Six Months Ended October 31, 2017	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 2,994,350	$ 262,900	$ 27,846	$1,250,100	$ 674,764	$ -	$5,209,960
Segment Income (Loss) from Operations	191,429	76,412	(1,753)	839,036	27,249	(324,564)	807,809
Total Assets	796,578	249,993	70,816	4,289,882	58,026	2,455,120	7,920,415
Capital Expenditures	15,714	225	-	63,609	-	-	79,548
Depreciation and Amortization	259	362	180	83,960	-	20,090	104,851

For the Six Months Ended October 31, 2016	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 249,862	$ 403,676	$221,179	$ -	$ -	$ -	$ 874,717
Segment Income from Operations	(31,551)	98,528	48,979	-	-	(267,462)	(151,506)
Total Assets	56,424	153,637	239,351	-	-	473,889	923,301
Capital Expenditures	-	-	277,022	-	-	107,743	384,765
Depreciation and Amortization	-	181	20,713	-	-	668	21,562

Business Segments

For the Three Months Ended October 31, 2017	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 283,957	$ 49,195	$ 5,758	1,250,100	$441,919	$ -	$ 2,030,929
Segment Income (Loss) from Operations	(48,605)	8,182	(4,677)	965,960	26,447	(199,806)	747,501
Total Assets	796,578	249,993	70,816	4,289,882	58,026	2,455,120	7,920,415
Capital Expenditures	-	-	-	23,166	-	-	23,166
Depreciation and Amortization	130	181	90	41,980	-	10,000	52,381

For the Three Months Ended October 31, 2016	Construction	Vaporizers	CBD	Media	Supply	Corporate	Total
Revenue	$ 187,594	$ 279,849	$ 152,572	$ -	$ -	$ -	$ 620,015
Segment Income from Operations	12,246	68,563	44,137	-	-	(114,478)	10,468
Total Assets	56,424	153,637	239,351	-	-	473,889	923,301

Capital Expenditures	-	-	24,456	-	-	152,023	176,479
Depreciation and Amortization	-	181	13,215	-	-	90	13,486

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 six months ended October 31, 2017 and October 31, 2016, respectively.

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

	For the three months ended October 31,		For the six months ended October 31,	
	2017	**2016**	**2017**	**2016**
Sales	$ 2,030,929	$ 620,015	$ 5,209,960	$ 874,717
Total Cost of Sales	746,031	399,864	3,520,754	581,265
Gross Profit	1,284,898	220,151	1,689,206	293,452
Selling, general, and administrative	53,429	57,914	132,277	85,436
Professional Fees	27,414	8,830	44,114	21,930
Marketing & Advertising	4,753	-	18,667	-
Research & Development	4,121	-	4,121	-
Consultant Fees	350,049	79,657	532,117	107,811
Depreciation	-	271	-	910
Total Operating Expenses	439,766	146,672	731,296	216,087
Income From Operations	845,132	73,479	957,910	77,365
Other Income	-	53,915	-	53,915
Net Loss Before Non-Controlling Interest	845,132	127,394	957,910	131,280
Loss Attributable to Non-Controlling Interest	-	3,061	-	(5,698)
Net Income Attributable to Controlling Interest	$ 845,132	$ 124,333	$ 957,910	$ 136,978
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	325,653,281	392,843,133	320,718,798

See accompanying notes to unaudited consolidated financial statements.

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 six months ended October 31, 2017 and October 31, 2016, respectively.

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

Reconciliation	For the three months ended October 31, 2017	2016	For the six months ended October 31, 2017	2016
Net Income	747,501	10,468	807,809	(151,506)
Interest	-	(1,900)	-	(3,108)
Depreciation and Amortization	52,381	13,486	104,851	21,654
EBITDA	799,882	22,054	912,660	(132,960)
Adjustment for Non-Intangible Asset Depreciation	-	(271)	-	(910)
Stock Based Compensation	45,250	102,550	45,250	270,850
Adjusted Net Income	845,132	124,333	957,910	136,980

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.

Domain Acquisitions

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

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

CBD Domain Name Asset Purchase Price

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

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

CBD Domain Name Accounting Classifications

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

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

On June 2 2 , 2016, the Company and Omni Health, Inc., FKA VitaCig, Inc., ("OMHE") entered into a Separation and Share Transfer Agreement whereby OMHE transferred the assets and operations of its electronic cigarette ("E-Cig") business to the Company in exchange for the return of 172,500,000 shares of OMHE Common Stock to the treasury of OMHE, and for a reduction of the amount owed to the Company by OMHE in excess of $95,000.

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

E-Cig Business Acquisition Price

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

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

E-Cig Accounting Classifications

Cash	$	44,281
Accounts Receivable		10,518
Prepaid Expenses		3,300
Inventory		26,608
Intangible assets - website		1,393
Intangible assets - VitaCig Brand		28,820
Related Party Receivable		(68,123)
Total assets acquired	$	46,797
Current Liabilities	$	12,923
Deferred Revenue		31,874
Due to Related Party		2,000
Total liabilities assumed	$	46,797

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

Gray Matter, LLC - Cherry Hemp Oil (CHO)

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

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

CHO Business Acquisition Price

882,353 Shares of MCIG Stock	$	30,000
Total Purchase Price	$	30,000

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

CHO Accounting Classifications

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

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

Agri-Contractors, LLC

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

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

Grow Contractors Brand and Website Asset Purchase Price

1,000,000 Shares of MCIG Stock	$	160,000
Total Purchase Price	$	160,000

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

Grow Contractors Accounting Classifications

Intangible assets - website	$	15,000
Intangible assets - Grow Contractors brand		145,008
Total assets acquired	$	160,008
Other Current Liabilities	$	8
Total liabilities assumed	$	8
Additional paid in capital, net stock issuance	$	160,000
Total equity	$	160,000
Total liabilities assumed and equity increase	$	160,008

Vapolution, Inc.

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

On January 23, 2014, the Company acquired Vapolution, Inc. for 5,000,000 shares of common stock. The Company issued 2,500,000 on October 30, 2015 with the final installment of 2,500,000 issued on October 1, 2015. In accordance with the agreement mCig, Inc. acquired 100% of Vapolution, Inc., but operational control for the following 10 years remained with the previous owners. Furthermore, the previous owners retained the right to rescind the transaction until June 30, 2017. As such, the Company continues to treat the investment into Vapolution, Inc., as an investment, not a consolidation. The Company's non-marketable equity investment in Vapolution was recorded using the cost-basis method of accounting, and was previously classified within other long-term assets on the accompanying balance sheet as permitted by FASB ASC 325, "Cost Method Investments". During 2016 there were no impairment losses. During 2015 the Company recorded an impairment loss of $625,000 related to the investment in Vapolution.

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

Vapolution Business Acquisition Price

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

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

An accounting of the transaction is as follows:

Vapolution Gain on Acquisition

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

VitaCBD, LLC

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

Fair Market Value of VitaCBD Brand at Acquisition and Sale

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

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

VitaCBD, LLC Gain on Acquisition

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

Vapomins Vertiebsgesellschaft mbH

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

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

VitaStik Brand, Trademarks and Domains Asset Purchase Price

1,500,000 Shares of MCIG Stock	$	412,500
Total Purchase Price	$	412,500

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

VitaStik Accounting Classifications

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

Total equity	$	412,500

APO Holdings, LLC

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

420 Cloud Asset Purchase Price

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

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

420Cloud Accounting Classifications

Software - 420 Cloud - Mobile	$	677,389
Software - 420 Cloud – Browser		315,709
Software – 420 Cloud API		90,116
Software - Whodab		67,587
Software - Ehesive		450,882
Software – 420 Cloud – Single Sign On		450,882
Software – 420 Job Search		135,173
Software – Weedistry		45,058
Software – Marketaro		112,644
Software – 420 Cue		450,882
Software – 420 Wise Guy		225,593
Software – Palm Weed		22,529
Domains		100,000
Total assets acquired	$	3,144,444
Due to Shareholder – MCIG, Inc.	$	3,144,444

Short term note	$	150,000
Total liabilities assumed	$	150,000
Additional paid in capital, net stock issuance	$	2,994,444
Total equity	$	2,994,444
Total liabilities assumed and equity increase	$	3,144,444

Stony Hill Corp

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

Note 11. Related Parties and Related Party Transactions

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 received 5,000,000 RPM Tokens at $0.25 per token.

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

$152,023 at the time of conversion. The Company recognized a gain of $53,918.

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 May 2, 2016 the Company sold to Paul Rosenberg the bad inventory from the past several years that was written off the previous years at cost. Mr. Rosenberg paid for the bad inventory in cash. The Company had stored $20,730 worth of bad product it needed to destroy, which was not accounted for on its books and records. The Company booked the transaction as revenue.

On June 3, 2016 the Company entered into a Convertible Promissory Note with VitaCig, Inc., (VTCQ) in the amount of $95,000 which was accounted for by the reduction of the balance Due from Related Party. The terms of the Convertible Promissory Note include 8% annual interest, and a 25% reduction to the lowest conversion price of the preceding five days before election to convert.

Between May 1, 2016 and June 22, 2016, the Company received $21,945 which was paid towards the balance Due from Related Party leaving a balance owed of $68,123 on June 22, 2016, the date of acquisition. The Company purchased the VTCQ business for $68,183 on June 22, 2016 by writing off the remaining balance (excluding the Convertible Promissory Note of $95,000).

During the three months ended July 31, 2016, Scalable Solutions, LLC (Scalable) contracted Zoha Development, LLC (Zoha) to provide services to the construction division and paid Zoha $5,655 and has an outstanding balance owed of $10,000 at the end of the fiscal period ending July 31, 2016. The president of Scalable is a managing member of Zoha.

On June 7, 2016 the Company issued 2,500,000 shares of common stock ($75,000 in fair market value) to Paul Rosenberg for the acquisition of the domain url www.cbd.biz. See Note 5.

On June 8, 2016 Paul Rosenberg, the Company's CEO and Chairman of the Board, converted 600,000 shares of Series A Preferred into 6,000,000 shares of common stock.

On June 22, 2016 the Company acquired the business of VitaCig, Inc., (VTCQ). See Note 7.

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.

Note 12. Stockholders' Equity

Common Stock

As of October 3 1 , 2017, the Company was authorized to issue 560,000,000 common shares at a par value of $0.0001. As of October 31 , 2017, the Company had issued and outstanding 402,810,809 common shares.

During the three months ended October 3 1 , 2017 the Company issued 4,000,000 under its option plan for services rendered and 2,600,000 shares through a private placement of $650,000 .

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 12,850,000 issued and outstanding as of October 31, 2017. There were a total of 12,850,000 issued and outstanding as of October 31, 2017. Each share of the Preferred Stock has 10 votes on all matters presented to be voted by the holders of the Company's common stock.

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 October 31, 2017, the Company recorded compensation cost of $0 within operating expenses related to stock options granted in 2016. As of October 31, 2017 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 during fiscal 2016 is $0.043 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 October 31, 2017 is presented below

Weighted

	Shares	Average Exercise Price
Options outstanding at beginning of period (May 1, 2017)	28,800,000	$ 0.1362
Granted	4,000,000	0.16
Forfeited	-	-
Exercised	4,000,000	0.034
Options outstanding at October 31, 2017	28,800,000	$ 0.063

There are currently 28,800,000 unissued options under the 2016 Stock Option Plan.

The following table summarizes information for stock options outstanding at October 31, 2017:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding @ 7/31/17	Weighted-Average Remaining in years	Weighted-Average Exercise Price	Number Exercisable @ 7/31/17	Weighted-Average Exercise Price
$0.034 - $0.107	27,800,000	2.67	$ 0.063	4,900,000	$ 0.034

Note 14. Warrants

A summary of warrant activity for period ended October 31, 2017 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 21, 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 15. Subsequent Events

On November 1, 2017 OBITX, Inc., issued seven year warrants for the purchase of a combined total of 1,750,000 common shares to five individuals/entities at the purchase price of $1.00 per share.

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.

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, 2017.

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. 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.'

Historically, has persistent efforts regulate products. In 2001, an Interpretive Rule attempting ban all seed hempseed oil food products contained even minuscule, insignificant amounts residual THC. The Hemp Industries Association immediately filed suit stop enforcement this rule, which resulted in what became known as “Hemp Food Rules Challenge.” Ultimately, subsequent ruling made Ninth Circuit issued serendipitously on February 6, 2004, found DEA had followed necessary scheduling procedures add non-psychoactive list of Schedule I controlled substances; and additionally, Congress clearly did not intend that hemp be prohibited by Controlled Substance when it adopted from 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 Consolidated Appropriations Act of 2016, which specifically prohibited federal authorities from using funds to obstruct the “transportation, processing, sale, or use of industrial hemp…within or outside the State in which the industrial hemp is grown or cultivated.” Hence, the DEA may not require lawfully licensed hemp farmers or manufacturers in the U.S. to register for a permit to engage in interstate commerce of industrial hemp products.

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

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.

DESCRIPTION OF SUBSIDIARIES

Discontinued Business Subsidiary

Scalable Solutions, LLC

The Company organized Scalable Solutions, LLC (“SS”) on March 7, 2016 under the laws of the state of Nevada. mCig has been issued 40 membership units and Zoha Development, LLC ("ZOHA") has been issued 20 units. ZOHA has a ten year option to purchase 40 additional units which expires March 6, 2026. We subsequently closed Scalable Solutions, LLC on December 31, 2016. The Company wind down the operations through January 31, 2017.

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.

Subsidiaries Acquired

Vapolution, Inc.

On January 23, 2014, the Company entered into a Stock Purchase Agreement acquiring 100% ownership in Vapolution, Inc., which manufactures and retails home-use vaporizers. As part of this transaction, .mCig, Inc. issued 5,000,000 common shares to shareholders of Vapolution, Inc. in two separate payments of 2,500,000 common shares. The shareholders of Vapolution, Inc. retained the right to rescind the transaction, which expired on January 23, 2015 but was extended to May 23, 2015. Subsequently, on August 25, 2015, the final payment to the shareholders of Vapolution as extended to September 30, 2015 and the right to rescind the transaction was extended to June 30, 2017. On April 30, 2015 the Company impaired the $625,000 initial investment into Vapolution, Inc., but maintains the $67,500 investment on its balance sheet for the second payment.

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

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

Agri-Contractors, LLC

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

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

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

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

Revenue from the license of software involving significant implementation or customization essential to the functionality of the Company's product, is recognized under the percentage-of-completion method of contract accounting based either on the achievement of contractually defined milestones or based on labor hours. Any probable losses are recognized immediately in profit or loss. In certain situations where the outcome of an arrangement cannot be estimated reliably, costs associated with the arrangement are recognized as incurred. In this situation, revenues are recognized only to the extent of the costs incurred that are probable of recovery.

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

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

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

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

Operating Results

Our operating results for the three months ended October 31, 2017 and 2016 are summarized as follows:

	Three months ended October 31,	
	2017	**2016**

Sales	$ 2,030,929	$ 620,015
Cost of Sales	746,031	399,864
Gross Profit	1,284,898	220,151
Total Operating Expenses	537,397	262,437
Other Income	-	55,815
Net Income from Continuing Operations	747,501	13,529

Our operating results for the six months ended October 31, 2017 and 2016 are summarized as follows:

	Six months ended October 31,	
	2017	**2016**
Sales	$ 5,209,960	$ 874,717
Cost of Sales	3,520,754	581,265
Gross Profit	1,689,206	293,452
Total Operating Expenses	881,397	507,679
Other Income	-	57,023
Net Income (loss) from Continuing Operations	807,809	(157,204)

Adjusted Net Income

Our adjusted operating results for the three months ended October 31, 2016 and 2015 are summarized as follows:

	Three months ended October 31,	
	2017	**2016**
Sales	$ 2,030,929	$ 620,015
Cost of Sales	746,031	399,864
Gross Profit	1,284,898	220,151
Total Operating Expenses	439,766	146,672
Other Income	-	53,915
Net Income from Continuing Operations	845,132	127,394

Our adjusted operating results for the six months ended October 31, 2016 and 2015 are summarized as follows:

	Six months ended October 31,	
	2017	**2016**
Sales	$ 5,209,960	$ 874,717
Cost of Sales	3,520,754	581,265
Gross Profit	1,689,206	293,452
Total Operating Expenses	731,296	216,087
Other Income	-	53,915
Net Income from Continuing Operations	957,910	131,978

Results of Operations

Three Months Ended October 31, 2017 Compared to Three Months Ended October 31, 2016

Revenue

Our revenue from operations for the three months ended October 31, 2017 was $2,030,929 compared to $620,015, an increase of $1,410,914 or approximately 328%, from the three months ended October 31, 2016. This increase is primarily a result of the media segment which had an increase of $1,250,150 which had zero income for the three months ended October 31, 2016.

Cost of Goods Sold

Our cost of goods sold for the three months ended October 31, 2017 was $746,031 compared to $399,864 for the three months ended October 31, 2016. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the three months ended October 31, 2017 was $1,284,898 compared to $220,151 for the three months ended October 31, 2016. The gross profit of $1,284,898 for the three months ended October 31, 2017 represents approximately 63.3% as a percentage of total revenue. The gross profit of $220,151 for the three months ended October 31, 2016 represents approximately 35.5% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in tech and media revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $274,960 to $537,397 for the three months ended October 31, 2017, from $262,437 for the three months ended October 31, 2016.

The increase was primarily due to the decrease in stock based compensation of $57,300, and selling, general and administrative expenses of $4,485 offset by increases in professional fees of $18,584, marketing and advertising of $4,753, research and development of $4,121, consulting of $270,392 and amortization and depreciation of $38,895.

Our total operating expenses for the three months ended October 31, 2017 of $537,397 consisted of $53,429 of selling, general and administrative expenses, $27,414 of professional fees, consulting expense of $350,049, marketing expense of $4,753, research and development of $4,121, stock based compensation of $45,250, and $52,381 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 increased by $737,033 to $747,501 for the three months ended October 31, 2017 from a net income of $10,468 for the three months ending October 31, 2016. The increase in net income is primarily a result of the gross profit increase of $1,064,747, offset by an increase in operating expenses of $274,960.

<u>Six Months Ended October 31, 2017 Compared to Three Months Ended October 31, 2016</u>

Revenue

Our revenue from operations for the six months ended October 31, 2017 was $5,209,960 compared to $874,717, an increase of $4,335,243 or approximately 596%, from the six months ended October 31, 2016. This increase is primarily a result of the media segment which had an increase of $1,250,150 which had zero income for the six months ended October 31, 2016, and an increase in the construction segment of $2,744,488.

Cost of Goods Sold

Our cost of goods sold for the six months ended October 31, 2017 was $3,520,754 compared to $581,265 for the six months ended October 31, 2016. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the six months ended October 31, 2017 was $1,689,206 compared to $293,452 for the six months ended October 31, 2016. The gross profit of $1,689,206 for the six months ended October 31, 2017 represents approximately 32.4% as a percentage of total revenue. The gross profit of $293,452 for the six months ended October 31, 2016 represents approximately 33.5% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in tech and media revenue with higher profit margins and the increase in construction costs.

Operating Expenses

Our operating expenses increased by $373,719 to $881,398 for the six months ended October 31, 2017, from $507,679 for the six months ended October 31, 2016.

The increase was primarily due to the decrease in stock based compensation of $225,600, offset by increases in selling, general and administrative expenses of $46,751, professional fees of $22,184, marketing and advertising of $18,667, research and development of $4,121, consulting of $424,306 and amortization and depreciation of $83,290.

Our total operating expenses for the six months ended October 31, 2017 of $881,398 consisted of $132,277 of selling, general and administrative expenses, $44,114 of professional fees, consulting expense of $532,117, marketing expense of $18,667, research and development of $4,121, stock based compensation of $45,250, and $104,852 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 increased by $965,012 to $807,808 for the six months ended October 31, 2017 from a net loss of $157,204 for the six months ending October 31, 2016. The increase in net income is primarily a result of the gross profit increase of $1,395,754, offset by an increase in operating expenses of $373,719.

Liquidity and Capital Resources

Introduction

During the six months ended October 31, 2017 we used $654,578 in operating cash flows. Our cash on hand as of October 31, 2017 was $980,084.

Cash Requirements

We had cash available of $980,084 as of October 31, 2017. Based on our revenues, cash on hand and current monthly burn rate, around break-even, we believe that our operations are sufficient to fund operations through April 2018.

Sources and Uses of Cash

Operations

We used $1,507,665 in cash by operating activities for the six months ended October 31, 2017, as compared to cash used of $346,095 for the six months ended October 31, 2016.

Net cash provided by operations consisted primarily of the net income of $807,808 offset by non-cash expenses of $150,102 consisting of $104,852 in depreciation and amortization of intangible assets and $45,250 in stock based compensation. Additionally, changes in assets and liabilities consisted of increases of $1,689,912 in accounts receivable, and deferred revenue of $511,816, with decreases in prepaid expenses of $119,515, inventory of $51,625, accounts payable of $752,116 and reserve for uncollectable accounts of $420,379.

Investments

We used $79,549 in investing activities for the six months ended October 31, 2017 compared to cash used by investing activities of $459,081 for the six months ended October 31, 2016. Our investing activities consisted primarily of $63,610 in software development cost, $963 in website designs, and $14,976 in furniture and equipment.

Financing

We had net cash provided in financing activities of $932,636 and $1,010,446 for the six months ended October 31, 2017 and 2016 respectively. Our financing activities consisted of an increase in net proceeds from the issuance of stock of $756,587 and an increase of $326,049 of advances made by a related party, offset by the payment of $150,000 to notes payable.

Results of Adjusted Operations

Three Months Ended October 31, 2017 Compared to Three Months Ended October 31, 2016

Revenue

Our revenue from operations for the three months ended October 31, 2017 was $2,030,929 compared to $620,015, an increase of $1,410,914 or approximately 328%, from the three months ended October 31, 2016. This increase is primarily a result of the media segment which had an increase of $1,250,150 which had zero income for the three months ended October 31, 2016.

Cost of Goods Sold

Our cost of goods sold for the three months ended October 31, 2017 was $746,031 compared to $399,864 for the three months ended October 31, 2016. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the three months ended October 31, 2017 was $1,284,898 compared to $220,151 for the three months ended October 31, 2016. The gross profit of $1,284,898 for the three months ended October 31, 2017 represents approximately 63.3% as a percentage of total revenue. The gross profit of $220,151 for the three months ended October 31, 2016 represents approximately 35.5% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in tech and media revenue with higher profit margins.

Operating Expenses

Our operating expenses increased by $293,094 to $439,766 for the three months ended October 31, 2017, from $146,672 for the three months ended October 31, 2016.

The increase was primarily due to the decrease in selling, general and administrative expenses of $4,485, offset by increases in professional fees of $18,584, marketing and advertising of $4,753, research and development of $4,121, and consulting of $270,392.

Our total operating expenses for the three months ended October 31, 2017 of $439,766 consisted of $53,429 of selling, general and administrative expenses, $27,414 of professional fees, consulting expense of $350,049, marketing expense of $4,753, and research and development of $4,121. 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 $717,38 to $845,132 for the three months ended October 31, 2017 from a net income of $127,394 for the three months ending October 31, 2016. The increase in net income is primarily a result of the gross profit increase of $1,064,747, offset by an increase in operating expenses of $293,094.

Six Months Ended October 31, 2017 Compared to Three Months Ended October 31, 2016

Revenue

Our revenue from operations for the six months ended October 31, 2017 was $5,209,960 compared to $874,717, an increase of $4,335,243 or approximately 596%, from the six months ended October 31, 2016. This increase is primarily a result of the media segment which had an increase of $1,250,150 which had zero income for the six months ended October 31, 2016, and an increase in the construction segment of $2,744,488.

Cost of Goods Sold

Our cost of goods sold for the six months ended October 31, 2017 was $3,520,754 compared to $581,265 for the six months ended October 31, 2016. The increase is primarily due to the increase in sales.

Gross Profit

Our gross profit for the six months ended October 31, 2017 was $1,689,206 compared to $293,452 for the six months ended October 31, 2016. The gross profit of $1,689,206 for the six months ended October 31, 2017 represents approximately 32.4% as a percentage of total revenue. The gross profit of $293,452 for the six months ended October 31, 2016 represents approximately 33.5% as a percentage of total revenue. This increase in the gross profit is primarily attributed to the increase in tech and media revenue with higher profit margins and the increase in construction costs.

Operating Expenses

Our operating expenses increased by $515,209 to $731,296 for the six months ended October 31, 2017, from $216,087 for the six months ended October 31, 2016.

The increase was primarily due to the increases in selling, general and administrative expenses of $46,841, professional fees of $22,184, marketing and advertising of $18,667, research and development of $4,121, and consulting of $424,306.

Our total operating expenses for the six months ended October 31, 2017 of $731,296 consisted of $132,277 of selling, general and administrative expenses, $44,114 of professional fees, consulting expense of $532,117, marketing expense of $18,667, and research and development of $4,121. 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 $826,630 to $957,910 for the six months ended October 31, 2017 from a net income of $131,280 for the six months ending October 31, 2016. The increase in net income is primarily a result of the gross profit increase of $1,395,754, offset by an increase in operating expenses of $515,209.

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 ended July 31, 2017 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

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 October 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 July 31, 2017 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 July 31, 2016, the Company did not issue any shares of common stock.

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.

Item 6. Exhibits

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: December 20, 2017

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

Dated: December 20, 2017

/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: December 20, 2017

/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: December 20, 2017

/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 October 31, 2017 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: December 20, 2017

	/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 October 31, 2017 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: December 20, 2017

/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.