

MENTOR CAPITAL, INC. AND SUBSIDIARIES
EXCERPT FROM CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

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/1599117/000107878217000361/f10k123116_10k.htm

BF Borgers CPA PC audited the financial statements of Mentor which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related consolidated statements of operations, other comprehensive income, stockholders' equity (deficit) and cash flows for the years then ended in accordance with standards of the Public Company Accounting Oversight Board (United States).

Mentor Capital, Inc.
Consolidated Balance Sheets
December 31, 2016 and 2015

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,311,338	\$ 73,679
Accounts receivable, net	381,404	360,841
Other receivables	-	19,459
Prepaid expenses and other current assets	42,863	21,120
Investments in securities, at fair value	-	37,500
Investment in accounts receivable, current portion, net of discount	-	92,542
Convertible notes receivable, current portion	12,951	-
Employee advances	700	3,677
	<u>1,749,256</u>	<u>608,818</u>
Convertible notes receivable, net of current portion	<u>119,104</u>	<u>107,772</u>
Property and equipment		
Property and equipment	215,034	236,453
Accumulated depreciation and amortization	<u>(178,482)</u>	<u>(189,713)</u>
	<u>36,552</u>	<u>46,740</u>
Other assets		
Investment in account receivable, net of discount and current portion	481,987	520,031
Receivable - Bhang Corporation	1,500,000	1,500,000
Deposits	9,575	9,575
Long term investments	55,943	55,943
Goodwill	<u>1,426,182</u>	<u>1,426,182</u>
	<u>3,473,687</u>	<u>3,511,731</u>
Total assets	<u>\$ 5,378,599</u>	<u>\$ 4,275,061</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, 2016 and 2015

	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 25,572	\$ 118,922
Accrued expenses	165,528	195,566
Deferred revenue	-	866
Line of credit	-	70,000
Current portion of long term debt	28,226	10,841
Total current liabilities	219,326	396,195
Long-term liabilities		
Accrued salary, retirement and incentive fee - related party	1,038,378	484,372
Long term debt, net of current portion	69,266	19,612
Total long-term liabilities	1,107,644	503,984
Total liabilities	1,326,970	900,179
Commitments and Contingencies	-	-
Shareholders' equity		
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.0001 par value, 75,000,000 shares authorized; 20,980,510 and 16,254,941 shares issued and outstanding at December 31, 2016 and December 31, 2015	2,098	1,625
Additional paid in capital	9,565,695	8,023,206
Accumulated deficit	(5,310,082)	(4,451,969)
Accumulated other comprehensive income (loss), net of tax	-	(12,563)
Non-controlling interest	(206,082)	(185,417)
Total shareholders' equity	4,051,629	3,374,882
Total liabilities and shareholders' equity	\$ 5,378,599	\$ 4,275,061

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Mentor Capital, Inc.
Consolidated Statements of Income
For The Years Ended December 31, 2016 and 2015

	2016	2015
Revenue		
Service fees	\$ 2,740,187	\$ 2,463,225
Webcast revenue	450	23,457
Consulting revenue	20,000	69,432
Other revenue	608	5,644
Total revenue	2,761,245	2,561,758
Cost of sales	1,785,160	1,565,411
Gross profit	976,085	996,347
Selling, general and administrative expenses	1,872,059	1,768,560
Operating income (loss)	(895,974)	(772,213)
Other income and (expense)		
Interest income	114,836	75,050
Interest expense	(40,625)	(15,632)
Gain on convertible security valuation	-	589,611
Goodwill impairment	-	(466,765)
Gain on conversion of investment in MicroCannaBiz to note receivable	-	35,360
Loss on write off of MicroCannaBiz note receivable and accrued interest	-	(76,010)
Gain (loss) on investments	(42,289)	(131,458)
Gain (loss) on equipment disposal	11,568	-
Other income (expense)	9,143	425
Total other income and (expense)	52,633	10,581
Income (loss) before provision for income taxes	(843,341)	(761,632)
Provision for income taxes	11,800	3,163
Net income (loss)	(855,141)	(764,795)
Gain (loss) attributable to non-controlling interest	2,972	35,073
Net income (loss) attributable to Mentor	\$ (858,113)	\$ (799,868)
Basic and diluted net income (loss) per Mentor common share:		
Basic and diluted	\$ (0.048)	\$ (0.051)
Weighted average number of shares of Mentor common stock outstanding:		
Basic and diluted	17,695,152	15,537,163

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