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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ___________ to ___________

Commission file number 0-53248

VEGALAB, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	68-0635204
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
636 U.S. Highway 1, Ste. 110, North Palm Beach, FL	33408
Address of Principal Executive Offices	Zip Code

Registrant's telephone number, including area code (800) 208-1680

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, Par Value $0.001
(Title of Class)

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

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

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to the Form 10-K. ☐

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒
Emerging growth company ☒	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of voting stock held by non-affiliates on June 30, 2017, based on the average bid and asked prices on that day was $6,808,075. As of May 31, 2018, the Registrant had outstanding 23,787,897 shares of common stock, par value $0.001.

DOCUMENTS INCORPORATED BY REFERENCE

None

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K may contain certain "forward-looking" statements as such term is defined by the Securities and Exchange Commission in its rules, regulations and releases, which represent the Company's expectations or beliefs, including but not limited to, statements concerning the Company's operations, economic performance, financial condition, growth and acquisition strategies, investments, and future operational plans. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intent," "could," "estimate," "might," "plan," "predict" or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by any forward-looking statements.

This annual report contains forward-looking statements, including statements regarding, among other things, (a) our plans for implementing our newly acquired product distribution rights, (b) our growth strategies, (c) our future financing plans, (d) our anticipated need for working capital, and (e) the impact of governmental regulation. These statements may be found under Item 1. "Business," and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as in this annual report generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors and matters described in this annual report. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this annual report will in fact occur.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements.

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PART I

ITEM 1. BUSINESS

History and Development of Vegalab, Inc.

Vegalab, Inc. (the “Company”, “we”, “our”, or “us”), was incorporated under the laws of the State of Nevada in 2006 as HPC Acquisitions, Inc. The Company operates in two segments of the food industry. One involves the manufacture and distribution of all-natural crop protection, crop health, and soil enhancement products, and the other is the operation of a citrus packing facility.

Crop Protection and Soil Enhancement Business

In March of 2016, the Company acquired from Vegalab SA, Switzerland (“VSA”), the exclusive North and South America distribution rights to a suite of products which includes biological pesticides, natural fertilizers, and specialty biological products marketed under the “Vegalab” brand. Vegalab’s crop protection products consist of natural agents that are highly effective against targeted organisms, non-toxic to beneficial organisms, and safe for the environment (the “Agronomy Business”). The Company markets its products through stocking distributors, and holds registrations for its products in a number of US states, Costa Rica, and Panama. We are actively pursuing additional registrations domestically, and in Canada, Mexico, and Latin America. The Company began distributing Vegalab products in April of 2016. For calendar year 2017, the Agronomy Business generated $361,083 in revenue compared to $2,115,421 in 2016.

Citrus Packing Business

In October of 2017, the Company acquired substantially all of the assets related to a produce packing business located in Tulare County, California (the "Packing Business"). The acquisition included approximately 11 acres of real property and 30,000 sq. ft. of buildings from M&G Farms, Inc., a California corporation, and all of the equipment, inventory, customers, suppliers, contract rights, and intangible property from M&G Packing, Inc., a California corporation that operated the Packing Business. The total purchase price for the Packing Business, including closing costs, was $854,452. The Company purchased the Business with $425,000 cash and an 18-month promissory note bearing interest at 6% per annum. The Packing Business, located in the middle of a citrus growing region near Fresno, CA, has been packing citrus (mainly oranges and lemons) for about 13 years, and is being operated as M&G Packing, LLC, a wholly owned subsidiary of the Company. For calendar year 2017, the Packing Business generated $2,130,308 in revenue.

The Company acquired the Packing Business as a part of its long term plan to grow both organically and through strategic acquisitions. With several customers of the Packing Business already using Vegalab's all natural products to maximize yields and increase the number of premium quality fruits produced in their citrus groves, we believe this acquisition will produce synergistic growth for both our Packing Business and our Agronomy Business.

Recent Development

In February of 2018, the Company acquired The Agronomy Group, LLC, a California limited liability company (“TAG”), a producer and distributor of environmentally friendly agrochemicals. TAG had been our top U.S. sales organization, so the acquisition significantly expanded the Company’s internal marketing capabilities. Furthermore, the TAG product line complemented the existing Vegalab product line, and thus increased the number of products that we have available to offer our customers. The purchase price for TAG was paid by the delivery of 600,000 shares of restricted common stock of Vegalab, and a warrant to purchase 1,600,000 shares of restricted common stock of Vegalab at an exercise price of $1.20 per share exercisable over a term of five years.

The Market Opportunity

The world agricultural landscape is changing rapidly, as consumers demand foods produced from plants that are sustainably grown without synthetic chemicals, and from animals that are humanely raised, fed natural diets, and grown without inputs such as antibiotics and growth hormones. According to an online report issued by Organic Authority, for example, consumer pressure has compelled 57 major food companies to commit to switching to the use of cage-free eggs. In another report, this one issued by TechSci Research, the global market for organic food is projected to grow at a compounded rate of 14% per year through 2021. We believe the number of food manufacturers looking to eliminate synthetic inputs from the food ingredients in their supply chain will continue to grow as the demand for natural food products intensifies.

In addition to increasing consumer pressure to minimize chemical residues in food, regulatory restrictions and outright bans on the use of certain chemical compounds in the food chain are driving the growing demand from large scale agricultural businesses for eco-friendly fertilizers, bio-pesticides and specialty biological agents like the Company's. According to a report published by Research and Markets, the projected global market for bio-pesticides alone is estimated to reach $8.82 billion by the year 2022, representing a compounded annual growth rate of 17.6% from 2016.

The convergence of changing consumer preferences, increased regulation, and the commitment of food companies to reduce chemical compounds in the environment in their supply chain has created what management believes is a substantial opportunity for growth in the distribution of Vegalab products.

Our Products

Our product line in 2017 consisted of natural fertilizers, specialty biological agents, and biological pesticides, that are highly effective against targeted organisms, non-toxic to beneficial organisms, and safe for the environment.
The following products are registered in one or more jurisdictions and available for sale:

Biological Control Agents *Soil Inoculants*	*Insecticides*	*Fungicides*
Larva BioControl	Nematode Control	Mildew Control
Myco BioBoost	Mosquito BioControl	Spore Control
	Spider Mite Control	
Fertilizers		
Armour Boost (0-0-6)	Copper Boost	Micro Boost (2-0-0)
Root Boost (2-0-0)	Balance Boost (0-10-5)	Fertile Boost (9-0-0)
Nitrogen Pro (22-0-0)	Color Boost (0-13-6)	Brix Boost (0-13-5)
Fruit Boost (0-0-1)	NPK Pro (10-9-8)	Vega Pro (6-5-3)
Calcium Boost 17	Grow Boost (0-0-2)	Phosphorus Pro (0-29-5)
Vita Boost (1-0-5)	Calcium Boost 23	Harvest Pro (0-13-6)
Pollen Boost (3-3-5)	Vivid Boost (0-16-7)	Cellular Boost (1-0-0)
Kelp Boost (0-0-1)	Potassium Pro (0-20-26)	
Magnesium Boost (4-0-0)	Rigid Boost (1-4-4)	

These products are "natural" in that the active ingredients consist primarily of oil extracts from various plant sources. The efficacy of the raw material is effectuated and enhanced through a process of micronization, nano-encapsulation, and amplification. These special processes in manufacturing improve the product efficacy to a commercial level for large agricultural enterprises. Our fertilizers have unique formulations containing organic compounds that facilitate the absorption of minerals, increase growth rates, and enhance overall crop quality. The fertilizers we offer are formulated to reduce their chemical footprint and to increase absorption into the plant. With our product formulations, the applicator is able to use smaller amounts of fertilizers, pesticides, fungicides, etc. to achieve similar crop results to those achieved using the standard synthetic products currently on the commercial market.

Distribution Agreement

The Company has the exclusive right to market and sell the Vegalab products in the Western Hemisphere. David Selakovic, a director, officer, and principal stockholder of the Company, assigned this exclusive distribution right to the Company in March 2016. Mr. Selakovic held the distribution rights under a distribution agreement dated October 19, 2012, with ECOWIN Co., Ltd., a Korean company that owns the intellectual property related to the processes for manufacturing the Vegalab products and manufactures products the Company sells. Additions, removals, and modifications of the Vegalab products may be made at the discretion of ECOWIN. ECOWIN is required to provide 90-days advance notice of the discontinuation of a product. For a new product, ECOWIN is required to provide 30-days advance notice of the addition of the new product, and during that period the Company has the right to decline the addition of the product to the distribution agreement.

VSA is a Swiss company of which David Selakovic is the sole owner, and it is the world-wide distributor of the Vegalab products we offer, subject to the exclusive rights of the Company in the Western Hemisphere. At the present time we purchase all of our products from VSA at its cost.

VSA publishes a product price list periodically, which lists the distributor price to the Company for all product ordered through VSA. Prices are FOB (Freight on Board) the factory. Pricing is subject to change at any time at the election of VSA on 30-days advance written notice to the Company. Payment is made in US Dollars by irrevocable letter of credit issued at the time of the order and payable 90 days from the date of the bill of lading.

The Company has a duty to use all reasonable commercial efforts to develop and exploit the maximum sales for the entire line of products covered by the distribution agreement. This includes the obligation to:

- Establish a trained sales force;
- Purchase and maintain an adequate selection and stock of products to meet reasonably expected demand;
- Deliver monthly sales reports;
- Advertise and promote the products, including participation in trade shows; and
- Obtain and maintain all governmental permits or registrations required to market and sell the products.

Under the distribution agreement, products we purchase for resale are warranted by the manufacturer to be free of defects in material and workmanship for a period of 24 months. At its discretion, the manufacturer may replace or repair defective products, or issue a refund of the purchase price.

Distributing Our Products

We began distribution of our Vegalab products in April 2016, after aggressively pursuing registration of Vegalab products in jurisdictions where we believed there was an opportunity to commence sales soon after registrations were achieved. This strategy proved effective, with initial sales occurring primarily to large growers in California, and to an OEM customer for products packaged in retail consumer sized packaging. These efforts resulted in approximately $2.1 million in total product sales in 2016. Sales in 2017 slowed until the fourth quarter, due to a combination of adverse weather in California, and our customers using products carried over from purchases in mid to late 2016. During 2017 The Agronomy Group (TAG) was retained as the Company’s main sales organization for the California market, and TAG organized and supervised several successful trials during the growing season of 2017. In the fourth quarter of 2017, through TAG’s efforts, the Company began selling its products through two of the twenty-five largest agricultural retailers in the United States (according to the "CropLife Top 100" rankings), Buttonwillow Warehouse Company, Inc. ("Buttonwillow") and Mid Valley Agricultural Services, Inc. ("Mid Valley Ag").

The successful trials and product sales to customers of Buttonwillow and Mid Valley Ag attracted the attention of Stanislaus Farm Supply (“Stanislaus”), which is a member of Winfield United. Stanislaus placed its first order in the fourth quarter 2017 and proceeded to sign a distribution agreement with TAG. The agreement has an effective date of November 1, 2017, with Stanislaus committing to purchase at least $13 million annually of Vegalab products. Although total sales to Stanislaus (through TAG, our distributor at the time) only slightly exceeded $500,000 in 2017, we believe we are well positioned for a significant increase in annual sales in 2018.

We also believe there are numerous additional markets in North and Latin America where we can sell our Vegalab products, and that we are only just beginning to penetrate the large market available to us. We are focusing our efforts on jurisdictions where major distributors or government agencies have indicated they believe a strong need for our products exists. We have begun conducting product tests in some of these areas, several of which have already been completed with very positive results, and more are in the pipeline. We hope to negotiate several new distribution agreements in 2018 in these jurisdictions, and expect product sales there to be cyclical, based on growing seasons and other factors. We are currently pursuing opportunities in Guatemala, Costa Rica, Nicaragua, and Mexico.

Competition

Our Vegalab products compete with similar products produced by other agrochemical businesses, as well as with traditional agrochemicals. Many large manufacturers of synthetic agro-chemicals are entering the race to produce “earth friendly” agro-chemicals. These competitors have well established products, brands, market share, and have much greater financial and operational resources than we do. Being the new entrant in what is expected to be a multi-billion dollar industry creates significant challenges, and there is no assurance we can compete effectively on the basis of product content and performance, or on price. However, we believe our eco-friendly products have an advantage over traditional agro-chemicals because of testing and reports show that many traditional agro-chemicals, particularly synthetic pesticides and some fertilizers, degrade the environment and are potentially harmful to humans. This results in higher regulatory scrutiny and restrictions, as well as potential liability under federal and local laws. We believe the absence of these negative characteristics in our eco-friendly products make them very appealing to potential distributors and end users, and gives us an advantage we can promote when competing with traditional agro-chemicals.

Regulatory Considerations

Our activities are subject to extensive federal, state, local and foreign governmental regulations. These regulations may prevent us or our collaborators from developing or commercializing products in a timely manner or under technically or commercially feasible conditions, and may impose expenses, delays and other impediments to our product development and registration efforts. In the United States, the Environmental Protection Agency (“EPA”) regulates our bio-based pest management products under the Federal Insecticide, Fungicide and Rodenticide Act (“FIFRA”), the Federal Food, Drug and Cosmetics Act (“FFDCA”) and the Food Quality Protection Act (“FQPA”). In addition, our fertilizers are regulated as fertilizers or biostimulants in each of the fifty states.

In 2004, the United States Congress passed the Pesticide Registration Improvement Renewal Act, which was reauthorized in 2007 and 2012, a result of efforts from an industry coalition of pesticide companies and environmental groups, to codify pesticide approval times in return for user fees. This law facilitates faster approval times for biopesticides, with EPA approvals typically received within 16 to 24 months, compared with 36 months or longer for conventional chemical pesticides. Registration processes for state and foreign governments vary between jurisdictions and can take up to 12 months for state governments, such as California and New York, and up to 36 months or more for foreign governments. In some instances, California and Canada will conduct joint reviews with the EPA, which allows some pesticides to receive concurrent approvals in California, Canada and the United States. However, in most instances, most foreign government submissions will not occur until after a U.S. registration has been secured. To register a crop protection product with the EPA, companies must demonstrate the product is safe to mammals, non-target organisms, endangered species and the environment. To demonstrate the bio-based pest management product’s safety, required studies must be conducted that evaluate mammalian toxicology, toxicological effects to non-target organisms in the environment (ecotoxicological exposures) and physical and chemical properties of the product. The registration dossier is subject to both scientific and administrative reviews by EPA scientists and management before registration approval. The scientific review involves thorough evaluation of submitted data and completion of risk assessments for human dietary and ecotoxicological exposures. Upon completion of this process, the registration package, including the proposed label, is sent to the Office of General Council for legal review. The final step in the registration process is administrative sign-off by the EPA director of the Biopesticides and Pollution Prevention Division.

In addition to EPA approval, we are required to obtain regulatory approval from the appropriate state regulatory authority in individual states and foreign regulatory authorities before we can market or sell any pest management product in those jurisdictions. Foreign governments typically require up to two seasons of locally generated field efficacy data on crop-pest combinations before a product dossier can be submitted for review. California and foreign jurisdictions also require us to submit product efficacy data, which the EPA historically has not required, but may request.

We engage third party contractors with experience in the regulatory registration processes of federal and local governments to assist us with obtaining regulatory approvals and permits for our products.

Since our plant fertilizers are not used to control pests, they currently fall outside the legal scope of FIFRA, FFDCA and FQPA and, therefore, we do not need to submit applications for EPA registrations for such products. However, we must still submit state registrations for our fertilizers, and those containing microbes of foreign origin may also need to be "deregulated" (or determined not to be a plant pest) under the Plant Protection Act by the USDA Animal and Plant Health Inspection Service prior to use in field trials or for large scale release. Nevertheless, the regulatory process is significantly accelerated compared to that for bio-pesticides.

Annex I to this report is a current list of the government registrations we have obtained for our products.

Acquisition of the Vegalab Business

On March 8, 2016, the Company issued 12,011,000 shares of common stock to David Selakovic at a total purchase price of $303,100, paid in cash. Concurrently, Mr. Selakovic was appointed a director, and to the positions of Chairman of the Board, Chief Executive Officer, and Chief Financial Officer. Craig S. Laughlin, the former Chairman of the Board, Chief Executive Officer, President, and Chief Financial Officer, remained a director and serves as the President and Secretary of the Company. In connection with the foregoing investment and changes in management, Mr. Selakovic assigned to the Company certain assets consisting of (a) the exclusive right to distribute in the Western Hemisphere natural agrochemicals marketed under the name "Vegalab" and manufactured by ECOWIN Co., Ltd., a Korean company, (b) certain governmental permits for the sale of ECOWIN agrochemicals, and (c) the trademark "Vegalab." As a result of the foregoing transactions the Company acquired distribution rights to the Vegalab products, permits related to those products, a trademark, and cash to commence the business of selling Vegalab products.

During the two-year period prior to the investment by Mr. Selakovic in the Company, we were classified as a "shell company" as defined in Rule 12b-2 adopted under the Securities Exchange Act of 1934, as amended ("Exchange Act"), seeking to acquire or develop a business opportunity.

Employees

Vegalab. had no full time employees in 2017. The executive officers, CEO David Selakovic and President and Secretary Craig Laughlin served in 2017 without direct financial compensation. Craig Laughlin received options in recognition of his contributions in 2017. Approximately ten contractors served in various roles to support the following business functions: logistics, sales, agricultural analysis and consulting, legal, accounting, and technology.

In October, 2017, Vegalab expanded its work force with the acquisition of the Packing Business. By December 31, 2017, the Packing Business engaged 40 workers through staffing companies.

Further Information and Reports

We are required to file with the Securities and Exchange Commission annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports of certain events on Form 8-K, and proxy and information statements disseminated to stockholders in connection with meetings of stockholders and other stockholder actions. Copies of these and any other materials we file with the Commission may be inspected without charge at the public reference facilities maintained by the Commission in Room 1580 – 100 F Street, N.E., Washington, D.C. 20549. Copies of all or any part of our filings may be obtained from the Public Reference Section of the Securities and Exchange Commission ("SEC") at 100 F Street, N.E., Washington, D.C. 20549, upon payment of the prescribed fees. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company's filings with the Commission are also available through its web site at http://www.sec.gov.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including those described below, which could adversely affect our business, financial condition, results of operations, cash flows, growth prospects and the trading price of our common stock.

Risks Relating to Our Business and Strategy

We are an early stage company that is developing its business, so there is no assurance we will be successful in growing our business or achieve sustainable positive results of operations.

We are an early stage company working to establish distribution and sales for our products in North and South America. This is a new venture started in April 2016. We added the Packing Business in October 2017 and the Agronomy Business in February 2018, which we believe will improve operating results in 2018. Nevertheless, we do not have a history of operations on which you can predict our future operations and prospects for success. Our ability to develop our business more quickly is hindered by our limited financial and operational resources. We are subject to all of the risks and uncertainties inherent in a development stage business any one or more of which could be an impediment to achieving our business objectives.

We expect to require additional financing in the future to meet our business requirements. Such capital raising may be costly, difficult, or not possible to obtain and, if obtained, could significantly dilute current stockholders' equity interests.

Achieving further success in our marketing and distribution plans means we will need to be able to purchase inventory to meet demand and grow our administrative infrastructure to service our distributors and customers. Accordingly, we expect to need significant additional financing to develop and expand our business. We may seek additional funds from public and private stock offerings, business collaborations, borrowings from banks and other lenders, or other sources. Additional capital may not be available on terms acceptable to us, or at all. Any additional equity financing may be significantly dilutive to stockholders, and debt financing, if available, may include restrictive covenants and bear high rates of interest. In addition, we may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We also may be required to recognize non-cash expenses in connection with certain securities we issue, such as warrants, which may adversely impact our financial results.

If we cannot raise more money when needed or are unable to use our future working capital under financial covenants contained in future debt financing agreements, we may have to reduce our capital expenditures, scale-back our business development, or reduce general and administrative expenditures. We could also be forced to stall or limit our growth, and in extreme circumstances even cease operations. Any of these eventualities would likely have a material adverse impact on our results of operations and on the value of our equity.

Our business may fail if we are not able to continue to increase sales.

Our future success will depend on our ability to significantly increase sales of our eco-friendly agro-products and operate our Packing Business. Our initial sales of products began in the second calendar quarter of 2016 and sales in 2017 slowed until the fourth quarter, due to a combination of adverse weather in California, and our customers using products carried over from purchases in mid to late 2016. Agronomy Business sales picked up at the end of 2017 due to new distribution agreements, which should improve results in 2018, but we are still in the early stages of establishing distributors and customers who will be regular purchasers of our products. There is no assurance we will continue to be successful in doing so, and the inability to grow our sales and revenue would adversely affect our results of operations and could ultimately force us to cease operations.

If we are unable to maintain and further establish successful relations with the third-party distributors that are our principal customers, or they do not focus adequate resources on selling our products or are unsuccessful in selling them to end users, sales of our products will be adversely affected.

A significant part of our strategy is to engage independent distributors of agro-products to distribute and assist us with the marketing and sale of Vegalab products. Revenue growth will depend in large part on our success in establishing and maintaining this sales and distribution channel. However, there can be no assurance that our distributors will continue to be successful in selling our products to end users, or will focus adequate resources on selling them, and they may not continue to purchase or market our products for a number of reasons.

For example, many distributors lack experience in marketing bio-based agro-products, which generally must be used differently than conventional chemical pesticides. Distributors may not continue to market our products if they receive negative feedback from end users, even if we believe our products are being blamed for damage to treated plants caused by other pesticides with which our products have been combined (whether properly or improperly). In addition, many of our distributors are in the business of distributing and manufacturing other, possibly competing, pest management and plant health products, including internally developed and commercialized bio-based products as well as bio-based products developed by larger agrichemical companies that negotiate to "bundle" such specialty products with other high demand products. As a result, our distributors may earn higher margins by selling competing products or combinations of competing products. If we are unable to establish or maintain successful relationships with independent distributors, we will need to further develop our own sales and distribution capabilities, which would be expensive and time-consuming, and the success of which would be uncertain.

Adverse weather conditions and other natural conditions can reduce acreage planted or incidence of crop disease or pest infestations, which can adversely affect our results of operations.

Production of the crops on which our products are typically applied is vulnerable to extreme weather conditions such as heavy rains, hurricanes, hail, tornadoes, freezing conditions, drought, fires and floods. Weather conditions can be impacted by climate change resulting from global warming, including changes in precipitation patterns and the increased frequency of extreme weather events, or other factors. Unfavorable weather conditions can reduce both acreage planted and incidence (or timing) of certain crop diseases or pest infestations, each of which may reduce demand for our products. For example, in 2015 and 2014, key markets in the United States experienced low rainfall or drought resulting reductions in acreage planted in those markets. Shortened bloom cycles relating to changes in weather patterns also could reduce the amount of pesticides and plant health products used during a growing season. In addition, ideal weather conditions can reduce the incidence of diseases and pest infestations and increase yields without the use of additional pesticide and plant health applications. Increased yields can also reduce commodity prices causing growers to make a decision not to increase costs by reducing the amount of pesticides and plant health products used during a growing season. Since all of our products have different margins, changes in product mix as a result of these conditions could affect our overall margins.

If our ongoing or future field trials are unsuccessful, we may be unable to obtain regulatory approval of our products on a timely basis.

The successful completion of multiple field trials in domestic and foreign locations on various crops and water infrastructures is critical to the success of our product development and marketing efforts. If our ongoing or future field trials are unsuccessful or produce inconsistent results or unanticipated adverse side effects on crops or on non-target organisms, or if we are unable to collect reliable data, regulatory approval of our products could be delayed or we may be unable to commercialize our products. In addition, more than one growing or treatment season may be required to collect sufficient data and we may need to collect data from different geographies to prove performance for customer adoption. Although we have conducted successful field trials on a broad range of crops, we cannot be certain that additional field trials conducted on a greater number of acres, or on crops for which we have not yet conducted field trials, will be successful. Moreover, the results of our ongoing and future field trials are subject to a number of conditions beyond our control, including weather-related events such as drought or floods, severe heat or frost, hail, tornadoes and hurricanes, or low or no natural occurrence of the pests intended for testing. Generally, we pay third parties, such as growers, consultants and universities, to conduct field tests on our behalf. Incompatible crop treatment practices or misapplication of our products by these third parties or lack of sufficient occurrence of the identified pests in nature for a particular trial could impair the success of our field trials.

Our inability to obtain regulatory approvals, or to comply with ongoing and changing regulatory requirements, could delay or prevent sales of the products we are distributing.

The field testing, sale, and use of our bio-based agro-products are extensively regulated by the EPA and state, local and foreign governmental authorities. These regulations substantially increase the time and cost associated with bringing our products to market. If we do not receive the necessary governmental approvals to test and market our products, or if regulatory authorities revoke our approvals, do not grant approvals in a timely manner or grant approvals subject to restrictions on their use, we may be unable to sell our products in out licensed distribution area, which would adversely affect future revenues.

Bio-based agro-products are not well understood, which necessitates investment in customer education and makes effectively marketing and selling our products difficult.

The market for bio-based agro-products is underdeveloped when compared to conventional pesticides and fertilizers. Customers in the crop production sector are generally cautious in their adoption of new products and technologies. Growers often require on-farm demonstrations of a given pest management or plant health product. Initial purchases of the product tend to be conservative, with the grower testing on a small portion of their overall crop. As the product is proven, growers incorporate the product into their rotational programs and deploy it on a greater percentage of their operations. As a result, large scale adoption generally takes several growing seasons. In addition, customers have historically perceived bio-based agro-products as more expensive and less effective than conventional chemical pesticides. To succeed, we will need to continue to change that perception. To the extent that the market for bio-based agro-products does not further develop or customers elect to continue to purchase and rely on conventional chemical products, our market opportunity will be limited.

The high level of competition in the market for pest management and plant health products may result in pricing pressure, reduced margins or the inability of our products to achieve market acceptance.

The markets for pest management and plant health products are intensely competitive, rapidly changing and undergoing consolidation. We may be unable to compete successfully against our current and future competitors, which may result in price reductions, reduced margins and the inability to achieve market acceptance for our products.

Many entities are engaged in developing pest management and plant health products. Our competitors include major multinational agrichemical companies such as Arysta, BASF, Bayer, Dow Agrosciences, DuPont, FMC, Monsanto, Sumitomo Chemical and Syngenta, some of which have developed bio-based products for our target markets, as well as specialized bio-based pesticide and plant health businesses such as AgraQuest (now a part of Bayer), Certis USA (now a part of Mitsui), Novozymes (in a joint venture with Monsanto), Valent Biosciences (now a part of Sumitomo), and Marrone Bio Innovations. Many of these organizations have longer operating histories, significantly greater resources, greater brand recognition and a larger base of customers than we do. As a result, they may be able to devote greater resources to the manufacture, promotion or sale of their products, receive greater resources and support from independent distributors, initiate or withstand substantial price competition or more readily take advantage of acquisition or other opportunities. Further, many of the large agrichemical companies have a more diversified product offering than we do, which may give these companies an advantage in meeting customers' needs by enabling them to offer a broader range of pest management and plant health solutions. In addition, we could face competition in the future from new, well-financed start-up companies such as AgBiome and Indigo.

Our product sales are subject to weather conditions and other factors beyond our control, which may cause our operating results to fluctuate significantly quarterly and annually.

The level of seasonality in our business overall is difficult to evaluate as a result of our relatively early stage of development and our development of what is a new geographic market for Vegalab products. It is possible that our business may become more seasonal, or experience seasonality in different periods, than anticipated, particularly as we expand into new geographical territories within North and South America, or add or change distributors or distributor programs.

Notwithstanding any such seasonality, we expect substantial fluctuation in sales year over year and quarter over quarter as a result of a number of variables on which sales of our products are dependent. Weather conditions, natural disasters and other factors affect planting and growing seasons and incidence of pests and plant disease, and accordingly affect decisions by our distributors, direct customers, and end users about the types and amounts of pest management and plant health products to purchase and the timing of use of such products. In addition, disruptions that cause delays by growers in harvesting or planting can result in the movement of orders to a future quarter, which would negatively affect the quarter and cause fluctuations in our operating results. Customers also may purchase large quantities of our products in a particular quarter to store and use over long periods of time or time their purchases to manage their inventories, which may cause significant fluctuations in our operating results for a particular quarter or year, and low commodity prices may discourage growers from purchasing our products in an effort to reduce their costs and increase their margins for a growing season.

Our expense levels are based in part on our expectations regarding future sales. As a result, any shortfall in sales relative to our expectations could cause significant fluctuations in our operating results from quarter to quarter, which could result in uncertainty surrounding our level of earnings and possibly a decrease in our stock price.

We rely on the experience and expertise of our senior management team, and if we are unable to recruit or retain qualified personnel, our development efforts may be significantly delayed.

We depend entirely on our two executive officers and a very small office staff to perform the tasks required to develop our business. Our ability to develop the business will depend on recruiting qualified sales and marketing, and management personnel to succeed. At our early stage of development there is a balance between growth and building staff to enhance and support that growth that is difficult to find. Growth that cannot be supported by adequate administrative resources will often result in a loss of sales and growth momentum, and an investment in administrative resources that is not supported by adequate growth and revenue will result in negative results. The process of hiring, training and successfully integrating qualified personnel into our operation is lengthy and expensive, and our inability to manage this aspect of our development effectively could adversely affect our results of operations.

If our third-party manufacturer is unable to produce our products at a satisfactory quality, in a timely manner, in sufficient quantities or at an acceptable cost, our business could be negatively impacted.

We are a distributor and entirely dependent on VSA and ECOWIN for all product we propose to sell. The inability of VSA and ECOWIN to provide Vegalab products on a timely basis in the quantities we need to supply distributors and customers would adversely affect our operations and revenue. At present there are no additional sources for our products, so the inability to obtain these products from VSA and ECOWIN would effectively suspend or terminate our business operations.

Any decline in agricultural production in our market area could have a material adverse effect on the market for our products and on our results of operations and financial condition.

Conditions in the agricultural industry in North and South America will significantly impact our operations and results. The agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, domestic and international demand for agricultural products, and U.S. and foreign policies regarding trade in agricultural products. State and federal governmental policies, including farm subsidies and commodity support programs, as well as the prices of products used in agriculture and the prices at which produce may be sold, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of agro-products for particular agricultural applications. There are various proposals pending before the U.S. Congress to cut or eliminate various agricultural subsidies, which may adversely impact the U.S. agricultural industry. Further, there is strong sentiment in the current U.S. government to substantially modify existing trade agreements in North and South America, which creates uncertainty with respect to how these policy issues may affect the market for our products.

We may be exposed to product liability and remediation claims, which could harm our business.

The use of certain bio-based agro-products is regulated by various local, state, federal and foreign environmental and public health agencies. These regulations may include requirements that only certified or professional users apply the product or that certain products be used only on certain types of locations, may require users to post notices on properties to which products have been or will be applied, may require notification to individuals in the vicinity that products will be applied in the future or may ban the use of certain ingredients. Even if we comply with all such regulations and obtain all necessary registrations, we cannot provide assurance that our products will not cause injury to crops, the environment, or people under all circumstances. For example, our products may be improperly combined with other pesticides or, even when properly combined, our products may be blamed for damage caused by these other pesticides. The costs of remediation or products liability could materially adversely affect our future quarterly or annual operating results.

We currently maintain product liability insurance at levels we believe are sufficient and consistent with industry standards for companies at our stage of development. We cannot guarantee that our product liability insurance is adequate and, at any time, it is possible that this insurance coverage may not be available on commercially reasonable terms or at all. A product liability claim could result in liability to us greater than our assets or insurance coverage. Moreover, even if we have adequate insurance coverage, product liability claims or recalls could result in negative publicity or force us to devote significant time and attention to those matters, which could harm our business.

Our business is subject to various governmental regulations, and compliance with these regulations may cause us to incur significant expenses. If we fail to maintain compliance with applicable regulations, we may be forced to recall products and cease their manufacture and distribution, which could subject us to civil or criminal penalties.

The complex legal and regulatory environment exposes us to compliance and litigation costs and risks that could materially affect our operations and financial results. These laws and regulations may change, sometimes significantly, as a result of political or economic events. They include environmental laws and regulations, tax laws and regulations, import and export laws and regulations, government contracting laws and regulations, labor and employment laws and regulations, securities and exchange laws and regulations, and other laws such as the Foreign Corrupt Practices Act. In addition, proposed laws and regulations in these and other areas could affect the cost of our business operations. Violations of any of these laws and regulations could subject us to criminal or civil enforcement actions, any of which could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Ownership of our Common Stock

Our principal stockholders will have significant voting power and may take actions that may not be in the best interest of other stockholders.

As of December 31, 2017, our executive officers and directors beneficially owned or controlled, directly or indirectly, an aggregate of 16,161,000 shares, or 67.93% of our common stock. Consequently, our executive officers control the vote on any matter submitted to the stockholders for approval, including the election of directors and the approval or disapproval of corporate actions that our other stockholders do not view as beneficial. As a result, the market price of our common stock could be adversely affected.

Our common stock may experience extreme price and volume fluctuations, and you may not be able to resell shares of our common stock at or above the price you paid.

We are an early stage company with a limited trading history, which has been historically volatile. The trading price of our common stock will likely continue to be highly volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- our small public float relative to the total number of shares of common stock that are issued and outstanding; quarterly variations in our results of operations, those of our competitors or those of our customers;
- announcements of technological innovations, new products or services or new commercial relationships by us or our competitors;
- our ability to develop the market for our products; disruption to our operations;
- media reports and publications about Vegalab products; modification of our distribution rights;
- new regulatory pronouncements and changes in regulatory guidelines or the status of our regulatory approvals; general and industry-specific economic conditions; and
- the commencement of, or our involvement in, litigation.

Any market in shares of our common stock will be subject to the penny stock restrictions that are likely to adversely affect liquidity and make trading difficult.

Until our shares of common stock qualify for inclusion or listing on a national exchange, if ever, the trading of our securities will be in the over-the-counter market which is commonly referred to as the OTC Market maintained by OTC Markets, Inc. As a result, an investor may find it difficult to dispose of, or to obtain accurate quotations as to the price of our securities.

SEC Rule 15g-9 establishes the definition of a "penny stock," for purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to a limited number of exceptions. It is likely that our shares will be considered to be penny stocks for the immediately foreseeable future. This classification adversely affects the market liquidity for our common stock. For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker or dealer approve a person's account for transactions in penny stocks and the broker or dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person's account for transactions in penny stocks, the broker or dealer must obtain financial information and investment experience and objectives of the person and make a reasonable determination that the transactions in penny stocks are suitable for that person and that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks. The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth the basis on which the broker or dealer made the suitability determination, and that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stock in both public offerings and in secondary trading and commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may not wish to engage in the above-referenced necessary paperwork and disclosures and/or may encounter difficulties in their attempt to sell shares of our common stock, which may affect the ability of selling shareholders or other holders to sell their shares in the secondary market and have the effect of reducing the level of trading activity in the secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities, if and when our securities become publicly traded. In addition, the liquidity for our securities may decrease, with a corresponding decrease in the price of our securities. Our shares in all probability will be subject to such penny stock rules for the foreseeable future and our shareholders will, in all likelihood, find it difficult to sell their securities. Recently, several brokerage firms and clearing firms have adopted special "house rules " which make it more difficult for their customers to hold or trade low priced stock and these rules may make it difficult for our shareholders to sell their stock.

Substantial future sales of our common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our common stock. As of May 31, 2018, we had 23,787,897 shares of common stock outstanding, 16,161,000 shares of which were held by our directors and officers. Craig Laughlin, our president and a director, also holds an option to purchase an additional 100,000 shares. Although these shares are subject to volume and manner of sale restrictions of Rule 144 of the Securities Act, any determination by holders of a substantial number of such shares to sell our stock, or the perception that such sales may occur, could cause our stock price to decline.

Because we have no plans to pay dividends on our common stock, investors must look solely to stock appreciation for a return on their investment in us.

We have never declared or paid any cash dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all future earnings to fund the development and growth of our business. Any payment of future dividends will be at the discretion of our board of directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that the board of directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock.

We incur significant costs as a result of operating as a public company, and our management is required to devote substantial time to comply with the laws and regulations affecting public companies.

As a public company, we incur significant legal, accounting and other expenses, including costs associated with public company reporting and corporate governance requirements, in order to comply with the rules and regulations imposed by the Sarbanes-Oxley Act, as well as rules implemented by the SEC. Our management and other personnel have needed to devote a substantial amount of time to these compliance initiatives, and our legal and accounting compliance costs have increased. We also may need to hire additional staff or consultants in the areas of investor relations, legal, and accounting to continue to operate as a public company. The expenses incurred by public companies for reporting and corporate governance purposes have increased dramatically over the past several years. We expect these rules and regulations to continue to increase our legal and financial compliance costs substantially and to make some activities more time consuming and costly. We are currently unable to estimate these costs with any degree of certainty. Greater expenditures may be necessary in the future with the advent of new laws and regulations pertaining to public companies.

Provisions in our charter documents could discourage a takeover that stockholders may consider favorable.

Provisions in our articles of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

- the right of our board of directors to elect directors to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the prohibition of cumulative voting in our election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- the requirement that stockholders provide advance notice to nominate individuals for election to our board of directors or to propose matters that can be acted upon at a stockholders' meeting;
- the ability of our board of directors to issue, without stockholder approval, shares of undesignated preferred stock with terms set by the board of directors, which rights could be senior to those of our common stock; and
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal corporate office is located in North Palm Beach, Florida, where we use, without charge, office space provided by our outside general counsel. In Minden, Nevada we rent 24,000 square feet of combined office and warehouse space under a three-year lease that commenced October 1, 2016, with a monthly base rate of $13,959. In Fresno, California, we rent 3,000 square feet of office space, under a two-year lease that commenced on March 1, 2018, with a monthly base rent of $3,000.

We own real estate consisting of 11 acres and the buildings located at 35586 Road 180, Visalia, California, which we use for our Packing Business operations. This facility is security under a deed of trust for repayment of a promissory note in the original principal amount of $450,000 that bears interest at the rate of 6.0% per annum with interest only payable monthly and all principal and interest due on April 24, 2019.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any pending legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

The disclosure required by this Item 4 is not applicable to the Company's business.

PART II

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

Market Information

Our common stock is presently quoted on the OTC Market (OTCQB) under the symbol "VEGL." We do not believe there was an active trading market for the shares prior to April 1, 2016, because of the low number of trades during the 15 month period prior thereto. Accordingly, we are not providing any historical market price information for periods prior to April 1, 2016

The following table sets forth for the respective periods indicated the prices of the common stock in the over-the-counter market, as reported and summarized on the OTC Marketplace. Such prices are based on inter-dealer bid prices, without markup, markdown, commissions, or adjustments and may not represent actual transactions.

Calendar Quarter Ended	High Bid ($)	Low Bid ($)
December 31, 2017	$ 2.25	$ 1.20
September 30, 2017	$ 1.45	$ 0.65
June 30, 2017	$ 1.45	$ 0.85
March 31, 2017	$ 1.50	$ 1.05
December 31, 2016	$ 1.89	$ 0.82
September 30, 2016	$ 2.40	$ 0.76
June 30, 2016	$ 3.00	$ 0.06

Dividends

Vegalab has not paid any cash dividends to date and does not anticipate or contemplate paying dividends in the foreseeable future. It is the present intention of management to utilize all available funds for the development of our business.

Security Holders

As of May 31, 2018, there were approximately 63 record holders of our issued and outstanding common stock.

Equity Compensation Plans

The following table provides information on our compensation plans at December 31, 2017, under which equity securities are authorized for issuance.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuances under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	448,000	$ 1.45	1,552,000
Equity compensation plans not approved by security holders	-0-(1)	$ -0-	N/A
Total	448,000	$ 1.45	1,552,000

Unregistered Sales of Equity Securities

On November 20, 2017, the Company issued options to purchase 278,000 shares of common stock at a weighted average exercise price of $1.425 per share to employees, consultants and managements under the Company's 2017 Equity Incentive Plan.

On December 1, 2017, the Company entered into a service agreement with TraDigital Marketing Group, Inc., pursuant to which the Company issued 200,000 shares of common stock to TraDigital Marketing for its services.

On January 26, 2018, the Company issued 25,000 shares of common stock to M&G Farms, Inc., which was credited as a payment of $75,000 of principal and interest on the promissory note from the Company to M&G Farms from the Company to M&G Farms in the principal amount of $425,000 dated October 9, 2017.

On December 29, 2017, the Vegalab exercised an option to purchase The Agronomy Group LLC, a California limited liability company ("TAG"). On January 22, 2018, Vegalab and TAG entered into a Member Units Purchase Agreement under which Vegalab agreed to purchase all of the member units in TAG from its two members for a total of 600,000 shares of the restricted common stock of Vegalab, and warrants to purchase 1,600,000 shares of the restricted common stock of Vegalab at an exercise price of $1.20 per share exercisable over a term of five years. The acquisition was closed February 20, 2018, effective February 1, 2018.

The shares of common stock, options, warrants, and common stock underlying the options and warrants are issued in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act of 1933, as amended.

Repurchases of Common Stock

There were no repurchases of equity securities by Vegalab in the fourth quarter of 2017.

ITEM 6. SELECTED FINANCIAL DATA

Disclosure under this item is not required of a smaller reporting company.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing in this Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-K, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. You should know that there are many factors, both within and outside our control that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. The forward-looking statements contained in this Form 10-K are made as of the date of this Form 10-K, and we do not assume any obligation to update any forward-looking statements except as required by applicable law.

Nature of Business

The Company operates in two segments of the food industry; the Agronomy Business and the Packing Business. The Agronomy Business involves the manufacture and distribution of all natural crop protection, crop health, and soil enhancement products. The Packing Business operates a citrus packing facility. Because growers who use our crop protection and plant health products are potential users of our citrus packing services, and vise versa, management believes that these two business units are complementary and will create synergistic growth for both business units.

Critical Accounting Policies

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require that we make certain assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses during each reporting period. On an ongoing basis, management evaluates its estimates, including those related to collection of receivables, impairment of goodwill, contingencies, litigation, and income taxes. Management bases its estimates and judgments on historical experiences and on various other factors believed to be reasonable under the circumstances. Actual results under circumstances and conditions different than those assumed could result in material differences from the estimated amounts in the financial statements.

Our significant accounting policies are summarized in Note D of our financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our results of operations, financial position or liquidity for the periods presented in this report.

Results of Operations

During the year ended December 31, 2017, the Company recognized total revenues of $2,491,391 compared to $2,115,421 for the year ended December 31, 2016, Sales of $361,083 from the sale of Vegalab products compared to $2,115,421 for the year ended December 31, 2016. Product sales in 2017 slowed until the fourth quarter, due to a combination of adverse weather in California and our customers using products carried over from purchases in mid to late 2016. On October 18, 2017, the Company purchased substantially all the assets of a produce packaging business conducted under the name M&G Packing, Inc. From October 18, 2017 through December 31, 2017 the Company generated revenues of $2,130,308 from processing revenue.

Cost of goods sold were $2,057,619 for the year ended December 31, 2017, Compared to $1,617,366 for the year ended December 31, 2016. Cost of goods sold for our Vegalab products decreased due to reduced sales of Vegalab products. Cost of goods of $1,774,279 on our produce packaging business was under M&G Packing, Inc. from October 18, 2017 through December 31, 2017. During the year ended December 31, 2017 expenses increased significantly as the Company hired additional staff, consultants and professionals due to its purchase of M&G Packing, Inc. During the year ended December 31, 2017 the Company recorded an expense of $180,181 as an impairment of assets acquired in its purchase of M&G Packaging, Inc.

Total operating expenses for the year ended December 31, 2017, were $2,116,404 compared to $593,334 for the year ended December 31, 2016. For the year ended December 31, 2017, loss from operations was $1,682,632 compared to 95,279 for the year ended December 31, 2016.

After the provision for income taxes, net loss for the year ended December 31, 2017, was $1,673,779 or $0.08 per share, and the net loss for the year ended December 31, 2016 was $116,361 or $0.01 per share.

Liquidity and Capital Resources

At December 31, 2017 and 2016, the Company had a working capital surplus of approximately $1,960,567 and $605,963, respectively.

On March 8, 2016, we raised $303,100 from the sale of 12,011,000 shares of common stock to David D. Selakovic. These funds were applied to pay off substantially all of our outstanding liabilities and costs related to the acquisition of assets in March 2016. In May 2016, the Company completed a private placement of 1,000,000 shares of common stock for $500,000 in cash, which we used to fund operations and for general corporate purposes.

During the year ended December 31, 2017, the Company sold a total of 2,822,899 shares of common stock to third parties for total cash proceeds of $2,540,601.

We believe our current funding is sufficient to meet our needs described above over the next 9 to 12 months. Nevertheless, our goal is to begin and then increase product sales as quickly as we can within the constraints of our managerial and financial resources. If sales opportunities exceed our expectations, we will need additional debt or equity financing to seize these opportunities and there is no assurance financing will be available or available at terms we would find acceptable. If we are unable to raise additional capital at a level adequate to support our sales opportunities, we would need to curtail marketing efforts, which would adversely affect growth and results of operations and could prevent us from succeeding in implementing our new operating business. These factors raise substantial doubt about the Company's ability to continue to operate as a going concern for the 12 months following the issuance date of these consolidated financial statements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reported periods. The more critical accounting estimates include estimates related to revenue recognition and accounts receivable allowances. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results, which are described in Note 1 to our audited financial statements appearing elsewhere in this report.

Recent Accounting Pronouncements

Information concerning recently issued accounting pronouncements is set forth in Note D of our Notes to Consolidated Financial Statements appearing elsewhere in this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Disclosure under this item is not required of a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements appear at the end of this report beginning with the Index to Financial Statements on page F-1, of this report.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures.

Our management, under the supervision and with the participation of our Chief Executive and Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 promulgated under the Exchange Act as of the end of the period covered by this Annual Report. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our Certifying Officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon that evaluation, our Certifying Officer concluded that as of such date, our disclosure controls and procedures were not effective to ensure that the information required to be disclosed by us in our reports is recorded, processed, summarized and reported within the time periods specified by the SEC due to weaknesses in our internal control over financial reporting described below, which we view as an integral part of our disclosure controls and procedures.

Management’s Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and, providing reasonable assurance that unauthorized acquisition, use, or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework 1992 issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company’s internal control over financial reporting was not effective as of December 31, 2017.

A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. At December 31, 2017, and during that year the Company had the following material weaknesses in its internal control over financial reporting:

- the Company had only one person serving as both chief executive officer and chief financial officer, and that person lacked an effective knowledge of financial reporting and related oversight functions;

- management did not set clear goals for adopting and implementing an effective organizational structure or system for collecting and recording financial information, and did not evaluate the risk that this lack of structure would pose to establishing an effective internal control environment;

- no internal financial control activities were selected and developed;

- pertinent information for achieving financial reporting objectives was not recorded, processed, summarized, or reported on a timely basis; and

- the financial control environment was not effectively monitored, so that internal control deficiencies were not identified and addressed.

As a result of management's evaluation described above, it concluded on that the Company had significant control deficiencies as of December 31, 2017, that constituted material weaknesses in the Company's internal control over financial reporting. Notwithstanding these control deficiencies, our Certifying Officer believes that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the respective periods presented.

The Company intends to remediate the material weakness as its business develops by engaging accounting support that will effectively segregate different accounting functions and incorporate control processes for managing the accounting and financial affairs of the Company. As the Company's business develops it will recruit additional directors who are independent and can otherwise serve on an audit committee that fulfills the traditional oversight functions with respect to our internal system of controls and financial reporting. The Company had the same material weakness and the same intention to remediate at the end of 2016, but did not make progress in remediating the material weakness and cannot predict when it will be able to address the material weakness.

There have been no changes in our internal control over financial reporting during the fourth quarter of the fiscal year ended December 31, 2017, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

This Annual Report on Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the SEC that permit the Company to provide only management's report in this Annual Report.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth certain information about our directors and executive officers:

Name	Age	Position
David D. Selakovic	46	Chairman of the Board of Directors, Chief Executive Officer, Chief Financial Officer
Craig S. Laughlin	68	President, Secretary, Director

David D. Selakovic – Mr. Selakovic is the founder and president of Vegalab S.A. in Switzerland. He oversees the corporate direction and strategy for that company's global operations, including sales, international development, regulatory affairs, and company growth. In addition, Mr. Selakovic is involved with Selacorp, Lacrex, Performance Data, and Advisory Group. He is a director and equity owner at the aforementioned companies, where he helps drive growth by focusing on customers, innovation, and improved operational efficiency. Selacorp is a global IT business solutions company offering IT services, management and consulting services, founded 2000 in London, UK. Lacrex is a Swiss company founded 1991 in Lugano, Switzerland, and it is involved in engineering patent development and trading. Performance Data was founded 2008 in the United States and it is now growing to be a global IT multi-vendor infrastructure maintenance and support company, with a new base in Switzerland. Advisory Group is a Hong Kong company established in 2010 that advises on non-US merger and acquisition transactions. Mr. Selakovic is responsible for obtaining from ECOWIN the distribution rights that are held by the Company and has five years of experience with the Vegalab products and their distribution in Asia, all of which management believes are valuable to the development of the Company's business in the Western Hemisphere.

Craig S. Laughlin – Mr. Laughlin, President, Secretary, and director, is the founder and President of SRC Funding, LLC, a privately-owned Minnesota company engaged in business consulting services and private investment activity. He was the sole executive officer and director of the Company before the appointment of Mr. Selakovic in March 2016. Mr. Laughlin is also an officer, director and principal stockholder of Renewable Energy Acquisition Corp., a closely-held Nevada corporation, which currently files periodic reports with the U.S. Securities and Exchange Commission and is seeking a business opportunity in which to participate. Mr. Laughlin has experience with companies that file reports with the SEC and corporate financing transactions, which management believes is valuable for helping the Company comply with the regulatory scheme and structure capital formation as needed in the future.

Committees of the Board of Directors; Financial Expert

Currently we do not have any standing committees of the Board of Directors. Until such time as formal committees are established, our Board of Directors will perform some of the functions associated with a nominating committee and a compensation committee, including reviewing all forms of compensation provided to our executive officers, directors, consultants, and employees, including stock compensation. The Board will also perform the functions of an audit committee until we establish a formal audit committee. At present the Company does not have a financial expert serving on the Board within the meaning of Item 407(d)(5)(ii) of Regulation S-K. The Board of Directors believes a financial expert would be advantageous and expects it will pursue a process for recruiting a financial expert to serve on the Board as the business of the Company develops.

Meetings of the Board

The Board of Directors held no formal in-person meetings during the year ended December 31, 2017. Regular telephonic communications were maintained throughout the year among all of the officers and directors of the Company, and all actions of the Board were taken pursuant to the execution of unanimous written consent resolutions.

Board Leadership Structure

The Board does not have an express policy regarding the separation of the roles of Chief Executive Officer and Board Chairman as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. David D. Selakovic serves as our Chief Executive Officer and Chairman of the Board. As Chief Executive Officer, Mr. Selakovic is involved in our day-to-day operations as well as providing strategic guidance on our operations and business strategy. The Board believes Mr. Selakovic's experience, knowledge, and connections in the agro-product industry are valuable in his operational role as Chief Executive Officer, as well as in his oversight role as Chairman at the Board level.

Board's Role in Risk Oversight

While management is charged with the day-to-day management of risks that the Company faces, the Board of Directors has been responsible for oversight of risk management. The full Board has responsibility for general oversight of risks facing the Company. Specifically, the Board of Directors reviews and assesses the adequacy of the Company' risk management policies and procedures with regard to identification of the Company' principal risks, both financial and non-financial, and reviews updates on these risks from the Chief Financial Officer and the Chief Executive Officer. The Board of Directors also reviews and assesses the adequacy of the implementation of appropriate systems to mitigate and manage the principal risks.

Stockholder Communications to the Board

Stockholders who are interested in communicating directly with members of the Board, or the Board as a group, may do so by writing directly to the individual Board member c/o Corporate Secretary, Vegalab, Inc., 636 U.S. Highway 1, Ste. 110, North Palm Beach, FL 33408. The Corporate Secretary will forward communications directly to the appropriate Board member. If the correspondence is not addressed to the particular director, the communication will be forwarded to a Board member to bring to the attention of the Board. The Corporate Secretary will review all communications before forwarding them to the appropriate Board member.

Code of Ethics and Business Conduct

We adopted a Code of Ethics and Business Conduct (the "Code of Conduct") that applies to all of our officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Conduct establishes standards and guidelines to assist our directors, officers, and employees in complying with both the Company's corporate policies and with the law, and is posted at our website: http://www.vegalab.us. Additionally, we will provide to any person, without charge, a copy of the Code of Conduct upon written or oral request directed to: Corporate Secretary, Vegalab, Inc., 636 U.S. Highway 1, Ste. 110, North Palm Beach, FL 33408, telephone (800) 208-1680.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (1934 Act) requires the Company' directors and officers and any persons who own more than ten percent of the Company' equity securities, to file reports of ownership and changes in ownership with the SEC. All directors, officers and greater-than-ten-percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports filed. Based solely on our review of the copies of Forms 3 and 4, and any amendments thereto furnished to us during the year ended December 31, 2017, and subsequently, we believe that during 2017 all filing requirements applicable to our officers, directors, and greater-than-ten-percent stockholders were complied with, except that our President failed to file a Form 4 report for a transaction that occurred in November 2017, which was subsequently reported on Form 5.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth the cash and other compensation paid by the Company to our named executive officers for the years ended December 31, 2017 and 2016.

Name and Principal Position	Year	Salary ($)	Option Awards ($)	Total ($)
David D. Selakovic	2017	-0-	-0-	-0-
Chief Executive Officer, Chief Financial Officer	2016	-0-	-0-	-0-
Craig S. Laughlin	2017	-0-	$ 139,976	$ 139,976
President, Secretary	2016	-0-	-0-	-0-

Narrative Discussion of Compensation Table

In March 2016, we acquired assets for conducting a distribution business for biological pesticides, fertilizers, and specialty biological agents that are used in agriculture. Our plan of operation for the rest of 2016 and 2017 was to acquire inventory and commence product distribution. During this stage of our development the executive officers were prepared to work for the benefits they hope to receive in the future as a result of their equity ownership, and no cash was paid or accrued. On November 20, 2017, the Company granted to Craig Laughlin as compensation for his services an option to purchase 100,000 common shares at a price of $1.425 per share that is exercisable for a period of five years from the grant date.

The Company has agreed effective January 1, 2018, to pay our President, Craig Laughlin, a salary of $6.500 per month, and to add him and his wife to the Company's health insurance plan.

Employee Benefit and Incentive Plans

On November 6, 2017, the Company's stockholders approved the Company's 2017 Equity Incentive Plan (the "Plan") and the reservation of 2,000,000 shares of our common stock thereunder. Awards may be granted pursuant to the Plan only to persons who are employees, consultants, and directors, which includes our officers. Under the Plan, "Employee" means any person, including an officer or director, employed by the Company or an affiliate, "Consultant" means any individual who is engaged by the Company or any affiliate to render consulting or advisory services, and "Director" means a member of the Board.

On November 20, 2017, the Company granted to Craig Laughlin, President and a director, an option to purchase 100,000 common shares at a price of $1.425 per share that is exercisable for a period of five years from the grant date.

Director Compensation

No compensation was paid or accrued for our directors during the years ended December 31, 2017 and 2016, except for the stock options granted to Craig Laughlin, described above.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of May 31, 2018, the Company had 23,787,897 shares of its common stock issued and outstanding. The following table sets forth the beneficial ownership of the Company's common stock by each person who is known to the Company as the beneficial holder of 5% of any class of the Company's common stock, each person who serves as a director or an executive officer of the Company, and the number of shares beneficially owned by all of the Company's directors and named executive officers as a group:

5% Beneficial Owners (excluding officers and directors)	Number of Shares Beneficially Owned (1)	Percent of Class (1)
David D. Selakovic 636 U.S. Highway 1, Ste. 110 North Palm Beach, FL 33408	15,661,000	65.8
Directors and Officers		
David D. Selakovic	15,661,000	65.8
Craig S. Laughlin (2)	600,000	2.5
All directors and named executive officers as a group (2 persons)	16,261,000	68.1

(1) The Company believes that each stockholder has sole voting and investment power with respect to the shares of common stock listed, except as otherwise noted. The number of shares beneficially owned by each stockholder is determined under rules of the SEC, and the information is not necessarily indicative of ownership for any other purpose. Under these rules, beneficial ownership includes (a) any shares as to which the person has sole or shared voting power or investment power, and (b) any shares that the individual has the right to acquire within 60 days after the Record Date through the exercise of any stock option, warrant, conversion of preferred stock or other right, but such shares are deemed to be outstanding only for the purposes of computing the percentage ownership of the person that beneficially owns such shares and not for any other person shown in the table. The inclusion herein of any shares of common stock deemed beneficially owned does not constitute an admission by such stockholder of beneficial ownership of those shares of common stock. All percentage calculations are based on 23,787,897 shares of common stock issued and outstanding.

(2) The total number of shares for Mr. Laughlin includes options to purchase 100,000 common shares at an exercise price of $1.425 per share.

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

David Selakovic, an officer, director and controlling stockholder, is the founder and owner of Vegalab S.A., a Swiss company ("VSA"). As a distributor of the Vegalab product line we purchase all of our product through VSA. During the year ended December 31, 2017, purchases from VSA totaled $454,744, and at December 31, 2017, outstanding accounts payable to VSA were $705,432.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate fees billed by to the Company by GBH for each of the last two fiscal years for professional fees are as follows:

	2017	2016
Audit fees	$ 64,459	$ 14,820
Audit related fees	-	-
Total audit and related fees	64,459	14,820
Other consulting fees	-	-
Tax fees	-	-
Total fees	$ 64,459	$ 14,820

Audit Fees and audit related fees are amounts billed for professional services that GBH provided for the audit of our annual financial statements, review of the financial statements included in our reports on 10-Q, and other services typically provided by an accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

We have considered whether the provision of any non-audit services, currently or in the future, is compatible with GBH maintaining its independence and have determined that these services do not compromise their independence. GBH did not charge the Company any fees for financial information system design and implementation fees.

The Company has no formal audit committee, so the entire Board of Directors performs the functions of an audit committee. In discharging its oversight responsibility as to the audit process, the Board obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Company that might bear on the auditors' independence as required by the appropriate Professional Standards issued by the Public Company Accounting Oversight Board, the SEC and/or the American Institute of Certified Public Accountants. The Board discussed with the auditors any relationships that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence. The Board also discussed with management and the independent auditors the quality and adequacy of the Company's internal controls.

The Board reviewed the audited financial statements of Vegalab as of and for the years ended December 31, 2017 and 2016, with management and the independent auditors. Management has the sole ultimate responsibility for the preparation of Vegalab's financial statements and the independent auditors have the responsibility for their examination of those statements.

Based on the above-mentioned review and discussions with the independent auditors and management, the Board of Directors approved Vegalab's audited financial statements and recommended that they be included in its Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the SEC.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are included as exhibits to this report pursuant to Item 601 of Regulation S-K:

Exhibit No.	Title of Document
3.1	Articles of Incorporation of Vegalab, Inc. (1)
3.1(a)	Certificate of Amendment filed in Nevada November 7, 2017
3.2	Bylaws (1)
4.1	2017 Equity Incentive Plan (2)
10.1	Note Payable to Craig Laughlin (1)
10.3	Securities Purchase Agreement between HPC Acquisitions, Inc., and David Selakovic, dated March 8, 2016 (3)
10.3	General Assignment and Bill of Sale from David Selakovic to HPC Acquisitions, Inc., dated March 8, 2016 (3)
10.4	Distribution Agreement dated October 19, 2012, as assigned to HPC Acquisitions for the Western Hemisphere on March 8, 2016 (4)
10.5	Real Estate Purchase Contract (M&G) dated July 11, 2017 (5)
10.6	Bill of Sale (M&G) dated October 17, 2017 (5)
10.7	Assignment of Contracts (M&G) dated October 17, 2017 (5)
10.8	Short Form Deed of Trust and Assignment of Rents (M&G) dated October 17, 2017 (5)
10.9	Member Units Purchase Agreement (TAD) dated January 22, 2018 (6)
10.10	Common Stock Purchase Warrant issued to Jeffry Hill (6)
10.11	Common Stock Purchase Warrant issued to Ryan Sweeney (6)
10.12	Employment Agreement between Vegalab, Inc., and Jeffry Hill (6)
10.13	Employment Agreement between Vegalab, Inc., and Ryan Sweeney (6)
10.14	Form of Non-qualified Stock Option Agreement
21.1	List of Subsidiaries
31.1	Certification of Chief Executive Officer and Chief Financial Officer
32.1	Certifications of Chief Executive Officer and Chief Financial Officer

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(1) These exhibits are incorporated herein by this reference to our registration statement on Form 10-SB, filed with the Securities and Exchange Commission on May 20, 2008.
(2) This exhibit is incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 7, 2017.
(3) These exhibits are incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 11, 2016.
(4) This exhibit is incorporated herein by this reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission on March 29, 2016.
(5) These exhibits are incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 24, 2017
(6) These exhibits are incorporated herein by this reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 22, 2018.

SIGNATURES

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

VEGALAB, INC.

Date: June 1, 2018	By /s/ David D. Selakovic David D. Selakovic, Chief Executive Officer and Chief Financial Officer

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

Date: June 1, 2018	/s/ David D. Selakovic David D. Selakovic, Director
Date: June 1, 2018	/s/ Craig S. Laughlin Craig S. Laughlin, Director

INDEX TO FINANCIAL STATEMENTS
Vegalab, Inc.

REPORT OF REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Vegalab, Inc.
West Palm Beach, FL

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Vegalab, Inc. (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations, statements of changes in stockholders' equity, and statements of cash flows for each of the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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

Other matters

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note C to the financial statements, the Company has suffered recurring losses from operations and is dependent upon its ability to generate sufficient cash flows from options to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis, that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note C. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ GBH CPAs, PC

We have served as the Company's auditor since 2015

GBH CPAs, PC
www.gbhcpas.com
Houston, Texas
May 31, 2018

Vegalab, Inc. (formerly HPC Acquisitions, Inc.)
Consolidated Balance Sheets

		As of December 31, 2017		As of December 31, 2016
ASSETS				
Current Assets				
Cash and cash equivalents	$	342,534	$	151
Accounts receivable, net		1,674,583		671,279
Inventory		1,595,148		1,889,423
Prepaid expenses		339,389		20,540
Total Current Assets		3,951,654		2,581,393
Fixed assets, net		821,322		-
Deposits		14,500		14,500
Total assets	$	4,787,476	$	2,595,893
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable – trade	$	409,239	$	67,563
Accounts payable – related party		712,947		1,727,857
Accrued amounts owed to growers		860,694		-
Accrued income taxes		-		17,036
Accrued interest payable - related party		1,894		2,474
Note payable - Current Portion		2,904		-
Capital lease obligation - Current Portion		3,409		-
Notes payable - related party		-		175,000
Total Current Liabilities		1,991,087		1,989,930
Note payable		428,958		-
Capital lease obligations		18,235		-
Total Liabilities		2,438,280		1,989,930
Commitments and Contingencies				
Stockholders' Equity				
Preferred stock – $0.001 par value, 10,000,000 shares authorized, none issued and outstanding		-		-
Common stock – $0.001 par value, 50,000,000 shares authorized, 23,162,897 and 20,140,000 shares issued and outstanding, respectively		23,163		20,140
Additional paid-in capital		4,791,488		1,377,499
Accumulated deficit		(2,465,455)		(791,676)
Total Stockholders' Equity		2,349,196		605,963
Total Liabilities and Stockholders' Equity	$	4,787,476	$	2,595,893

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

Vegalab, Inc. (formerly HPC Acquisitions, Inc.)
Consolidated Statements of Operations
For the Years Ended December 31, 2017 and 2016

	2017	2016
Revenues:		
Processing revenue	$ 2,130,308	$ -
Product sales	361,083	2,115,421
Total Revenue	2,491,391	2,115,421
Cost of Goods Sold:		
Cost of processing	1,774,279	-
Cost of goods sold	283,340	1,617,366
Total Cost of Goods Sold	2,057,619	1,617,366
Gross Profit	433,772	498,055
Operating expenses		
General and administrative expenses	1,936,223	593,334
Loss on impairments	180,181	-
Total operating expenses	2,116,404	593,334
Loss from operations	(1,682,632)	(95,279)
Other income (expense)		
Interest expense	(8,183)	(4,046)
Loss before provision for income taxes	(1,690,815)	(99,325)
Provision for income taxes	(17,036)	17,036
Net loss	$ (1,673,779)	$ (116,361)
Loss per weighted-average shares of common stock outstanding - basic and fully diluted	$ (0.08)	$ (0.01)
Weighted-average number of common shares outstanding - basic and fully diluted	21,004,615	17,669,571

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

Vegalab, Inc. (formerly HPC Acquisitions, Inc.)
Consolidated Statements of Changes in Stockholders' Equity
For the Years ended December 31, 2017 and 2016

	Common Stock		Additional paid-in	Accumulated	
	Shares	Amount	capital	deficit	Total
Balance at December 31, 2015	6,989,000	$ 6,989	503,380	(675,315)	(164,946)
Sales of common stock for cash	13,011,000	13,011	690,089	-	703,100
Common stock issued for services	140,000	140	184,030	-	184,170
Net loss for the year	-	-	-	(116,361)	(116,361)
Balance at December 31, 2016	20,140,000	$ 20,140	1,377,499	(791,676)	605,963
Sales of common stock for cash	2,822,899	2,822	2,537,779	-	2,540,601
Common stock issued for services	200,000	200	325,800	-	326,000
Compensation expense associated with option awards	-	-	550,411	-	550,411
Net loss for the year	-	-	-	(1,673,779)	(1,673,779)
Balance at December 31, 2017	23,162,899	$ 23,162	$ 4,791,489	$ (2,465,455)	$ 2,349,196

The accompanying notes are an integral part of these consolidated financial statements

Vegalab, Inc. (formerly HPC Acquisitions, Inc.)
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Net income (loss) for the period	$ (1,673,779)	$ (116,361)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation expense	20,362	-
Impairment of fixed assets	180,181	-
Stock option expense	550,411	-
Common stock issued for services	27,162	184,170
(Increase) Decrease in		
Accounts receivable	(1,003,305)	(671,279)
Inventory	294,275	(1,889,423)
Prepaid expenses	(20,016)	(33,790)
Increase (Decrease) in		
Accounts payable	1,202,373	64,811
Accounts payable – related party	(1,012,436)	1,727,857
Accrued income taxes	(17,036)	17,036
Accrued interest	-	(7,643)
Accrued interest payable to controlling stockholder	(580)	(21,953)
Net cash used in operating activities	(1,452,388)	(746,575)
Cash flows from investing activities		
Purchase of fixed assets	(566,460)	-
Net Cash flows from investing activities	(566,460)	-
Cash flows from financing activities		
Cash paid on notes payable to investors	-	(122,300)
Cash received / (repaid) from issuance of note payable – related party	(177,474)	175,000
Cash received (paid) on notes payable to controlling stockholder, net	-	(87,352)
Cash paid on vehicle loan	(1,899)	-
Proceeds from sale of common stock	2,540,604	703,100
Net cash provided by financing activities	2,361,231	668,448
Increase (decrease) in Cash	342,383	(78,127)
Cash at beginning of period	151	78,278
Cash at end of period	$ 342,534	$ 151
Supplemental disclosure of interest and income taxes paid		
Interest paid for the period	$ 10,657	$ 34,244
Income taxes paid for the period	$ -	$ -
NON-CASH TRANSACTIONS:		
Fixed assets acquired through issuance of debt	$ 8,761	$ -
Fixed assets acquired through issuance of debt -M&G acquisition	$ 425,000	$ -
Capital lease obligation	$ 21,644	$ -

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

Vegalab, Inc. (formerly HPC Acquisitions, Inc.)
Notes to Consolidated Financial Statements
December 31, 2017 and December 31, 2016

Note A - Organization and Description of Business

Vegalab Inc. (formerly HPC Acquisitions, Inc.) (the "Company") was initially formed under the laws of the State of Minnesota as Herky Packing Co. on July 17, 1968. The Company initially produced and marketed meat snack foods, principally beef jerky, smoked dried beef and snack sausages, through food brokers, distributors and wagon jobbers. Despite a 1970 restructuring, including the relocation to an approximate 12,500 square foot production facility, the Company's efforts were unsuccessful and all operations were terminated by the end of 1970. On April 10, 1972, the Company changed its corporate name to H. P. C. Incorporated. In connection with this name change, the Company acquired Ed Stein's Tire Center, Inc., a Minneapolis, Minnesota-based distributor of Gates tires. This acquisition was unsuccessful and reversed in 1973.

On August 7, 2006, the Company changed its state of incorporation from Minnesota to Nevada by means of a merger with and into HPC Acquisitions, Inc., a Nevada corporation formed on June 12, 2006 solely for the purpose of effecting the reincorporation. The Articles of Incorporation and Bylaws of the Nevada corporation are the Articles of Incorporation and Bylaws of the surviving corporation. Such Articles of Incorporation modified the Company's capital structure to allow for the issuance of up to 50,000,000 shares of $0.001 par value common stock and up to 10,000,000 shares of $0.001 par value preferred stock.

On March 8, 2016, the Company sold 12,011,000 shares of its common stock to David Selakovic for a total cash purchase price of $303,100. This transaction effected a change in management and control of the Company. Mr. Selakovic assigned to the Company certain assets consisting of the exclusive right to distribute in the Western Hemisphere natural agrochemicals developed by ECOWIN Co., Ltd., a Korean company, certain state permits for the sale of ECOWIN agrochemicals, and the trademark "Vegalab" (the "DS Assets").Our new plan of operation is to commence the business of selling ECOWIN products under the brand name "Vegalab" and the business of selling citrus products under the brand name "M&G".

The Company is currently in the business of selling the ECOWIN products under the "Vegalab" name in the United States of America. The Company's current sole source of supply of ECOWIN products is through Vegalab S. A., a Swiss company solely owned by David Selakovic, the Company's controlling shareholder and sole officer and director.

On October 18, 2017, the Company purchased substantially all the assets of a produce packaging business conducted under the name M&G Packing, Inc. located in Tulare County, California. The acquisition consisted of purchasing the real property and building used in the business from M & G Farms, Inc., a California corporation, and all of the equipment, inventory, customers, suppliers, contract rights, and intangible property from M&G Packing, Inc., a California corporation.

On November 6, 2017, the Company amended its Articles of Incorporation to change its name to Vegalab, Inc.

Note B - Preparation of Financial Statements

The Company follows the accrual basis of accounting in accordance with generally accepted accounting principles and has a fiscal year-end of December 31.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note C - Going Concern Uncertainty

The Company's business plan is to distribute, in the Western Hemisphere, certain natural agrochemicals developed by ECOWIN Co., Ltd., a Korean company, under the brand name "Vegalab". However, there is no assurance that the Company will be able to successfully penetrate its targeted market or implement its business plan.

The Company's continued existence is dependent upon its ability to generate sufficient cash flows from operations to support its daily operations as well as provide sufficient resources to retire existing liabilities and obligations on a timely basis. The Company faces considerable risk in its business plan. If insufficient operating capital is available during the next twelve months, the Company will be forced to rely on existing cash in the bank and additional funds loaned by management and/or significant stockholders.

The Company's former majority stockholder previously provided the necessary working capital to maintain the corporate status of the Company. It is the current intent of management and significant stockholders to provide sufficient working capital, if necessary, to support and preserve the integrity of the corporate entity. However, no formal commitments or arrangements to advance or loan funds to the Company or repay any such advances or loans exist. There is no legal obligation for either management or significant stockholders to provide additional future funding.

The Company anticipates offering future sales of equity securities. However, there is no assurance that the Company will be able to obtain additional funding through the sales of additional equity securities or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company.

The Company's certificate of incorporation authorizes the issuance of up to 10,000,000 shares of preferred stock and 50,000,000 shares of common stock. The Company's ability to issue preferred stock may limit the Company's ability to obtain debt or equity financing as well as impede potential takeover of the Company, which takeover may be in the best interest of stockholders. The Company's ability to issue these authorized but unissued securities may also negatively impact our ability to raise additional capital through the sale of our debt or equity securities.

In such a restricted cash flow scenario, the Company would be unable to complete its business plan steps, and would, instead, delay all cash intensive activities. Without necessary cash flow, the Company may become dormant during the next twelve months, or until such time as necessary funds could be raised in the equity securities market.

While the Company is of the opinion that good faith estimates of the Company's ability to secure additional capital in the future to reach its goals have been made, there is no guarantee that the Company will receive sufficient funding to sustain operations or implement any future business plan steps. These factors raise substantial doubt about the Company's ability to continue to operate as a going concern for the twelve months following the issuance date of these consolidated financial statements. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note D - Summary of Significant Accounting Policies

1. Cash and Cash Equivalents

The Company considers all cash on hand and in banks, certificates of deposit and other highly-liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents.

2. Concentrations of Credit Risk

Sales to two customers comprised 71% and 15% of the Company's total revenues for the year ended December 31, 2017. The customer accounted for 78% and 8% of accounts receivable as of December 31, 2017. Sales to two customers comprised 66% and 25% of the Company's total revenues for the year ended December 31, 2016. Two customers accounted for 75% and 19% of accounts receivable for the year ended December 31, 2016. The Company believes that, in the event that its primary customers are unable or unwilling to continue to purchase the Company's goods, there are a number of alternative customers at comparable prices.

3. Accounts Receivable

In the normal course of business, the Company extends unsecured credit to virtually all of its customers which are located throughout the United States. Because of the credit risk involved, management has provided an allowance for doubtful accounts which reflects its opinion of amounts which will eventually become uncollectible. In the event of complete non-performance, the maximum exposure to the Company is the recorded amount of trade accounts receivable shown on the balance sheet at the date of non-performance. As of December 31, 2017 and 2016, the Company recorded allowances of $2,915 and $0, respectively, for doubtful accounts from certain sales that occurred but not assessed to be collectible.

4. Inventory

Inventory consists of finished goods related to the sale of certain natural agrochemicals developed by ECOWIN Co., Ltd., a Korean company, under the brand name “Vegalab”. Inventory is valued at the lower of cost or market using the average cost method. A change in income is taken when factors that would result in a need for a reduction in the valuation, such as excess or obsolete inventory, are noted. At December 31, 2017 and December 31, 2016, there was no reserve for excess or obsolete inventory.

5. Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation. Depreciation is calculated by using the straight-line method over the estimated useful lives of the assets, which is five years for all categories.

Automobile, computer equipment, and leasehold improvements consisted of the following:

		December 31, 2017
Automobile	$	14,261
Land		142,475
Building		374,338
Machinery and equipment		490,791
Total		1,021,136
Impairment recognized upon acquisition		(179,452)
Impairment recognized subsequent to acquisition		(729)
Accumulated depreciation		(20,362)
Balance	$	821,322

Depreciation expense for the year ended December 31, 2017 was $20,362.

6. Revenue Recognition

Revenue is recognized when the earnings process is completed, the risks and rewards of ownership have transferred to the customer, which is generally the same day as delivery or shipment of the product, the price to the buyer is fixed or determinable, and collection is reasonably assured. All sales are recorded when the goods are shipped.

The Company ships all product on an FOB-Plant, “as-is” basis. Accordingly, revenue is recognized by the Company at the point at which an order is shipped at a fixed price, collection is reasonably assured and the Company has no remaining performance obligations related to the sale. The Company sells all products with “no right of return” by the purchaser for any factor other than defects in the products’ development.

7. Income (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the respective period presented in our accompanying financial statements.

Fully diluted earnings (loss) per share is computed similar to basic income (loss) per share except that the denominator is increased to include the number of common stock equivalents (primarily outstanding options and warrants).

Common stock equivalents represent the dilutive effect of the assumed exercise of the outstanding stock options and warrants, using the treasury stock method, at either the beginning of the respective period presented or the date of issuance, whichever is later, and only if the common stock equivalents are considered dilutive based upon the Company’s net income (loss) position at the calculation date.

For the years ended December 31, 2017, the Company's potentially dilutive shares, which include outstanding common stock options that have not been included in the computation of diluted net loss per share as the result would have been anti-dilutive.

	December 31, 2017	December 31, 2016
Options	448,000	-
Total	448,000	-

8. Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which will amend current lease accounting to require lessees to recognize (i) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and (ii) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In April 2016, the FASB issued ASU 2016–10 Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing. The amendments in this Update do not change the core principle of the guidance in Topic 606. Rather, the amendments in this Update clarify the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this Update are intended render more detailed implementation guidance with the expectation to reduce the degree of judgement necessary to comply with Topic 606. The Company is currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In April 2016, the FASB issued ASU No. 2016-15, *"Classification of Certain Cash Receipts and Cash Payments"* ASU 2016 - provides guidance regarding the classification of certain items within the statement of cash flows. ASU 2016-15 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. The Company does not believe this ASU will have an impact on our results of operation, cash flows, other than presentation, or financial condition.

On November 17, 2016, the FASB issued ASU No. 2016-18, " *Statement of Cash Flows (Topic 230): Restricted Cash"*, a consensus of the FASB's Emerging Issues Task Force (the "Task Force"). The new standard requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. ASU No. 2016-18 is effective for public business entities for fiscal years beginning after December 15, 2017. The Company does not believe this ASU will have an impact on our results of operation, cash flows, other than presentation, or financial condition.

The Company does not expect the adoption of other recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position or cash flows.

Note E - Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payable and notes payable, as applicable, approximates fair value due to the short term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that the Company's earnings are subject to fluctuations in interest rates on either investments or on debt and is fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to interest rate risk, if any.

Financial risk is the risk that the Company's earnings are subject to fluctuations in interest rates or foreign exchange rates and are fully dependent upon the volatility of these rates. The Company does not use derivative instruments to moderate its exposure to financial risk, if any.

Note F – Purchase of M&G Packaging

On October 18, 2017, the Company purchased substantially all the assets of a produce packaging business conducted under the name M&G Packing, Inc. located in Tulare County, California. The acquisition consisted of purchasing the real property and building used in the business from M & G Farms, Inc., a California corporation, and all of the equipment, inventory, customer lists, vendor lists, contract rights, and intangible property of M&G Packing, Inc., a California corporation.

The total purchase price for the business plus closing costs was $854,452, which was paid $429,452 in cash and $425,000 in the form of a promissory note secured by the real property that bears interest at the rate of 6.0% per annum with interest only payable monthly and all principal and interest due 18 months from the close of escrow on October 24, 2017.

The acquisition was accounted for as a business combination as defined by FASB Topic 805 – Business Combinations. The allocation of the purchase price to the assets acquired and liabilities assumed was based on our internal assessment of the valuation of assets. As of the date of this filing, a purchase price allocation based upon a valuation has been finalized.

Cash paid	$ 429,452
Note payable to seller	425,000
Total Consideration	$ 854,452

Purchased:	
Land and building	$ 275,000
Machinery and equipment	400,000
Goodwill and intangible assets - impaired	179,452(1)
Total acquired in acquisition	$ 854,452

(1) The Company elected to forgo the valuation of intangible assets acquired and, therefore, impaired the goodwill and intangible assets acquired, which consisted primarily of customer lists, vendor relationships and name brand.

Note G – Segments

We had two operating segments one that sells the ECOWIN products under the "Vegalab" brand name and a produce packaging business conducted under the name M&G Packing, Inc. located in Tulare County, California that was acquired in the 4^{th} quarter of 2017. Prior to the acquisition, the Company's only business segment was Vegalab.

For the Year Ended December 31, 2017:

	Sales	Depreciation	Segment Profit	Segment Assets
M&G Packaging	$ 2,130,308	$ 16,667	$ 356,029	$ 895,832
Vegalab	$ 361,083	$ -	$ 77,743	$ 3,891,644
	$ 2,491,391	$ 16,667	$ 433,772	$ 4,787,476

Note H - Related Party Transactions

The Company's current sole source of supply of ECOWIN products is through Vegalab S. A., a Swiss company solely owned by David Selakovic, the Company's controlling shareholder. All products are sold to the Company at VSA's cost for the products from the manufacturer. During the year ended December 31, 2017, the Company incurred $454,744 for product purchases for resale from Vegalab S. A.

As of December 31, 2017 and December 31, 2016, the Company had outstanding accounts payable – related party of $712,947 and $1,727,857, respectively, for purchases of inventory.

During the year ended December 31, 2017, the Company received a credit from Vegalab S.A. of $198,510 as reimbursement for marketing costs, promotion samples, and advertising expenses incurred by the Company. This amount was recorded as a reduction of general and administrative expenses.

Note I - Note Payable to Investor

On August 24, 2016, the Company's new controlling stockholder, David Selakovic, agreed to loan the Company up to $300,000 at a rate of 4% per annum. As of December 31, 2016, Mr. Selakovic loaned the Company a total of $175,000, due on 60 days demand. During the year ended December 31, 2017, the Company repaid $177,474 including accrued interest of $2,474. The Company recorded accrued interest of $1,894 and $2,474 as of December 31, 2017 and December 31, 2016, respectively, related to this note payable.

NOTE J - INCOME TAXES

The components of income tax (benefit) expense for each of the years ended December 31, 2017 and 2016, respectively, are as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Federal:		
Current	$ (17,036)	$ 17,036
Deferred	-	-
State:		
Current	-	-
Deferred	-	-
Total	$ (17,036)	$ 17,036

As of December 31, 2017, the Company has an aggregate net operating loss carryforward of approximately $909,000 to offset future taxable income which are subject to limitations for federal tax purposes. The amount and availability of any net operating loss carryforwards will be subject to the limitations set forth in the Internal Revenue Code. Such factors as the number of shares ultimately issued within a three year look-back period; whether there is a deemed more than 50 percent change in control; the applicable long-term tax exempt bond rate; continuity of historical business; and subsequent income of the Company all enter into the annual computation of allowable annual utilization of any net operating loss carryforward(s).

The Company's income tax expense (benefit) for each of the years ended December 31, 2017 and 2016, respectively, differed from the statutory federal rate of 21% and 34%, respectively, as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Statutory rate applied to income before income taxes	$	$ 27,419
Increase (decrease) in income taxes resulting from:		
State income taxes	-	-
Change in valuation allowance	-	-
Utilization of net operating loss carryforward	-	(181)
Other	-	(10,202)
Income Tax Expense (Benefit)	$ -	$ -

Temporary differences, consisting primarily of the prospective usage of net operating loss carryforwards give rise to deferred tax assets and liabilities as of December 31, 2017 and 2016, respectively:

	December 31, 2017	December 31, 2016
Deferred tax assets		
Net operating loss carryforward	$ 909,275	$ 675,495
Other	-	-
Total deferred tax assets	909,275	675,495
Less valuation allowance	(909,275)	(675,495)
Total deferred tax asset, net of valuation allowance	-	-
Inventories	-	-
Other	-	(17,036)
Net Deferred Tax Asset (Liability)	$ -	$ (17,036)

On December 22, 2017, new federal tax reform legislation was enacted in the United States (the "2017 Tax Act"), resulting in significant changes from previous tax law. The 2017 Tax Act reduces the federal corporate income tax rate to a flat rate of 21%, from a graduated rate structure with a top rate of 35%, effective January 1, 2018. The rate change, along with certain immaterial changes in tax basis resulting from the 2017 Tax Act, resulted in a reduction of the Company's net deferred tax assets of approximately $88,000, and a corresponding reduction in the valuation allowance.

Note K - Common Stock Transactions

On March 8, 2016, the Company completed its issuance of 12,011,000 shares of its common stock to David Selakovic for total cash proceeds of $303,100 of which the Company received $100,000 cash in the fourth quarter of 2015 and the remaining balance during the year ended December 31, 2016.

In May 2016, the Company completed a private offering of 1,000,000 shares of common stock for total cash proceeds of $500,000.

On November 15, 2016, the Company issued 140,000 shares of common stock valued at $184,170 valued ($1.32 per share based on the grant date fair value) for consulting services.

On December 1, 2017, the Company issued 200,000 shares of common stock valued at $326,000 ($1.63 per share based on the grant date fair value) for consulting services commencing on December 1, 2017. As of December 31, 2017 the Company recorded a prepaid expense of $298,833 and stock compensation expense of $27,167.

During the year ended December 31, 2017, the Company sold a total of 2,822,899 shares of common stock to third parties for total cash proceeds of $2,540,601.

Note H – Stock Options

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2016	—	$ —
Granted	448,000	1.45
Exercised	—	—
Expired	—	—
Balance at December 31, 2017	448,000	$ 1.45
Options Exercisable at December 31, 2017	379,750	$ 1.45

On November 6, 2017, the Company filed an amendment to its Articles of Incorporation with the Secretary of Nevada to change its name to "Vegalab, Inc." and approved the Company's 2017 Equity Incentive Plan and the reservation of 2,000,000 shares of common stock for the issuance thereunder. The name change and the 2017 Equity Incentive Plan were previously approved by its majority shareholders via a special meeting held on November 6, 2017.

The Company's stock price was higher than the weighted average exercise price at December 31, 2017; therefore the intrinsic value of the options and warrants was approximately $358,000.

On February 28, 2017, the Company granted options to purchase 30,000 shares of its common stock to consultants at an exercise price of $1.23 per share. The options vest over 10 months. The options expire on February 25, 2022. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 508%, risk free interest rate of 2.09%, an expected life of 5 years.

On November 20, 2017, the Company granted options to purchase 78,000 shares of its common stock to consultants at an exercise price of $1.425 per share. The options vest over 12 months. The options expire on November 20, 2022. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 490%, risk free interest rate of 2.09%, an expected life of 5 years.

On November 20, 2017, the Company granted options to purchase 100,000 shares of its common stock to an employee at an exercise price of $1.425 per share. The options vested immediately. The options expire on November 20, 2022. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 490%, risk free interest rate of 2.09%, an expected life of 5 years.

On November 20, 2017, the Company granted options to purchase 100,000 shares of its common stock to its President who is also a Director at an exercise price of $1.425 per share. The options vested immediately. The options expire on November 20, 2022. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 490%, risk free interest rate of 2.09%, an expected life of 5 years.

On December 11, 2017, the Company granted options to purchase 140,000 shares of its common stock to consultants at an exercise price of $1.40 per share. The options vested immediately. The options expire on December 12, 2022. The options were valued using the Black Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 495%, risk free interest rate of 2.16%, an expected life of 5 years.

During the year ended December 31, 2017 total stock option expense amounted to $550,411.

Note L – Commitment and Contingencies

On June 1, 2017, the Company entered into a vehicle loan secured by the automobile for $8,761. The loan is repayable over 3 years, maturing June 1, 2020 and repayable at $266 per month including interest and principal. During the year ended December 31, 2017, the principal repayments were $1,899. The balance of the amounts owed on the vehicle loan at December 31, 2017 was $6,862, of which $2,904 was classified as current and $3,958 as long-term.

At December 31, 2017, the Company's future principal payments are as follows:

	Amount
2018	$ 2,904
2019	2,960
2020	998
2021	-
2022 & Thereafter	-
Total	$ 6,862
Current	2,904
Long-Term	3,958

On October 20, 2017, the Company entered into a lease agreement for a forklift with a lease term of 57 months at a current cost of $380 per month. Per the agreement, no payment was due in the first 4 months of the lease term. The Company recorded the lease as a capital lease and used its incremental borrowing rate of 1.90% for purposes of discounting lease payments.

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of December 31, 2017 are as follows:

2018	$ 3,796
2019	4,555
2020	4,555
2021	4,555
2022 & Thereafter	5,315
Total future minimum lease payments	$ 22,776
Less: amount representing interest	(1,132)
Present value of net minimum lease and obligations	21,644

On July 20, 2016, the Company entered into a lease agreement for warehouses located at 2542 Business Parkway Suite 1 and 2, Minden, Nevada. The facility is 24,276 square feet with a lease term of 36 months at a current cost of $13,959 per month. The Company was also required to make a security deposit of $14,500. During the year December 31, 2017, the Company incurred rent expense of $190,054.

At December 31, 2017, future minimum obligations on the lease are:

2018	$ 167,504
2019	125,628
2020	-
2021	-
2022 & Thereafter	-
Total	$ 293,132

Note M – Subsequent Events

On December 29, 2017, Vegalab exercised an option to purchase The Agronomy Group LLC, a California limited liability company ("TAG"). On January 22, 2018, Vegalab and TAG entered into a Member Units Purchase Agreement under which Vegalab agreed to purchase all of the member units in TAG from its two members for a total of 600,000 shares of the restricted common stock of Vegalab, and warrants to purchase 1,600,000 shares of the restricted common stock of Vegalab at an exercise price of $1.20 per share exercisable over a term of five years. The acquisition was closed February 20, 2018, effective February 1, 2018. The Company recognized the assets acquired and liabilities assumed from TAG at their fair value on the acquisition date, and if there was any excess in purchase price over these values it was allocated to goodwill. The estimated fair values of assets acquired and liabilities assumed, were determined based on management's best estimates. Preliminary estimated fair values are subject to measurement period adjustments which represent updates made to the preliminary purchase price allocation based on revisions to valuation estimates in the interim period subsequent to the acquisition and initial accounting date up until the purchase price allocation is finalized which cannot be any later than one year from the acquisition date. The Company engaged a third-party valuation specialist to assist in the valuation and is in the process of completing its assessment of the fair value of assets acquired and liabilities assumed. Thus the preliminary measurement of the assets acquired and liabilities assumed are subject to change, which could be significant. The Company will finalize the amounts recognized no later than one year from the acquisition date.

The following table shows the preliminary purchase price, estimated acquisition-date fair values of the assets acquired and liabilities assumed and calculation of goodwill for TAG utilizing the information at acquisition date. All numbers are in 000's except shares and warrants.

Assets acquired:		
Current assets	$	143
Property and equipment		41
Intangible assets		3,824
Goodwill		306
Total assets acquired		4,314
Total liabilities assumed		(58)
Net assets acquired	$	4,256
Consideration paid:		
Issuance of 600,000 shares of common stock	$	2,580
Issuance of 1,600,000 warrants		1,676
Total	$	4.256

On January 26, 2018, the Company issued 25,000 shares of common stock to M&G Farms, Inc., which was credited as a payment of $75,000 of principal and interest on the $425,000 promissory note from the Company to M&G Farms from the Company to M&G Farms.

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

Certificate of Amendment
(PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY. DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate Of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation

HPC Acquisitions, Inc.

2. The articles have been amended as follows. (provide article numbers if available)

Replacing in its entirety Article 1 “Name of Corporation” with the following to effectuate a name change:

1. Name of Corporation: Vegalab, Inc.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: **77**

Effective date and time of filing (optional) Date: Time:

(must not be later than 90 days after the certificate is filed)

5 Signature (required)

X ______________________________
Signature of Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected

This form must be accompanied by appropriate fees

Nevada Secretary of State Amend Profit After
Revised 1-5-15

Reset

Exhibit 10.14

NON-QUALIFIED STOCK OPTION AGREEMENT

This Stock Option Agreement (this “**Agreement**”) is made and entered into as of _______, 20__ by and between Vegalab, Inc., a Nevada corporation (the “**Company**”) and **__________** (the “**Optionee**”).

Grant Date:

Exercise Price per Share:

Number of Option Shares:

Expiration Date:

1. Grant of Option.

1.1 Grant; Type of Option. The Company hereby grants to the Optionee an option (the “**Option**”) to purchase the total number of shares of Common Stock of the Company equal to the number of Option Shares set forth above, at the Exercise Price set forth above. The Option is being granted pursuant to the terms of the Vegalab 2017 Equity Incentive Plan (the “**Plan**”). The Option is intended to be a Non-qualified Stock Option and not an Incentive Stock Option within the meaning of Section 422 of the Internal Revenue Code.

1.2 Consideration; Subject to Plan. The grant of the Option is made in consideration of the services rendered and to be rendered by the Optionee to the Company and is subject to the terms and conditions of the Plan. Capitalized terms used but not defined herein will have the meaning ascribed to them in the Plan.

2. Exercise Period; Vesting.

2.1 Vesting Schedule. The Option will become vested and exercisable as follows:

The unvested portion of the Option will not be exercisable on or after the Optionee’s termination of Continuous Service.

2.2 Expiration. The Option will expire on the Expiration Date set forth above, or earlier as provided in this Agreement or the Plan.

3. Termination of Continuous Service.

3.1 Termination of Continuous Service for a Reason Other Than Retirement, Disability, Death or Removal for Cause. If the Optionee’s Continuous Service is terminated for any reason other than retirement, Disability, death or termination for Cause, the Optionee may exercise the vested portion of the Option, but only within such period of time ending on the earlier of (a) the date three months following the termination of the Optionee’s Continuous Service or (b) the Expiration Date.

3.2 Termination due to Retirement. If the Optionee's Continuous Service terminates as a result of the Optionee's retirement, the Optionee may exercise the vested portion of the Option, but only within such period of time ending on the earlier of (a) the date one year following the Optionee's termination of Continuous Service or (b) the Expiration Date.

3.3 Termination due to Disability. If the Optionee's Continuous Service terminates as a result of the Optionee's Disability, the Optionee may exercise the vested portion of the Option, but only within such period of time ending on the earlier of (a) the date one year following the Optionee's termination of Continuous Service or (b) the Expiration Date.

3.4 Termination due to Death. If the Optionee's Continuous Service terminates as a result of the Optionee's death, the vested portion of the Option may be exercised by the Optionee's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by the person designated to exercise the Option upon the Optionee's death, but only within the time period ending on the earlier of (a) the date one year following the Optionee's death or (b) the Expiration Date.

3.5 Termination for Cause. If the Optionee's service relationship with the Company is terminated by the Company for Cause, the Option (whether vested or unvested) shall immediately terminate and cease to be exercisable.

3.6 Extension of Termination Date. If following the Optionee's termination of Continuous Service for any reason the exercise of the Option is prohibited because the exercise of the Option would violate the registration requirements under the Securities Act or any other state or federal securities law or the rules of any securities exchange or interdealer quotation system, then the expiration of the Option shall be tolled until the date that is thirty (30) days after the end of the period during which the exercise of the Option would be in violation of such registration or other securities requirements.

4. Manner of Exercise.

4.1 Election to Exercise. To exercise the Option, the Optionee (or in the case of exercise after the Optionee's death or incapacity, the Optionee's executor, administrator, heir or legatee, as the case may be) must deliver to the Company an executed stock option exercise agreement in such form as is approved by the Committee from time to time (the "**Exercise Agreement**"), which shall set forth, inter alia:

(a) the Optionee's election to exercise the Option;

(b) the number of shares of Common Stock being purchased;

(c) any restrictions imposed on the shares; and

(d) any representations, warranties and agreements regarding the Optionee's investment intent and access to information as may be required by the Company to comply with applicable securities laws.

If someone other than the Optionee exercises the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the Option.

4.2 Payment of Exercise Price. The entire Exercise Price of the Option shall be payable in full at the time of exercise to the extent permitted by applicable statutes and regulations, either:

(a) in cash or by certified or bank check at the time the Option is exercised;

(b) by delivery to the Company of other shares of Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Optionee identifies for delivery specific shares that have a Fair Market Value on the date of attestation equal to the Exercise Price (or portion thereof) and receives a number of shares equal to the difference between the number of shares thereby purchased and the number of identified attestation shares (a Stock for Stock Exchange as defined in the Plan);

(c) through a "cashless exercise program" established with a broker;

(d) by reducing the number of shares otherwise deliverable upon exercise of such Option by a number of shares with an aggregate Fair Market Value equal to the aggregate Exercise Price at the time of exercise;

(e) by any combination of the foregoing methods; or

(f) in any other form of legal consideration that may be acceptable to the Committee.

4.3 Withholding. As a condition to the issuance of any shares of Common Stock subject to the Option, the Company may withhold, or require the Optionee to pay or reimburse the Company for, any taxes that the Company determines are required to be withheld under federal, state or local law in connection with the exercise of the Option.

4.4 Issuance of Shares. Provided that the Exercise Agreement and payment are in form and substance satisfactory to the Company, the Company shall issue the shares of Common Stock registered in the name of the Optionee, the Optionee's authorized assignee, or the Optionee's legal representative, and shall deliver certificates representing the shares with the appropriate legends affixed thereto.

5. No Right to Continued Service; No Rights as Shareholder. Neither the Plan nor this Agreement shall confer upon the Optionee any right to be retained as a service provider to the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Optionee's Continuous Service at any time. The Optionee shall not have any rights as a shareholder with respect to any shares of Common Stock subject to the Option prior to the date of exercise of the Option.

6. Transferability. The Option is not transferable by the Optionee other than to a designated beneficiary upon the Optionee's death or by will or the laws of descent and distribution, and is exercisable during the Optionee's lifetime only by him or her. No assignment or transfer of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary upon death or by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option will terminate and become of no further effect.

7. Change in Control.

7.1 Acceleration of Vesting. In the event of a Change in Control, notwithstanding any provision of the Plan or this Agreement to the contrary, the Option shall become immediately vested and exercisable with respect to 100% of the shares subject to the Option. To the extent practicable, such acceleration of vesting and exercisability shall occur in a manner and at a time that allows the Optionee the ability to participate in the Change in Control with respect to the shares of Common Stock subject to the Option.

7.2 Cash-out. In the event of a Change in Control, the Committee may, in its discretion and upon at least ten (10) days' advance notice to the Optionee, cancel the Option and pay to the Optionee the value of the Option based upon the price per share of Common Stock received or to be received by other shareholders of the Company in the event. Notwithstanding the foregoing, if at the time of a Change in Control the Exercise Price of the Option equals or exceeds the price paid for a share of Common Stock in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration therefor.

8. Adjustments. The shares of Common Stock subject to the Option may be adjusted or terminated in any manner as contemplated by Section 11 of the Plan.

9. Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and the Company: (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of the Option or the subsequent sale of any shares acquired on exercise; and (b) does not commit to structure the Option to reduce or eliminate the Optionee's liability for Tax-Related Items.

10. Compliance with Law. The exercise of the Option and the issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and the Optionee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued pursuant to this Option unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Optionee understands that the Company is under no obligation to register the shares of Common Stock with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

11. Notices. Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Optionee under this Agreement shall be in writing and addressed to the Optionee at the Optionee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

12. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Nevada without regard to conflict of law principles.

13. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Optionee or the Company to the Committee (excluding the Optionee if he serves on the Committee) for review. The resolution of such dispute by the Committee shall be final and binding on the Optionee and the Company.

14. Options Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Optionee and the Optionee's beneficiaries, executors, administrators and the person(s) to whom the Option may be transferred by will or the laws of descent or distribution.

16. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

17. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Option in this Agreement does not create any contractual right or other right to receive any Options or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Optionee's engagement with the Company.

18. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the Option, prospectively or retroactively; provided, that, no such amendment shall adversely affect the Optionee's material rights under this Agreement without the Optionee's consent.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

20. Acceptance. The Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Optionee has read and understands the terms and provisions thereof, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Optionee acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying shares and that the Optionee should consult a tax advisor prior to such exercise or disposition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

VEGALAB, INC.

By: ______________________________
Name:
Title:

OPTIONEE

____
Name:

Exhibit 21.1

SUBSIDIARIES OF VEGALAB, INC.

Name	State or Jurisdiction
Vegalab LLC	Delaware
M&G Packing LLC	Nevada
The Agronomy Group LLC	Nevada

Exhibit 31.1

Certification

I, David D. Selakovic, certify that:

1. I have reviewed this annual report on Form 10-K of Vegalab, Inc., for the period ended December 31, 2017.

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)) of 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.

Date: June 1, 2018

By: /s/ David D. Selakovic
David D. Selakovic
(Principal Executive Officer and
Principal Financial and Accounting Officer)

Exhibit 32.1

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 Annual Report of Vegalab, Inc. (the “Company”) on Form 10-K for the period ending December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David D. Selakovic, Principal Executive Officer and Principal Financial and Accounting Officer of the Company, certify, to the best of my knowledge, 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.

Date: June 1, 2018	By: /s/ David D. Selakovic David D. Selakovic (Principal Executive Officer and Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Vegalab, Inc. and will be retained by Vegalab, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.