

MCIG, INC.

FORM 10-Q/A (Amended Quarterly Report)

Filed 05/30/14 for the Period Ending 01/31/14

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 10-Q/A
Amendment #1**

(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **January 31, 2014.**
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act
For the transition period from **N/A** to **N/A**

Commission File No. 333-175941

mCig, Inc.

(Name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

27-4439285

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

800 Bellevue Way NE, Suite 400, WA

(Address of principal executive offices)

98004

(Zip Code)

Registrant's telephone number, including area code:

425-462-4219

Lifetech Industries, Inc.

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

Indicate by check mark whether the Registrant (1) has filed all reports required 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, or a non – accelerated filer. See definition of “ accelerated filer and large accelerated filer ” and “ smaller reporting company ” in Rule 12b – 2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non – Accelerated filer Smaller reporting Company

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

Indicate the number of shares outstanding of each of the registrant ' s classes of common stock as of the latest practicable date. **270,135,000 common shares issued and outstanding as of January 31, 2014.**

EXPLANATORY NOTE

We are filing this Amendment #1 on Form 10-Q to amend the following items of our Quarterly Report on Form 10-Q for the quarter ended January 31, 2014, as originally filed with the Securities and Exchange Commission on March 17, 2014 (the “Original Form 10-Q”): (i) Item 1 of Part I “Financial Information,” (ii) Item 2 of Part I “Management’s Discussion and Analysis of Financial Condition and Results of Operations , ” (iii) Item 4 of Part I “Controls and Procedures,” (iv) Item 2 of Part II “Unregistered sales of equity securities and use of proceeds,” and (v) Item 6 of Part II “Exhibits”.

No other sections were affected, but for the convenience of the reader, this report on Form 10-Q/A restates in its entirety, as amended, our Original Form 10-Q. This report on Form 10-Q/A is presented as of the filing date of the Original Form 10-Q and does not reflect events occurring after that date, or modify or update disclosures in any way other than as required to reflect the restatement described below.

INDEX TO FORM 10-Q FILING
FOR THE NINE MONTHS ENDED JANUARY 31, 2014

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying reviewed interim consolidated 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 (deficit) 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, 2013. 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 nine months ended January 31, 2014 are not necessarily indicative of the results that can be expected for the year ending.

mCig, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	January 31, 2014	April 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 37,190	\$ 3,600
Accounts receivable	6,309	-
Inventory	21,124	-
Prepaid expense	26,492	-
Total current assets	91,115	3,600
Intangible asset, net	19,440	13,366
Goodwill	1,233,672	-
Total assets	<u>\$ 1,344,227</u>	<u>\$ 16,966</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other current liabilities	\$ 9,991	\$ 4,375
Deferred revenue	12,500	50,000
Due to related party	-	172,678
Total current liabilities	22,491	227,053
Total liabilities	22,491	227,053
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, \$0.0001 par value per share, 50,000,000 shares authorized, 23,000,000 and zero shares issued and outstanding	2,300	-
Common stock, \$0.0001 par value per share, 560,000,000 shares authorized, 270,135,000 and 500,000,000 shares issued and outstanding	27,014	50,000
Additional paid in capital	1,568,965	-
Accumulated deficit during development stage	(276,543)	(260,087)
Total stockholders' equity (deficit)	1,321,736	(210,087)
Total liabilities and stockholders' equity (deficit)	<u>\$ 1,344,227</u>	<u>\$ 16,966</u>

The accompanying notes are an integral part of the financial statements.

mCig, Inc.
CONDOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months		For the Nine Months	
	<u>January 31, 2014</u>	<u>January 31, 2013</u>	<u>January 31, 2014</u>	<u>January 31, 2013</u>
Revenue	\$ 85,109	\$ 12,500	\$ 110,789	\$ 37,500
Cost of sales	30,635	-	30,635	7,106
Gross profit	54,474	12,500	80,154	30,394
Operating Expenses				
Amortization expense	1,294	862	3,881	862
Professional fees	6,984	6,703	22,411	17,441
Travel expenses	2,540	-	2,540	88,064
General and administrative expenses	14,694	5,874	33,720	26,158
Share-based compensation	18,158	-	34,058	-
Total operating expenses	43,670	13,439	96,610	132,525
Net income (loss)	\$ 10,804	\$ (939)	\$ (16,456)	\$ (102,131)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares of common stock outstanding - basic	270,135,000	270,000,000	270,135,000	270,000,000

The accompanying notes are an integral part of the financial statements.

mCig, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months	
	January 31, 2014	January 31, 2013
Cash flows from operating activities		
Net loss	\$ (16,456)	\$ (102,131)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	3,881	862
Share based compensation	34,058	-
Changes in operating assets and liabilities:		
Accounts receivable	(6,309)	-
Inventory	(11,560)	-
Accounts payable	4,375	(1,028)
Deferred revenue	(37,500)	62,500
Net cash used in operating activities	(29,512)	(39,797)
Cash flows from investing activities		
Website development cost	(9,955)	(12,600)
Investment in Vapolution	8,007	-
Net cash used in investing activities	(1,948)	(12,600)
Cash flows from financing activities		
Advance from related party	65,050	42,885
Issuance of common stock for cash	-	-
Net cash flows provided by financing activities:	65,050	42,885
Net increase (decrease) in cash	33,590	(9,512)
Cash- beginning of period	3,600	9,737
Cash- end of period	\$ 37,190	\$ 225
<u>Supplemental non-cash information</u>		
Debt Forgiveness	\$ 237,728	\$ -
Goodwill acquired in business combination	1,233,672	-
Net asset acquired in business combination	8,321	-
Liabilities settled in stock	\$ -	\$ 5,000

The accompanying notes are an integral part of the financial statements.

mCig, Inc.
Notes To Consolidated Financial Statements
(Unaudited)

1. BUSINESS DESCRIPTION AND BASIS OF PRESENTATION

These financial statements represent the consolidated financial statements of mCig, Inc. (“mCig”) and Vapolution, Inc. (“Vapolution”). mCig and Vapolution are collectively referred to herein as the “Company”.

mCig, Inc. (mCig) was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, our name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting our new business model. Since October 2013, mCig, Inc. has positioned itself 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 (2) The adoption of electronic vaporizing cigarettes (commonly known as “eCigs”) by the world’s 1.2 Billion smokers. We manufacture and retail the mCig — the world’s most affordable loose-leaf eCig priced at only \$10. Designed in the USA — the mCig provides a superior smoking experience by heating plant material, waxes, and oils delivering a smoother inhalation experience. The company also owns Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through its wholly owned subsidiary, VitaCig, Inc. the company is preparing to launch the VitaCig, a \$2 nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

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

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled on the one year anniversary of the agreement on January 23, 2015, to offset the 2,500,000 new shares issued from the treasury to complete the purchase of mCig, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company’s accounting policies used in the preparation of the accompanying consolidated financial statements conform to accounting principles generally accepted in the United States of America ("US GAAP") and have been consistently applied.

Use of Estimates

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

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

Revenue Recognition

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

mCig, Inc.
Notes To Consolidated Financial Statements
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

In May 2012, the company signed an agreement with Epik Investments Limited, a Limited Liability Corporation incorporated under the laws of the Hong Kong Special Administrative Region, assigning them the exclusive rights to sell and distribute all of company's products in Hong Kong and the People's Republic of China. These exclusive distribution rights were for a period of 2 years. The company received consideration of \$100,000 under the terms of the agreement. As of January 31, 2014, the company earned a total of \$87,500 in revenue and accrued deferred revenue of \$12,500 related to this agreement.

On December 1, 2012, LifeTech Industries Inc. has signed an exclusive ten-country distribution agreement with SunPlex Limited. The three phases, previously disclosed, are not part of the distribution agreement. In accordance with the agreement SunPlex has 30 days from receipt of evaluation units to perform all of its product testing as well as its due diligence assessment, subject to acceptance by SunPlex.

Under the terms of the agreement, the project has the potential to bring sales of up to \$75 Million. This is based upon five year forecasts that are non-binding on SunPlex. As of October 31, 2013 no revenue has been realized from the said distribution agreement. This agreement was cancelled on April 30, 2014.

All agreements related to the Lifetech business are terminated and closed as of April 30, 2014. It will not have any impact on the current and future operations because all of these agreements are related to the previous business directions of the Company.

Cost of Goods Sold

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

Cash and cash equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of their acquisition date. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes the company concentrates its cash holdings in an account at Bank of America and an old account at JP Morgan Chase Bank.

Inventory

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

Accounts Receivable

Accounts receivable, primarily from retail customers, are reported at the amount invoiced. Management reviews accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. As of January 31, 2014, the Company expects these receivables to be fully collectible and therefore has not estimated an allowance for doubtful accounts for the period.

Intangible assets – Goodwill

The Company's goodwill associated with its acquisitions is not amortized. Management reviews goodwill for impairment at least on an annual basis and at other times when existing conditions raise substantial questions about their recoverability. An impairment charge is recognized in the period which management determines that the assets are impaired. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Foreign currency translation

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

mCig, Inc.
Notes To Consolidated Financial Statements
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial Instruments

Fair Value of Financial Instruments

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

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

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

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Website development costs

Under the provisions of FASB-ASC Topic 350, the Company previously capitalized costs of design, configuration, coding, installation, and testing of the Company's website up to its initial implementation. Costs will be amortized to expense over an estimated useful life of three years using the straight-line method. Ongoing website post-implementation cost of operations, including training and application, are expensed as incurred. The Company evaluates the recoverability of website development costs in accordance with FASB-ASC Topic 350. As of the quarter ended January 31, 2014, management does not believe that there is a need for the impairment of costs incurred towards the development of its website.

	January, 31 2014	April 30, 2013	
Website development cost	\$25,477		\$15,522
Accumulated amortization	(6,037)		(2,156)
Total intangible assets	\$19,440		\$13,366

Stock-Based Compensation

The Company follows ASC 718-10, "Stock Compensation", which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 requires measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized. The Company has not adopted a stock option plan and has not granted any stock options. The Company granted stock awards, at market value, to its advisors for services rendered. Accordingly, stock-based compensation has been recorded to date.

mCig, Inc.
Notes To Consolidated Financial Statements
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Recent accounting pronouncements

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

Income Taxes

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

Basic and Diluted Loss per Share

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

3. BUSINESS ACQUISITIONS AND GOODWILL

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

Following consultation with our legal and auditing advisors in preparation for the filing of our audited Form 10-K, the company and Vapolution, Inc. decided to amend their original Stock Purchase Agreement. Per the amended Stock Purchase Agreement executed as of May 23, 2014, a clarification was made to the agreement that more appropriately expresses the spirit of the transaction as agreed upon by management of mCig and the previous owners of Vapolution, Inc. As a result, one of the changes in the agreement is the disclosure that all of Vapolution's assets were in-fact purchased by mCig as part of this agreement.

While the amended Vapolution, Inc. acquisition agreement provides mCig, Inc. with more control of the company and its assets, several risk factors must still be considered:

1. mCig's role is one that mirrors an overseer running the day-to-day operations of the Company. As such, we run the risk that previous management in-charge of the day-to-day operations at Vapolution, make decisions that are not aligned with the vision of mCig's Board of Directors.
2. There is no way to guarantee that the previous owners of Vapolution, Inc. will make decisions that are in the best interest of Vapolution, Inc. as an mCig, Inc. subsidiary. To ensure themselves in the best manner possible, the previous owners of Vapolution are guaranteed the first \$110,000 of Earnings Before Interest Tax Depreciation and Amortization from the yearly profits of the Company.
3. Since the entire transaction for the purchase of Vapolution was in the form of 5,000,000 shares of mCig, Inc. common stock shares, the Board of Directors believes that it would be in the management's best interest to improve Vapolution, Inc.'s performance, since this would directly have a moderate effect on the price of mCig, Inc.'s common stock share price.

1. The Purchase Agreement grants exclusive rights over the day-to-day operations of Vapolution, Inc. to its former owners. The Board of Directors of mCig, Inc. will review the financial activity of Vapolution, Inc. on a monthly basis and will sign off on any large investments, payments to management, creative ideas, as well as have ultimate decision power over all material decisions and the overall strategy of the business. mCig management believes that introducing the mCig culture into the marketing of Vapolution products will greatly increase Vapolution's economic potential. This theory was re-enforced immediately after the completion of the Vapolution, Inc. acquisition. The first

order of business after the acquisition was the complete redesign of the Company website by mCig's staff (www.vapolution.com). Furthermore, the previous owners in collaboration with mCig's technical staff are working extensively on the Vapolution Vaporizer 3.0, which management expects to have on the market in the fall of 2014. In addition to streamlining several processes, such as consolidating administrative, accounting, and fulfillment for both mCig and Vapolution which will reduce the bottom line expenses for the combined companies. mCig, Inc. management believes that these initiatives will produce significant cost-savings for both companies. More importantly, the combined strategies will assist in returning Vapolution, Inc. to its past prosperity.

2. The management of the company looks at "the first one hundred and ten thousand dollars (\$110,000) of EBITDA per year (Earnings Before Interest, Tax, Depreciation and Amortization) from Vapolution, Inc. sales to be split equally amongst LUCEY and SHAFFER (50% each) for a period of ten (10) years following the execution of this agreement ("earn-out-period") as the appropriate salary to the previous Company owners of Vapolution for their continued full-time involvement in the running of the day-to-day operations of this mCig Brand. We looked at the prior results of the operations of Vapolution, Inc. and determined that paying the first 110,000 of EBITDA per year would be an appropriate "salary" expense to secure the services of Patrick Lucey and Chad Shaffer to run autonomously the operations of Vapolution Inc. for the next 10 years. After these 10 years, we would re-negotiate a salary contract with Patrick and Chad, to continue running the operations of Vapolution, if deemed appropriate.

We examined the historic salary payments paid by the previous owners of Vapolution Inc. (\$39,000 and \$37,600 for the periods ended as of 3/30/13 and as of 3/30/14, respectively.) Furthermore, the management paid for rent expense in the amount of (\$39,000 and \$21,009 for the periods ended as of 3/30/13 and as of 3/30/14, respectively.) As a result, in coming up with the first 110,000 of EBITDA per year, the salary expense as well as the rent expense will be subtracted from this amount. The way that they will pay themselves will be in the form of a monthly evaluation. Based on the monthly results of the Brand and the results of the operations of the company, with the approval of mCig Board of Directors, Patrick and Chad will be paid upto \$9,000 per month as a salary/ rent expense (based on the current month results.) On January 23 of each year, a summary calculation will be prepared to determine how much payment is required to be made to Patrick and Chad (if the Company was able to achieve all of its objectives and obtain EBITDA in this time period above \$110,000.) If for some reason the results from Vapolution show a loss in this time period, no salary would be paid out, as evident by the agreement signed between mCig and Vapolution, Inc.

3. After the one year period, if the previous owners of Vapolution do not rescind the purchase agreement and return to full ownership of the Company, the previous owners will be unable to rescind the agreement. After this period, the Board of Directors will continue to evaluate the performance of Vapolution, to continuously determine whether the Company is meeting all of the set-out objectives and goals. In the event that the former owners resign or are asked to resign from their current management positions in Vapolution, Inc., mCig, Inc. will have to step-in and manage the operations of the Company. Since the earliest that this ultimate measure can take place (at least 1 year after the anniversary date of the purchase agreement), the Board of Directors of mCig, Inc. believes that by this time they will have gained the necessary experience and knowledge to continue to operate the Company without any interruption. To be able to accomplish this, several employees of mCig, Inc. have taken an interest in learning about the operations of the Company as well as assisting in the development of the Vapolution Vaporizer 3.0. As a result, mCig, Inc.'s management is confident that it is very unlikely that they would experience material losses in revenues in the event of a restructuring of the operational management currently in place at Vapolution, Inc.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition and the allocation of the purchase price to the fair value of net assets acquired:

Cash	\$ 8,006
Inventory	9,564
Goodwill	<u>\$ 1,233,672</u>
Accounts payable and accrued expenses	<u>(1,242)</u>
Total purchase price allocated	<u>\$ 1,250,000</u>

The Company does not feel goodwill should be impaired at this time as revenues are being generated and will be generated.

The entire purchase price of 5,000,000 common shares of mCig, Inc. (2,500,000 paid within 30 days of the acquisition and the remaining 2,500,000 shares reserved for future payout) which on the date of the agreement had a fair market value of \$1,233,672 - was included in the Balance Sheet of mCig, Inc. in the form of Goodwill. Our thought process behind this transaction was as follows:

1. There was not a correct or appropriate way to estimate an approximate amount that should be allocated specifically to the customer list. Even though our full intention is to cross-market mCig's products to Vapolution customers and vice-versa, the Board of Directors made a strategic decision to hold off until the third generation of mCig and Vapolutions products will be released.
2. Since a search of comparable company sales provided no transactions that we could utilize for valuation purposes, and since we are not currently utilizing the client list that Vapolution contributed as of part of this transaction, in placing a value on Vapolution, we could not rely on the Market Approach in coming up with a value for the Company. Instead, we came up with a value for 100% non-marketable, minority interest value for Vapolution, Inc. using the Discounted Future Earnings method, through the Income Approach Valuation Method (Reference Exhibit 2, Page 1-2). In allocating a value for Vapolution, we considered but did not utilize the Net Asset Value Method, since it assumed that the value of a business will be realized by the hypothetical sale of its net assets as part of a going concern. Since capital and other intangibles represent a substantial portion of the asset base of Vapolution, and the approach to value these intangibles duplicates the approach used in the income approach, using it here as well would overweight its impact on our conclusion of value.

The primary reasons for the acquisition of Vapolution per ASC 805-10-50-2(d) can be summarized by the following:

1. Vapolution has been a leader in its industry since the company's inception in the early 2000's. After years of sustained success and consistent revenue streams and profitability, financial performance peaked and for the first time since inception, revenues fell flat. At this stage, management realized that unless fundamental changes were implemented and the trend reversed significant market share could be lost permanently. That is why the transaction with mCig made sense for both parties. In its acquisition of Vapolution, mCig acquired more than just a successful brand and an exemplary product. mCig also acquired a team of two fantastic engineers that were very familiar with the industry and well respected by their peers. Vapolution, Inc. management recognized that by aligning with mCig, Inc. the combined companies would be stronger, have substantial cost-synergies, as well as growth-synergies. Meanwhile, administration, accounting, and fulfillment could be streamlined and consolidated while the team at Vapolution could return to what they do best which was creating great products.
2. By agreeing to join forces with mCig, Vapolution's management agreed to allow mCig to run the marketing side, while they turned all of their focus on developing the third generation Vapolution product. Since mCig is not a direct competitor to Vapolution, this acquisition made further sense as it added another revenue stream for the company while allowing mCig, Inc. to expand into the home-use vaporizer segment.

We have consulted with our legal counsel and auditors and acknowledge that an audit of Vapolution Inc. will be necessary and will be included in the amended 8-K. We have retained De Joya Griffith, LLC to perform the audit and they require 90 days to complete the audit procedure. The deadline for filing the April 30, 2014 Form 10-K with the Securities Exchange Commission is July 29, 2014.

4. STOCKHOLDERS' EQUITY

Common Stock

The authorized capital of the Company is 560,000,000 common shares with a par value of \$0.0001 per share.

On September 17, 2013, the company issued 60,000 restricted shares of common stock at \$0.21 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$12,600 based on the price on the date of grant.

On October 18, 2013, the company issued 30,000 restricted shares of common stock at \$0.11 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$3,300 based on the price on the date of grant.

On November 15, 2013, the company issued 45,000 restricted shares of common stock at \$0.07 per share for professional services rendered in order to promote the company via social media. These shares were valued at \$3,150 based on the price on the date of grant.

On November 26, 2013, the company issued 500,000 shares of common stock at \$0.083 per share for services of Chief Operating Officer by transferring these shares of common stock held by Paul Rosenberg. These shares were valued at \$41,500 based on the price on the date of grant. It was considered as capital contribution.

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

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. has cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled on the one year anniversary of the agreement on January 23, 2015, to offset the 2,500,000 new shares issued from the treasury to complete the purchase of mCig, Inc.

Stock split

Effective July 31, 2013, the company effected a 1 old for 10 new forward stock split of the Company's common stock. As a result, our authorized capital increased from 200,000,000 to 1,000,000,000 shares of common stock and our issued and outstanding increased from 50,000,000 shares of common stock to 500,000,000 shares of common stock, all with a par value of \$0.0001.

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

Preferred Stock

On September 23, 2013, the Company entered into a Share Cancellation / Exchange / Return to Treasury Agreement with Paul Rosenberg, the chief executive officer of mCig, Inc., for the cancellation of 230,000,000 shares of our common stock held by Mr. Rosenberg in exchange for 23,000,000 shares of our company's Series A Preferred Stock. Under the terms of the Agreement the Preferred Shares are convertible and can be exchanged for a stated number of shares of the company's common stock, but not earlier than one year after the date of signature of the agreement.

On April 10, 2014, the Share Cancellation / Exchange / Return to Treasury Agreement was amended. Under terms of the amended agreement, all or any part of the Preferred Shares held by Shareholder can be converted at any time or from time to time, and can be exchanged for a stated number of the company's Common Stock Shares.

As of May 30, 2014, there were no set conversion terms for the Series A preferred stock either in the certificate of designation of mCig's Series A preferred stock or in the agreement, as amended, under which Mr. Rosenberg received 23,000,000 shares of Series A preferred stock.

The Board of Directors determines the stated number of the Company's common stock shares into which the Series A preferred shares can be converted into – both with respect to the 23,000,000 Series A preferred shares already issued and with respect to the remaining 27,000,000 authorized but unissued shares of Series A preferred stock.

The Series A Preferred shares of mCig, Inc. carry ten (10) votes per each share of Preferred stock while mCig, Inc's common shares carry one (1) vote per each share outstanding. Thus, a logical conversion ratio for Mr. Rosenberg's 23,000,000 Series A preferred shares would be 10:1 indicating the Preferred shares are exchangeable into 230,000,000 common shares in the Company.

On April 11, 2014, the Company filed a Certificate of Correction with the Secretary of State of the State of Nevada, solely to correct an error found in the Certificate of Designation, originally filed on September 11, 2013 (the "Prior Filing"). The Prior Filing incorrectly stated that shareholders have no preemptive rights to subscribe for, purchase or receive any part of any new or additional shares of any class, whether now or hereinafter authorized, or of bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares of any class, but all such new or additional shares of any class, or any bond, debentures or other evidences of indebtedness convertible into or exchangeable for shares, may be issued and disposed of by the Board of Directors on such terms and for such consideration (to the extent permitted by law), and to such person or persons as the Board of Directors in their absolute discretion may deem advisable.

5. RELATED PARTY TRANSACTIONS

On July 13, 2011, the Officer of the Company contributed an amount of \$100 towards additional paid in capital.

As of April 30, 2013 the company was obligated to Mr. Benjamin Chung for an unsecured and non-interest bearing demand loan with a balance of \$172,678.

Effective April 19, 2013 Benjamin Chung and Paul Rosenberg signed the “Debt Assignment, Consent and Release Agreement”, according to which the Assignor (Benjamin Chung) grants, assign, transfer and set over unto the Assignee (Paul Rosenberg) his entire right, title and interest in and to the Debt upon the terms and conditions contained in the Agreement.

On July 30, 2013, Mr. Paul Rosenberg, President and CEO, agreed to forgive all the debts (the sum of \$172,678) owed to him by the Company and recorded as Additional paid in capital.

As of October 31, 2013, the President of the Company, Mr. Paul Rosenberg advanced the Company the amount of \$65,050 for operating purposes.

On November 26, 2013, Mark Linkhorst was appointed as Chief Operation Officer (COO) of the company. According to his employment agreement he should be paid 1,000,000 shares of our common stock for the first year. On November 26, 2014, the Company issued 500,000 shares of common to Mark Linkhorst for future services to be rendered. Simultaneously, Paul Rosenberg cancelled an equal amount of shares (500,000) owned by him. On this date, these shares had a FMV of \$41,500 based on the price on the date of grant, and was classified as a capital contribution on the Company’s books.

Below is a breakdown of the accounting for the capital contribution for the issuance of 500,000 common shares to Mr. Linkhorst:

Prepaid Expenses	26,492	
Salary Expenses	15,008	
To additional paid in capital		41,500

The remaining 500,000 shares of common stock that are owed to Mr. Linkhorst for his future services as COO of mCig, Inc. will be paid out and recorded at FMV on a monthly basis, at a rate of 83,333 shares per month. Since there is no way to estimate the FMV of these shares, a note disclosure was deemed appropriate.

On January 23, 2014, Mr. Paul Rosenberg has cancelled 2,500,000 shares of common stock owned by him, as part of a Stock Purchase Agreement between mCig and Vapolution, Inc. resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders.

On January 31, 2014, Mr. Paul Rosenberg, President and CEO, agreed to forgive all debts (the sum of \$65,050) owed to him by the Company and recorded as Additional paid in capital.

6. SUBSEQUENT EVENTS

On February 24, 2014 the company entered into a Contribution Agreement with VitaCig, Inc., a wholly-owned subsidiary. In accordance with this agreement VitaCig, Inc. accepted the contribution by mCig, Inc. of specific assets consisting solely of pending trademarks for the term “VitaCig” filed with the United States Patent and Trademark Office (USPTO) on January 18, 2014, \$500 in cash, and web development services as contribution in exchange for 500,135,000 shares of common capital stock representing 100% of the shares outstanding of VitaCig, Inc. This resulted in mCig, Inc. owning 500,135,000 shares of VitaCig, Inc. Mr. Paul Rosenberg, CEO of mCig, Inc. signed the Contribution on behalf of mCig, Inc. and is not receiving the shares personally.

The company plans to dividend a portion of these shares pro-rata, based on a one for one (1:1) ratio to only the holders of vested common stock of mCig, Inc. at the record date of the dividend. No other class of security shall be affected by the dividend. This will result in VitaCig, Inc. shares being held for investment on mCig, Inc.’s Balance Sheet. The purpose is to develop a subsidiary interest related to the VitaCig brand separate from mCig.

On February 24, 2014, Chief Operating Officer of mCig, Inc., Mark James Linkhorst, was appointed as President of VitaCig.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are “forward-looking statements” for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

Business Overview

mCig, Inc. (mCig) was incorporated in the State of Nevada on December 30, 2010 originally under the name Lifetech Industries, Inc. Effective August 2, 2013, our name was changed from "Lifetech Industries, Inc." to "mCig, Inc." reflecting our new business model. Since October 2013, mCig, Inc. has positioned itself 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 (2) The adoption of electronic vaporizing cigarettes (commonly known as “eCigs”) by the world’s 1.2 Billion smokers. We manufacture and retail the mCig — the world’s most affordable loose-leaf eCig priced at only \$10. Designed in the USA — the mCig provides a superior smoking experience by heating plant material, waxes, and oils delivering a smoother inhalation experience. The company also owns Vapolution, Inc. which manufactures and retails home-use vaporizers such as the Vapolution 2.0. Through its wholly owned subsidiary, VitaCig, Inc. the company is preparing to launch the VitaCig, a \$2 nicotine-free eCig that delivers a water-vapor mixed with vitamins and natural flavors.

- mCig 2.0 is available for purchase through the mCig website (www.mCig.org) and through Companies who've ordered them in bulk through the Company’s Wholesale, Distributor and Retail programs;
- 4 Piece Glass Packs are available for purchase through the mCig website (www.mCig.org) and though Companies who've ordered them in bulk through the Company’s Wholesale, Distributor and Retail programs;
- Vapolution Vaporizer 2.0 along with various accessories are available for purchase through the Vapolution website (www.vapolution.com);
- VitaCig Refresh, Energize or Relax E-cigarettes are available for purchase through the VitaCig website (www.VitaCig.org)
- mCig T-Shirt’s are available via the mCig website (www.mCig.org)

All of our existing product catalogs are available for sale globally. The Company ships internationally via USPS International First Class.

In development:

mCig, Inc., Vapolution, Inc. and VitaCig are currently in the process of researching and developing a future line of products including the mCig 3.0, the Vapolution 3.0, and the LiqCig, respectively. These products are still in the conceptual phase, as we hope to have these out sometime in the Fall 2014.

Vitality Glassware jars for herb storage as well as Underwater Kinetics UltraBox 420 for the storage of the mCig 2.0 and its accessories will be available shortly on the mCig website (www.mCig.org).

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

On January 23, 2014, Paul Rosenberg, CEO of mCig, Inc. cancelled an equal amount (2,500,000 shares) of common shares owned by him resulting in a net non-dilutive transaction to existing mCig, Inc. shareholders. The remaining 2,500,000 of common shares owned by Paul Rosenberg will be cancelled on the one year anniversary of the agreement on January 23, 2015, to offset the 2,500,000 new shares to be issued from the treasury for the completion of the acquisition of Vapolution.

On May 23, 2014, the parties to the agreement agreed to amend the original Stock Purchase Agreement. Per the amended Stock Purchase Agreement executed as of May 23, 2014, a clarification was made to the agreement that more appropriately expresses the spirit of the transaction as agreed upon by management of mCig and the previous owners of Vapolution, Inc. As a result, one of the changes in the agreement is the disclosure that all of Vapolution’s assets were in-fact purchased by mCig as part of this agreement.

The following is a summary of the changes to the agreement:

1. In the amended agreement, former Vapolution, Inc. shareholders have autonomous control over the day-to-day operations of the Company while the Board of Directors of mCig, Inc. will have ultimate control over the business decisions within Vapolution, Inc. This differs from the original agreement whereby Vapolution, Inc. former shareholders had the ability to veto any decision made by mCig, Inc.
2. The Amended Agreement states that as part of the acquisition, all tangible and intangible assets of Vapolution, Inc. are included as part of the acquisition. This differs from the original agreement whereby the assets of Vapolution, Inc. were not acquired by mCig, Inc.
3. In the amended agreement, former Vapolution, Inc. shareholders have just one (1) year to rescind the agreement and return to full ownership of the Company as opposed to five (5) in the original agreement.

Risk Factors

While the amended Vapolution, Inc. acquisition agreement provides mCig, Inc. with more control of the company and its assets, several risk factors must still be considered:

1. mCig's role is one that mirrors an overseer running the day-to-day operations of the Company. As such, we run the risk that previous management in-charge of the day-to-day operations at Vapolution, make decisions that are not aligned with the vision of mCig's Board of Directors.
2. There is no way to guarantee that the previous owners of Vapolution, Inc. will make decisions that are in the best interest of Vapolution, Inc. as an mCig, Inc. subsidiary. To ensure themselves in the best manner possible, the previous owners of Vapolution are guaranteed the first \$110,000 of Earnings Before Interest Tax Depreciation and Amortization from the yearly profits of the Company.
3. Since the entire transaction for the purchase of Vapolution was in the form of 5,000,000 shares of mCig, Inc. common stock shares, the Board of Directors believes that it would be in the management's best interest to improve Vapolution, Inc.'s performance, since this would directly have a moderate effect on the price of mCig, Inc.'s common stock share price.

The primary reasons for the acquisition of Vapolution per ASC 805-10-50-2(d) can be summarized by the following:

1. Vapolution has been a leader in its industry since the company's inception in the early 2000's. After years of sustained success and consistent revenue streams and profitability, financial performance peaked and for the first time since inception, revenues fell flat. At this stage, management realized that unless fundamental changes were implemented and the trend reversed significant market share could be lost permanently. That is why the transaction with mCig made sense for both parties. In its acquisition of Vapolution, mCig acquired more than just a successful brand and an exemplary product. mCig also acquired a team of two fantastic engineers that were very familiar with the industry and well respected by their peers. Vapolution, Inc. management recognized that by aligning with mCig, Inc. the combined companies would be stronger, have substantial cost-synergies, as well as growth-synergies. Meanwhile, administration, accounting, and fulfillment could be streamlined and consolidated while the team at Vapolution could return to what they do best which was creating great products.
2. By agreeing to join forces with mCig, Vapolution's management agreed to allow mCig to run the marketing side, while they turned all of their focus on developing the third generation Vapolution product. Since mCig is not a direct competitor to Vapolution, this acquisition made further sense as it added another revenue stream for the company while allowing mCig, Inc. to expand into the home-use vaporizer segment.

We have consulted with our legal counsel and auditors and acknowledge that an audit of Vapolution Inc. will be necessary and will be included in the amended 8-K. We have retained De Joya Griffith, LLC to perform the audit and they require 90 days to complete the audit procedure. The deadline for filing the April 30, 2014 Form 10-K with the Securities Exchange Commission is July 29, 2014.

Government Regulation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liquidity and Capital Resources

Cash Flows

	Nine months ended January 31, 2014		Nine months ended January 31, 2013	
Net Cash From Used in Operating Activities	\$	(29,512)	\$	(39,797)
Net Cash Used by Investing Activities	\$	(1,948)	\$	(12,600)
Net Cash From Financing Activities	\$	65,050	\$	42,885
Net Increase (Decrease) in Cash During the Period	\$	33,590	\$	(9,512)

Results of Operations

	For the Three Months		For the Nine Months	
	January 31, 2014	January 31, 2013	January 31, 2014	January 31, 2013
Revenue	\$ 85,109	\$ 12,500	\$ 110,789	\$ 37,500
Cost of sales	30,635	-	30,635	7,106
Gross profit	54,474	12,500	80,154	30,394

Results of Operations for the Nine Months Ended January 31, 2014 Compared to the Nine Months Ended January 31, 2013

Revenues

The Company's revenues increased by \$73,829 or 195% for the nine months ended January 31, 2014 compared to the nine months ended January 31, 2013. The increase in revenue is attributed to the launch of our primary product the mCig 2.0 on January 14, 2014. Revenues consist primarily of results from the sales of the electronic cigarettes, home-use vaporizers, and accrued deferred revenue.

Sales of the test electronic cigarettes for the nine months ended January 31, 2014 and 2013 were \$62,100 and \$0, respectively. Significant increase in sales is mainly due to the launch of the new mCig's products. Sales of the home-use vaporizers for the nine days from the date of acquisition of Vapolution, Inc. were \$11,189.

For the nine months ended January 31, 2014 and 2013 we accrued deferred revenue of \$37,500 and \$37,500, respectively, related to an agreement with Epik Investments Limited. The agreement with Epik Investments Limited

will be closed at the expiration of the 2-year period, ended April 30, 2014. It will not have any impacts on the current and future operations because the agreement with Epik Investments is related to the previous business directions of the company.

As expected, we will have a significant increase in revenue for the next fiscal quarter due to the launch of new mCig's products and as a result of the acquisition of Vapolution, Inc.

Cost of Goods Sold

Cost of goods sold for the nine months ended January 31, 2014 and 2013 were \$30,635 and \$7,106 respectively, an increase of \$23,529, or approximately 77%. The increase is primarily due to the sales of the home-use vaporizers.

Expenses

Our total operation expenses for the nine months ended January 31, 2014 and 2013 were \$96,610 and \$132,525, respectively, a decrease of \$35,915, or approximately 27%. The decrease is primarily due to the decrease of the travel expenses, related to Lifetech business development.

Our total operation expenses for the nine months ended January 31, 2014 consisted of \$22,411 of professional fees, \$2,540 of travel expenses, \$3,881 of amortization, \$33,720 of general and administrative expenses and \$34,058 of share-based compensation. Our general and administrative expenses consist of bank charges, advertising and promotion, rent, computer and internet expenses, postage and delivery and other miscellaneous expenses. For the nine months ended January 31, 2013 our incurred total operation expenses consisted of \$17,441 of professional fees, \$88,064 of travel expenses, \$862 of amortization, and \$26,158 of general and administrative expenses.

Results of Operations for the Three Months Ended January 31, 2014 Compared to the Three Months Ended January 31, 2013

Revenues

The Company's revenues increased in the fiscal quarter ended January 31, 2014 compared to January 31, 2013 by \$72,609 or 581%. Increase in revenue is mainly due to the sales of the mCig's test products and as result of the acquisition of Vapolution, Inc. Revenues consist primarily of results from the sales of the test electronic cigarettes, home-use vaporizers, and accrued deferred revenue.

Sales of the test electronic cigarettes for the three months ended January 31, 2014 and 2013 were \$61,420 and \$0, respectively. Significant increase in sales is mainly due to the launch of the new mCig's products. Sales of the home-use vaporizers for the nine days from the date of acquisition of Vapolution, Inc. were \$11,189.

For the three months ended January 31, 2014 and 2013 we accrued deferred revenue of \$37,500 and \$12,500, respectively, related to an agreement with Epik Investments Limited. The agreement with Epik Investments Limited will be closed at the expiration of the 2-year period, ended April 30, 2014.

As expected, we will have a significant increase in revenue for the next fiscal quarter due to the launch of new mCig's products and as a result of the acquisition of Vapolution, Inc.

Cost of Goods Sold

Cost of goods sold for the three months ended January 31, 2014 and 2013 were \$30,635 and \$0, respectively. The increase is primarily due to the sales of the home-use vaporizers.

Expenses

Our total operation expenses for the three months ended January 31, 2014 and 2013 were \$43,670 and \$13,439, respectively, an increase of \$30,231, or approximately 69%. The increase is primarily due to the increase of the general and administrative expenses, related to our new business directions.

Our total operation expenses for the three months ended January 31, 2014 consisted of \$6,984 of professional fees, \$2,540 of travel expenses, \$1,294 of amortization, \$14,694 of general and administrative expenses and \$18,158 of share-based compensation. Our general and administrative expenses consist of bank charges, advertising and promotion, rent, computer and internet expenses, postage and delivery and other miscellaneous expenses. For the three months ended January 31, 2013 our incurred total operation expenses consisted of \$6,703 of professional fees, \$862 of amortization, and \$5,874 of general and administrative expenses.

Supplemental Pro Forma Revenue and Earnings of the Combined Entity as though the Business Combination (mCig and Vapolution) had occurred as of May 1, 2012 for the Nine Months Ended January 31, 2014 Compared to the Nine Months Ended January 31, 2013

	For the Nine Months (Unaudited)		
	January 31, 2014	January 31, 2013	Chg. %
Revenue	\$ 252,931	\$ 398,263	(36,5)
Cost of sales	51,026	97,865	(47,8)
Gross profit	201,905	300,398	(32,78)

The pro forma combined financial statements have been prepared for informational purposes only and do not purport to be indicative of the actual results that would have been achieved for the periods presented or the combined results of operations which might have existed for the periods indicated or the results of operations as they may be in the future.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Off-Balance Sheet Arrangements

As of January 31, 2014, we had no off balance sheet transactions that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our sole officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our sole officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2014. Based on the evaluation of these disclosure controls and procedures, our sole officer concluded that our disclosure controls and procedures are ineffective.

Changes in internal controls

There were no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) promulgated under the Exchange Act, during the quarter ended January 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Management is not aware of any legal proceedings contemplated by any governmental authority or any other party against us. None of our directors, officers or affiliates are (i) a party adverse to us in any legal proceedings, or (ii) have an adverse interest to us in any legal proceedings. Management is not aware of any other legal proceedings that have been threatened against us.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On September 17, 2013, we authorized the issuance of 60,000 restricted shares of common stock at \$0.21 per share to company's consultant for professional services rendered in order to promote the company via social media. These shares were valued at \$12,600 based on the price on the date of grant. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On October 18, 2013, we authorized the issuance of 30,000 restricted shares of common stock at \$0.11 per share to company's consultants for professional services rendered in order to promote the company via social media. These shares were valued at \$3,300 based on the price on the date of grant. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On November 15, 2013, we authorized the issuance of 45,000 restricted shares of common stock at \$0.07 per share to company's consultants for professional services rendered in order to promote the company via social media. These shares were valued at \$3,150 based on the price on the date of grant. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

N/A.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
31.1	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

Dated: May 30, 2014

/s/ Paul Rosenberg

Paul Rosenberg
President, Chief Executive Officer, Chief
Financial Officer, Treasurer, and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULE 13A-14(a) OR 15D-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 200**

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. I am 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. I have disclosed, based on my 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: May 30, 2014

/s/ Paul Rosenberg

Paul Rosenberg
President, Chief Executive Officer, Chief
Financial Officer, Treasurer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting
Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Report of mCig, Inc. (the "Company") on Form 10-Q for the period ended January 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Rosenberg, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 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 Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 30, 2014

/s/ Paul Rosenberg

Paul Rosenberg
President, Chief Executive Officer, Chief
Financial Officer, Treasurer and Director
(Principal Executive Officer, Principal
Financial Officer and Principal Accounting
Officer)