

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

SEPTEMBER 30, 2017

Contains:

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

Set forth below are excerpts from Mentor Capital Inc. and Subsidiaries (Mentor) condensed consolidated financial statements for the quarter ended September 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 September 30, 2017 and December 31, 2016 and the condensed consolidated statements of operations for the three months and nine months ended September 30, 2017 and 2016.

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets

	September 30, 2017 <u>(Unaudited)</u>	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,237,792	\$ 1,311,338
Cash in attorney trust account	300,000	-
Available-for-sale investment securities, at fair value	128,421	-
Accounts receivable, net	449,967	381,404
Prepaid expenses and other current assets	29,252	42,863
Investment in accounts receivable, current portion, net of discount	94,409	-
Notes receivable, current portion	30,786	-
Convertible notes receivable, current portion	16,775	12,951
Employee advances	10,308	700
	<u>2,297,710</u>	<u>1,749,256</u>
Convertible notes receivable, net of current portion	<u>104,147</u>	<u>119,104</u>
Property and equipment		
Property and equipment	195,509	215,034
Accumulated depreciation and amortization	(162,204)	(178,482)
	<u>33,305</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	757,490	-
Deposits	9,575	9,575
Long term investments	163,714	55,943
Goodwill	1,426,182	1,426,182
	<u>4,913,325</u>	<u>3,473,687</u>
Total other assets	<u>4,913,325</u>	<u>3,473,687</u>
Total assets	<u>\$ 7,348,487</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)

	September 30, 2017 (Unaudited)	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 32,512	\$ 25,572
Accrued expenses	162,401	165,528
Current portion of long term debt	31,036	28,226
Total current liabilities	225,949	219,326
Long-term liabilities		
Accrued salary, retirement and incentive fee - related party	1,139,964	1,038,378
Long term debt, net of current portion	39,165	69,266
Total long-term liabilities	1,179,129	1,107,644
Total liabilities	1,405,078	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 September 30, 2017 and December 31, 2016	2,269	2,098
Additional paid in capital	12,368,631	9,565,695
Accumulated deficit	(6,232,735)	(5,310,082)
Accumulated other comprehensive income (loss), net of tax	(25,392)	-
Non-controlling interest	(169,364)	(206,082)
Total shareholders' equity	5,943,409	4,051,629
Total liabilities and shareholders' equity	\$ 7,348,487	\$ 5,378,599

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Mentor Capital, Inc.
Condensed Consolidated Income Statements

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenue				
Service fees	\$ 810,062	\$ 705,709	\$ 2,307,994	\$ 1,016,272
Consulting fees	5,040	20,000	9,800	20,000
Webcast revenue	-	-	-	450
Total revenue	<u>815,102</u>	<u>725,709</u>	<u>2,317,794</u>	<u>2,036,722</u>
Cost of sales	<u>525,891</u>	<u>478,449</u>	<u>1,496,023</u>	<u>1,301,288</u>
Gross profit	289,211	247,260	821,771	735,434
Selling, general and administrative expenses	<u>476,192</u>	<u>445,680</u>	<u>1,670,439</u>	<u>1,426,248</u>
Operating income (loss)	<u>(186,981)</u>	<u>(198,420)</u>	<u>(848,668)</u>	<u>(690,814)</u>
Other income and (expense)				
Interest income	93,908	26,409	157,516	88,276
Interest expense	(3,434)	(10,305)	(10,951)	(32,540)
Gain (loss) on investments	(163,445)	-	(163,445)	(22,289)
Gain on equipment disposal	-	11,568	-	11,568
Other income (expense)	<u>-</u>	<u>9,286</u>	<u>500</u>	<u>9,154</u>
Total other income and (expense)	<u>(72,971)</u>	<u>36,958</u>	<u>(16,380)</u>	<u>54,169</u>
Income (loss) before provision for income taxes	(259,952)	(161,462)	(865,048)	(636,645)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>7,450</u>	<u>3,000</u>
Net income (loss)	(259,952)	(161,462)	(872,498)	(639,645)
Gain (loss) attributable to non-controlling interest	<u>25,844</u>	<u>3,589</u>	<u>50,155</u>	<u>15,106</u>
Net income (loss) attributable to Mentor	<u>\$ (285,796)</u>	<u>\$ (165,051)</u>	<u>\$ (922,653)</u>	<u>\$ (654,751)</u>
Basic and diluted net income (loss) per Mentor common share:				
Basic and diluted	<u>\$ (0.013)</u>	<u>\$ (0.009)</u>	<u>\$ (0.042)</u>	<u>\$ (0.038)</u>
Weighted average number of shares of Mentor common stock outstanding:				
Basic and diluted	<u>22,694,283</u>	<u>17,669,230</u>	<u>22,232,082</u>	<u>17,094,887</u>

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