

**MENTOR CAPITAL, INC. AND SUBSIDIARIES**  
**EXCERPT FROM CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Set forth below are excerpts from Mentor Capital Inc. and Subsidiaries (Mentor) financial statements. Though these statements have been prepared in accordance with generally accepted accounting principles in the United States of America, they are necessarily incomplete and truncated in their presentation here.

Since they present an incomplete picture of our company you should read them only in conjunction with our complete financial statements and periodic reports which may be found here:

[https://www.sec.gov/Archives/edgar/data/1599117/000107878215000456/f10k123114\\_10k.htm](https://www.sec.gov/Archives/edgar/data/1599117/000107878215000456/f10k123114_10k.htm)

BF Borgers CPA PC audited the financial statements of Mentor which comprise the consolidated balance sheets as of December 31, 2014 and the related consolidated statements of operations, other comprehensive income, stockholders' equity (deficit) and cash flows for the year then ended in accordance with standards of the Public Company Accounting Oversight Board (United States). Albert Wong & Co., LLP. audited the financial statements of Mentor which comprise the balance sheets as of December 31, 2013 and the related statements of operations, other comprehensive income, stockholders' equity (deficit) and cash flows for the year then ended in accordance with standards of the Public Company Accounting Oversight Board (United States).

**Mentor Capital, Inc.**  
Consolidated Balance Sheets  
December 31, 2014 and 2013

|   | 2014                       | 2013                       |
|---|----------------------------|----------------------------|
| <b>ASSETS</b>                                     |                            |                            |
| <b>Current assets</b>                             |                            |                            |
| Cash and cash equivalents                         | \$ 326,228                 | \$ 40,184                  |
| Accounts receivable, net                          | 300,947                    | -                          |
| Prepaid expenses and other current assets         | 55,655                     | 342,408                    |
| Investment in account receivable, net of discount | 114,750                    | -                          |
| Investments in securities, at fair value          | 5,832                      | 21,320                     |
| Employee advances                                 | 2,500                      | -                          |
| Total current assets                              | <u>805,912</u>             | <u>403,912</u>             |
| <b>Property and equipment</b>                     |                            |                            |
| Property and equipment                            | 239,060                    | 31,032                     |
| Accumulated depreciation and amortization         | <u>(157,484)</u>           | <u>(26,732)</u>            |
| Property and equipment, net                       | <u>81,576</u>              | <u>4,300</u>               |
| <b>Other assets</b>                               |                            |                            |
| Receivable - Bhang Corporation and shareholders   | 1,500,000                  | -                          |
| Subsidiary note receivable                        | -                          | 1,080,000                  |
| Deposits  | 9,575                      | -                          |
| Convertible note receivable                       | 104,942                    | -                          |
| Long term investments                             | 66,203                     | 65,943                     |
| Goodwill  | <u>1,426,182</u>           | <u>-</u>                   |
| Total other assets                                | <u>3,106,902</u>           | <u>1,145,943</u>           |
| <b>Total assets</b>                               | <u><u>\$ 3,994,390</u></u> | <u><u>\$ 1,554,155</u></u> |

*Above is an excerpt of Mentor's financial statements prepared on a basis consistent with accounting principles in the United States of America that are included in Mentor's annual report on Form 10-K that has been filed with the U.S. Securities and Exchange Commission. This above document does not contain all of the information in the Form 10-K that is important to you. You should read the Form 10-K carefully to obtain a comprehensive understanding of Mentor's financial statements under generally accepted accounting principles in the United States of America and related information.*

**Mentor Capital, Inc.**  
Consolidated Balance Sheets (Continued)  
December 31, 2014 and 2013

|   | 2014                | 2013                |
|---|---------------------|---------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>   |                     |                     |
| <b>Current liabilities</b>  |                     |                     |
| Accounts payable  | \$ 65,585           | \$ 20,892           |
| Accrued expenses  | 166,423             | 6,474               |
| Deferred fees - related party, current portion  | -                   | 32,000              |
| Line of credit  | 60,000              | -                   |
| Current portion of long term debt   | 18,911              | -                   |
| Total current liabilities   | <u>310,919</u>      | <u>59,366</u>       |
| <b>Long-term liabilities</b>  |                     |                     |
| Accrued salary, retirement and benefits - related party   | 272,982             | 1,195,325           |
| Long term debt, net of current portion  | 31,249              | -                   |
| Deferred fees - related party, net of current portion   | -                   | 593,333             |
| Total long-term liabilities   | <u>304,232</u>      | <u>1,788,658</u>    |
| <b>Commitments and Contingencies</b>  | -                   | -                   |
| <b>Shareholders' equity (deficit)</b>   |                     |                     |
| Preferred stock, no par value, 100,000,000 shares authorized; no shares issued and outstanding  | -                   | -                   |
| Common stock, no par value, 400,000,000 shares authorized; 14,483,215 and 6,688,503 shares issued and outstanding at December 31, 2014 and 2013 | 7,001,908           | 2,389,801           |
| Additional paid in capital  | 234,731             | 495,509             |
| Accumulated deficit   | (3,652,101)         | (3,179,179)         |
| Non-controlling interest  | (205,298)           | -                   |
| Total shareholders' equity (deficit)  | <u>3,379,240</u>    | <u>(293,869)</u>    |
| <b>Total liabilities and shareholders' equity (deficit)</b>   | <u>\$ 3,994,390</u> | <u>\$ 1,554,155</u> |

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**Mentor Capital, Inc.**  
Consolidated Income Statements  
For The Years Ended December 31, 2014 and 2013

|   | 2014                | 2013                |
|---|---------------------|---------------------|
| <b>Revenue</b>  |                     |                     |
| Service fees  | \$ 2,144,336        | \$ -                |
| Publication revenue   | 5,390               |                     |
| Other revenue   | -                   | 32,000              |
| <b>Total revenue</b>  | <u>2,149,726</u>    | <u>32,000</u>       |
| <b>Cost of sales</b>  | <u>1,376,565</u>    | <u>-</u>            |
| <b>Gross profit</b>   | 773,161             | 32,000              |
| Selling, general and administrative expenses                          | <u>1,859,359</u>    | <u>292,899</u>      |
| <b>Operating income</b>   | <u>(1,086,198)</u>  | <u>(260,899)</u>    |
| <b>Other income and (expense)</b>                                     |                     |                     |
| Gain recognized on purchase of majority interest<br>in WCI            | 1,250,000           | -                   |
| Interest income   | 35,648              | 4,597               |
| Interest expense  | (20,836)            | (1,852)             |
| Loan costs  | (635,851)           | -                   |
| Gain (loss) on investments  | (7,181)             | 170                 |
| Gain (loss) on equipment disposals                                    | (873)               | -                   |
| Other income (expense)  | <u>165</u>          | <u>-</u>            |
| Total other income and (expense)                                      | <u>621,072</u>      | <u>2,915</u>        |
| <b>Income (loss) before provision for income taxes</b>                | (465,126)           | (257,984)           |
| Provision for income taxes  | <u>35,820</u>       | <u>800</u>          |
| <b>Net income (loss)</b>  | (500,945)           | (258,784)           |
| Loss attributable to non-controlling interest                         | <u>(28,023)</u>     | <u>-</u>            |
| <b>Net income (loss) attributable to controlling interest</b>         | <u>\$ (472,922)</u> | <u>\$ (258,784)</u> |
| <b>Basic and diluted net loss per common share:</b>                   |                     |                     |
| Basic   | <u>\$ (0.042)</u>   | <u>\$ (0.045)</u>   |
| Diluted*  | <u>\$ N/A</u>       | <u>\$ N/A</u>       |
| <b>Weighted average number of shares of common stock outstanding:</b> |                     |                     |
| Basic   | <u>11,368,461</u>   | <u>5,741,161</u>    |
| Diluted*  | <u>N/A</u>          | <u>N/A</u>          |

\*The company recorded operating loss and so the diluted EPS will not be calculated for the diluted EPS effect is anti-dilutive.

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