

MENTOR CAPITAL, INC. AND SUBSIDIARIES
EXCERPT FROM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

JUNE 30, 2017

Contains:

- **Condensed Consolidated Balance Sheets – June 30, 2017 (Unaudited) and December 31, 2016**
- **Condensed Consolidated Income Statements (Unaudited) - Three Months and Six Months Ended June 30, 2017 and 2016**

Set forth below are excerpts from Mentor Capital Inc. and Subsidiaries (Mentor) condensed consolidated financial statements for the quarter ended June 30, 2017. 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/cgi-bin/browse-edgar?company=mentor+capital%2C+inc.&owner=exclude&action=getcompany>

The unaudited financial statements of Mentor for the second quarter of 2017 comprise of the condensed consolidated balance sheets as of June 30, 2017 and December 31, 2016 and the condensed consolidated statements of operations for the three months and six months ended June 30, 2017 and 2016.

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets

	June 30, 2017 <u>(Unaudited)</u>	December 31, 2016 <u></u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,122,716	\$ 1,311,338
Available-for-sale investment securities, at fair value	802,000	-
Accounts receivable, net	362,738	381,404
Prepaid expenses and other current assets	23,627	42,863
Investment in accounts receivable, current portion, net of discount	71,817	-
Notes receivable, current portion	26,834	-
Convertible notes receivable, current portion	16,140	12,951
Employee advances	4,800	700
	<u>2,430,672</u>	<u>1,749,256</u>
Convertible notes receivable, net of current portion	<u>110,495</u>	<u>119,104</u>
Property and equipment		
Property and equipment	218,168	215,034
Accumulated depreciation and amortization	<u>(186,536)</u>	<u>(178,482)</u>
	<u>31,632</u>	<u>36,552</u>
Other assets		
Investment in account receivable, net of discount and current portion	456,362	481,987
Receivable - Bhang Corporation	1,500,000	1,500,000
Contractual interest in legal recovery	600,002	-
Notes receivable, net of current portion	667,966	-
Deposits	9,575	9,575
Long term investments	163,714	55,943
Goodwill	<u>1,426,182</u>	<u>1,426,182</u>
	<u>4,823,801</u>	<u>3,473,687</u>
Total assets	<u>\$ 7,396,600</u>	<u>\$ 5,378,599</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 quarterly report on Form 10-Q 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-Q that is important to you. You should read the Form 10-Q 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.
Condensed Consolidated Balance Sheets (Continued)

	June 30, 2017 (Unaudited)	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 37,861	\$ 25,572
Accrued expenses	154,493	165,528
Current portion of long term debt	30,020	28,226
Total current liabilities	222,374	219,326
Long-term liabilities		
Accrued salary, retirement and incentive fee - related party	1,132,627	1,038,378
Long term debt, net of current portion	47,476	69,266
Total long-term liabilities	1,180,103	1,107,644
Total liabilities	1,402,477	1,326,970
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; 22,694,283 and 20,980,510 shares issued and outstanding at June 30, 2017 and December 31, 2016	2,269	2,098
Additional paid in capital	12,368,631	9,565,695
Accumulated deficit	(5,946,939)	(5,310,082)
Accumulated other comprehensive income (loss), net of tax	(247,086)	-
Non-controlling interest	(182,752)	(206,082)
Total shareholders' equity	5,994,123	4,051,629
Total liabilities and shareholders' equity	\$ 7,396,600	\$ 5,378,599

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Mentor Capital, Inc.
Condensed Consolidated Income Statements

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenue				
Service fees	\$ 759,789	\$ 667,720	\$ 1,497,932	\$ 1,310,563
Consulting fees	4,760	-	4,760	-
Webcast revenue	-	-	-	450
Total revenue	<u>764,549</u>	<u>667,720</u>	<u>1,502,692</u>	<u>1,311,013</u>
Cost of sales	<u>495,885</u>	<u>428,407</u>	<u>970,132</u>	<u>822,839</u>
Gross profit	268,664	239,313	532,560	488,174
Selling, general and administrative expenses	<u>545,956</u>	<u>550,209</u>	<u>1,194,246</u>	<u>980,567</u>
Operating income (loss)	<u>(277,292)</u>	<u>(310,896)</u>	<u>(661,686)</u>	<u>(492,393)</u>
Other income and (expense)				
Interest income	35,314	34,619	63,608	61,866
Interest expense	(3,467)	(10,367)	(7,517)	(22,235)
Gain (loss) on investments	-	-	-	(22,289)
Other income (expense)	-	605	500	(133)
Total other income and (expense)	<u>31,847</u>	<u>24,857</u>	<u>56,591</u>	<u>17,209</u>
Income (loss) before provision for income taxes	(245,445)	(286,039)	(605,095)	(475,184)
Provision for income taxes	<u>50</u>	<u>-</u>	<u>7,450</u>	<u>3,000</u>
Net income (loss)	(245,495)	(286,039)	(612,545)	(478,184)
Gain (loss) attributable to non-controlling interest	<u>12,751</u>	<u>1,352</u>	<u>24,312</u>	<u>11,517</u>
Net income (loss) attributable to Mentor	<u>\$ (258,246)</u>	<u>\$ (287,391)</u>	<u>\$ (636,857)</u>	<u>\$ (489,701)</u>
Basic and diluted net income (loss) per Mentor common share:				
Basic and diluted	<u>\$ (0.011)</u>	<u>\$ (0.017)</u>	<u>\$ (0.029)</u>	<u>\$ (0.029)</u>
Weighted average number of shares of Mentor common stock outstanding:				
Basic and diluted	<u>22,661,200</u>	<u>17,245,179</u>	<u>22,033,995</u>	<u>16,820,791</u>

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