

May 15, 2020



Mentor Capital Reports 1st Quarter 2020 10-Q

Trailing Revenues Continue to Exceed Market Capitalization for M&A Company

SAN DIEGO--(BUSINESS WIRE)-- Mentor Capital, Inc. (OTCQB: MNTR) announced that it had filed its quarterly Form 10-Q filing for the first quarter ended March 31, 2020, with the Securities and Exchange Commission coincident with a move to the OTCQB.

The Company reports that for the quarter ended March 31, 2020, Mentor had revenues of \$1,149,462 and gross profit of \$385,102, with a resulting net loss attributable to Mentor of (1.1 cents) per share. This is an increase over the prior year quarter ended March 31, 2019, in which Mentor had revenues of \$1,075,995, gross profit of \$370,374 and resulting net loss attributable to Mentor of (10.4 cents) per share.

In the quarter ended March 31, 2020, the Company invested an additional \$35,334 into a Legal Recovery Purchase Agreement with Electrum Partners, LLC, increasing total legal funding involvement to \$575,574. This funding supports their action against *Aurora Cannabis Inc., Defendant*, pending in the Supreme Court of British Columbia.

As further disclosed in our Form 10-Q, most of the remaining equipment leased to G Farma was repossessed by the Company and sold for \$222,031. The remainder of repossessed equipment is held for sale in Company storage with an estimated net realizable value of \$40,000. For the approximate \$1,045,051 G Farma notes receivable plus the \$1,055,680 G Farma finance lease payments remaining, we will continue to pursue legal recovery for breach of contract for non-payment from G Farma and its guarantors.

The effect of the novel coronavirus pandemic ("COVID-19") has significantly impacted the economy and could materially impact the Company's business and stock price. Our legal recovery efforts have been and may be further hindered due to the closure of the courts in California and British Columbia, delaying our legal recovery from the G Farma entities and the Company's interest in the Electrum Partners, LLC legal recovery.

Public health efforts to mitigate the impact of the pandemic could impact our 51% owned subsidiary, Waste Consolidator, Inc. ("WCI"), if its client businesses cannot collect rents and pay WCI invoices. The ultimate impact of COVID-19 on our business is dependent on future developments which are uncertain and cannot be predicted at this time.

Subsequent to quarter end, on April 23, 2020, Mentor received a forgivable Paycheck Protection Program loan of \$76,500 from the U.S. Small Business Administration ("SBA"). On May 6, 2020, WCI received a forgivable Paycheck Protection Program loan of \$383,342 from the SBA.

Since 2016 the Company's 100% owned subsidiary, Mentor IP, LLC, has owned a 15.7%

interest in a pending United States vape patent application for the delivery during vaping of various percentage concentrations of THC, CBD and other cannabinoids. The patent was granted on January 21, 2020, and issued on May 5, 2020. Additionally, Mentor IP, LLC owns 41.4% of any Canadian patent applications and patents that are derived from the U.S. parent application. On March 23, 2020, Mentor IP, LLC applied for expedited prosecution with the Canadian Intellectual Property Office under the Patent Cooperation Treaty Patent Prosecution Highway Program based on the claims allowed in the corresponding United States vape patent.

The Company had 11,494 shareholders reported as of March 31, 2020, with 22,850,947 shares issued. At March 31, 2020, there were 87,456 Series B warrants outstanding with an exercise price of \$0.11 per share, 6,252,954 Series D warrants outstanding with an exercise price of \$1.60 per share, and 689,159 Series H warrants that are held by an investment bank at a \$7.00 per share exercise price. No equity was granted to directors, insiders, consultants or investor relations firms during the eight quarters ending March 31, 2020. A long-term 300,000 share repurchase plan was authorized in 2014 and, at March 31, 2020, a total of 44,748 shares have been repurchased under the long-term plan. The Company's shares finished the quarter at a closing price of \$0.09 per share representing a market capitalization of \$2,056,585 compared to a 2019 year end closing price of \$0.12 per share and a corresponding market capitalization of \$2,742,114. Mentor's Series Q Preferred Stock, first sold at \$10,000 per share on May 30, 2018, were exchangeable for approximately \$14,977 per share in Mentor common shares on March 31, 2020.

The Company is managed by Chairman, CEO, and director Chet Billingsley (67), who founded Mentor Capital first as an acquisition partnership in 1985 and was qualified as a Registered Investment Advisor. He received his undergraduate education at West Point before earning a Master's Degree in Applied Physics at Harvard University. His early career was at General Electric. Treasurer, CFO, and director Lori Stansfield, CPA (60), was most recently Director of Audit Services for a regional CPA firm. She graduated magna cum laude in accounting and received a Master's Degree in Marketing from the University of Colorado. Ms. Stansfield is certified as a public accountant in Colorado and California. Secretary and director Robert Meyer (80), director, and Audit Committee member Stan Shaul (55), and director and Audit Committee Chairman David Carlile (64) are independent directors; each has been or is a business owner and major shareholder. Altogether, the directors and officers hold a 21.1% fully diluted interest in Mentor Capital, with Mr. Billingsley's interest reported at 14.5% on a fully diluted basis as of May 4, 2020.

The Form 10-Q may be referenced on the Company's web site or through the SEC's EDGAR system under CIK code 0001599117 at:

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

About Mentor Capital: The Company seeks to come alongside and assist medium sized private companies and their founders in meeting their liquidity and financial objectives, to add protection for investors, and to help incubate private companies. Additional important information for investors is presented at: 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 illegality of products, potential of competitive products, services, and technologies, difficulties experienced in product development, in recruiting knowledgeable personnel, in protecting intellectual property, and the effects of negative worldwide economic events, such as the recent coronavirus outbreak. Further information concerning these, and other risks is included in the Company’s Form 10-Q filing.

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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