

August 12, 2016



# Mentor Capital Reports 2nd Quarter 2016 10-Q and Growth

## *Fourth Year of Revenue Increases for Marijuana and Cannabis M&A Leader*

SAN DIEGO--(BUSINESS WIRE)-- Mentor Capital, Inc. (OTCQB: MNTR) announced that it has filed its quarterly 10-Q filing for the second quarter ending June 30, 2016 with the SEC.

The Company reports that for the three months ended June 30, 2016 Mentor had revenues of \$667,720 and a gross profit of \$310,896 with a resulting net loss of (\$287,391) or (1.7 cents) per share. This is an improvement from the three months ended June 30, 2015 revenues of \$628,386. However, the loss per share for the three months ended June 30, 2015 was (1.0) cents per share. The increased loss per share for the three months ended June 30, 2016 is primarily due to legal costs associated with the Bhang dispute of \$113,133 or (0.7 cents) loss per share for the three months ended June 30, 2016 compared to \$7,844 or less than (0.1 cents) loss per share from legal costs for the three months ended June 30, 2015. The Company's legal counsel will be submitting a motion to the Arbitration Panel seeking recovery from Bhang of legal fees incurred by Mentor related to the Bhang dispute. For the six months ended June 30, 2016 Mentor had revenues of \$1,311,013 and a gross profit of \$488,174 with a net loss of (\$489,701) or (2.9 cents) per share. This is an improvement over the six months ended June 30, 2015 revenues of \$1,202,236. For the six months ended June 30, 2015 Mentor experienced a net loss of (\$368,944) or (2.4 cents) per share. Legal costs associated with the Bhang dispute for the six months ended June 30, 2016 were \$136,935 representing (0.8 cents) of the loss per share compared to \$18,053 or (0.1 cents) of the loss per share for six months ended June 30, 2015.

The Mentor Capital, Inc. parent company has no non-affiliate debt, and raised \$135,152 from approximately 24 shareholders during the six months ended June 2016 under the authority of an 11 USC 1145 order. Mentor Capital, Inc. invested an additional \$26,282 into cannabis related companies during that six month period and the Company maintained a cash balance of \$99,048 at June 30, 2016 compared to \$73,679 at December 31, 2015. The Company closed the quarter ended June 30, 2016 with a book value of \$3,023,414 compared to \$3,374,882 at the end of 2015.

Mentor Capital, Inc. had 4,449 shareholders as of June 30, 2016, with 17,473,591 shares issued. There are 11,491,086 Series D warrants outstanding at June 30, 2016 quarter-end at a strike price of \$1.60 per share, and 689,159 Series H warrants are held by an investment bank at a \$7.00 per share strike price. During the first six months of 2016, no unordered or unregistered share offerings were made and no equity was granted to directors, insiders, consultants or investor relations firms. A long-term 300,000 share

repurchase plan was authorized in 2014 and 44,748 shares have been repurchased out of the open market under the long-term plan as of June 30, 2016. The Company's shares finished the quarter at a closing price of \$0.42 per share representing a market capitalization of \$7,338,908 compared to a 2015 year ending closing price of \$0.27 per share and a corresponding market capitalization of \$4,388,834. The directors and officers hold a 31.54% interest in Mentor Capital with Mr. Billingsley's interest reported at 24.66%.

On March 11, 2014 Mentor entered into an agreement with Bhang Corporation, and paid Bhang \$1,500,000 between then and May 9, 2014. On June 24, 2014, Bhang repudiated the contract, giving Mentor nothing, but refused to return the \$1,500,000 paid to Bhang and its owners. In July 2016, an Arbitration Panel granted Mentor's request for contract rescission on account of contract breach by Bhang and ordered Bhang Corporation to return Mentor's \$1,500,000 plus approximately \$352,000 in interest. All Bhang claims for damages were denied, and only Bhang owners who return all or part of the original Mentor shares they purchased will be refunded that original share purchase price plus interest.

The 10-Q includes June 30, 2016 unaudited financials and can be referenced through the SEC's EDGAR system at:

<https://www.sec.gov/edgar/searchedgar/companysearch.html>

Inputting the company name, Mentor Capital, Inc. or the Company's CIK code which is 0001599117, will bring up the report. The 10-Q can also be viewed at the Company's web site at the Investor's Corner section under the Disclosures tab.

**About Mentor Capital:** The Company seeks to come alongside and assist private medical marijuana and cannabis companies and their founders in meeting their liquidity and financial objectives, to add protection for investors and to help incubate private cannabis companies. Additional important information for investors is presented at: [www.MentorCapital.com](http://www.MentorCapital.com).

*This press release is neither an offer to sell, nor a solicitation of offers to purchase, securities.*

**Forward Looking Statements:** *This press release contains forward-looking statements within the meaning of the federal securities laws, including statements concerning financial projections, financing activities, corporate combinations, product development activities and sales and licensing activities. Such forward-looking statements are not guarantees of future results or performance, are sometimes identified by words of condition such as "should," "could," "expects," "may," "intends," "seeks," "looks," "moves," or "plans" and are subject to a number of risks and uncertainties, known and unknown, that could cause actual results to differ materially from those intended or anticipated. Such risks include, without limitation: nonperformance of investments, partner and portfolio difficulties, potential delays in marketing and sales, problems securing the necessary financing to continue operations, problems involving continued illegality of cannabis products, potential of competitive products, services, and technologies, difficulties experienced in product development, in recruiting knowledgeable personnel and in protecting intellectual property. Further information concerning these and other risks is included in the Company's Form 10 filing which, along with other very important*

*information about the Company, can be found here:*

<http://mentorcapital.com/disclosures/>

*The Company undertakes no obligation to update or revise such forward-looking statements to reflect new information, events or circumstances occurring after the date of this press release.*

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