

**MENTOR CAPITAL, INC.**  
**BALANCE SHEET**  
**December 31, 2009**

**ASSETS**

**ASSETS**

CASH & CASH EQUIVALENTS	\$ 98,380
ACCOUNTS RECEIVABLE	141,373
PREPAID TAXES	800
NOTE RECEIVABLE - RELATED PARTY	598,061
INVESTMENT IN SECURITIES	150,000
MANAGEMENT FEE RECEIVABLE	309,572
NOTE RECEIVABLE	39,500
INTEREST RECEIVABLE	16,565
INVESTMENT IN BIOTECH	62,000
FIXED ASSETS	3,872
INVESTMENT IN QUANTUM IMMUNOLOGICS	34,000
OTHER ASSETS	<u>400</u>
 TOTAL ASSETS	 \$ <u><u>1,454,523</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

ACCOUNTS PAYABLE	\$ 2,415
US BANK LINE OF CREDIT	3,735
ACCRUED SALARY AND BENEFITS - RELATED PARTY	642,385
WARRANT REDEMPTION LIABILITY	488,290
ACCRUED RETIREMENT AND OTHER BENEFITS - RELATED PARTY	492,335
 TOTAL LIABILITIES	 <u>1,629,160</u>

**STOCKHOLDERS' DEFICIT**

PREFERRED STOCK-NO PAR VALUE, 100,000,000 SHARES AUTHORIZED, NO SHARES ISSUED AND OUTSTANDING AT DECEMBER 31, 2009 COMMON STOCK, NO PAR VALUE: 400,000,000 SHARES AUTHORIZED, 1,236,270 AND 1,821,862 SHARES ISSUED AND OUTSTANDING AT DECEMBER 31, 2009 AND MARCH 31, 2010	
CAPITAL STOCK	1,011,138
NET INCOME	(124,520)
RETAINED EARNINGS	(1,061,255)
ACCUMULATED DEFICIT	<u>(1,185,775)</u>
 TOTAL STOCKHOLDERS' EQUITY	 <u>(174,637)</u>
 TOTAL LIABILITIES AND AND STOCKHOLDERS' EQUITY	 \$ <u><u>1,454,523</u></u>

**MENTOR CAPITAL, INC.**  
**STATEMENT OF OPERATIONS**  
For the Period Ending December 31, 2010

<b>REVENUE</b>		
Administration fees	\$	37,553
Management and performance fees		92,517
Total revenue		<u>130,070</u>
<b>OPERATING EXPENSES</b>		
		268,467
Operating income		<u>(138,397)</u>
<b>OTHER EXPENSE (INCOME)</b>		
Interest income		(17,300)
Interest expense		3,424
Total other income		<u>13,876</u>
<b>INCOME FROM OPERATIONS</b>		(124,521)
<b>NET INCOME</b>		
	\$	<u>(124,521)</u>
Basic earnings per common share		<u>\$(0.18)</u>
Weighted average shares - basic		<u>683,280</u>

**MENTOR CAPITAL, INC.**  
**CONSOLIDATED - SCHEDULE 1**  
**SUPPLEMENTARY INFORMATION**  
For the Period Ending December 31, 2010

<b>OPERATING EXPENSES</b>		
ACCOUNTING	\$	19,184
ADVERTISING		2,177
AUDIT FEES		42,186
BANK CHARGES		2,445
AUTO EXPENSE		558
DEPRECIATION		989
DUES & SUBSCRIPTIONS		726
EMPLOYEE BENEFITS		8,664
INSURANCE - LIFE		4,540
INSURANCE-OFFICERS MEDICAL		14,397
LEGAL		5,494
MEALS		216
OFFICE SUPPLIES		12,536
OFFICERS SALARIES		104,000
OUTSIDE SERVICES		4,434
PAYROLL TAXES		9,972
POSTAGE		3,518
RENT		13,689
SALARIES/WAGES-OFFICE		11,282
TAXES-OTHER		888
TELEPHONE		5,185
UTILITIES		1,386
<b>TOTAL OPERATING EXPENSES</b>	<b>\$</b>	<b><u>268,466</u></b>

**Mentor Capital, Inc.**  
**STATEMENT OF CASH FLOWS**  
For the Period Ending December 31, 2009

	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income (Loss)	\$ (124,520)
Adjustments to reconcile net income (loss) to net cash provided/used by operating activities:	
Depreciation expense	989
Accounts receivable	(50,659)
Management fee receivable	(42,517)
Note receivable - related party	(103,288)
Interest receivable	(4,194)
Prepaid expenses	(497)
Accounts payable	(16,945)
Redemption fee liability	3,280
Accrued salaries and benefits - related party	(25,085)
Accrued retirement and other benefits - related party	8,664
Line of Credit	771
Total adjustments	(229,481)
<b>Net cash provided by operating activities</b>	<b>(354,001)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment in Biotech	(62,000)
Investment in QI	(34,000)
Investment in Securities	(50,000)
Long-term Debt, Net	(12,500)
<b>Net cash used in investing activities</b>	<b>(158,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Capital stock	603,281
Cost of raising capital	(165,659)
<b>Net cash provided from financing activities</b>	<b>437,622</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(74,879)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of period</b>	<b>173,259</b>
<b>CASH AND CASH EQUIVALENTS - end of period</b>	<b>\$ 98,380</b>
<b>Supplemental disclosures of cash flow information</b>	
Interest paid	<b>\$ 3,424</b>