

MENTOR CAPITAL, INC.

BALANCE SHEET

September 30, 2011

ASSETS

ASSETS

CASH & CASH EQUIVALENTS	\$	12,015
PREPAID TAXES		800
NOTE RECEIVABLE - RELATED PARTY		629,111
NOTE RECEIVABLE		1,080,000
INVESTMENT IN BIOTECH		5,019,165
FIXED ASSETS		13,717
OTHER ASSETS		79,200
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TOTAL ASSETS	\$	<u>6,834,007</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

ACCOUNTS PAYABLE		5,416
US BANK CREDIT CARD		3,884
US BANK LINE OF CREDIT		3,860
INVESTMENT PAYABLE		5,000,000
ACCRUED SALARY AND BENEFITS - RELATED PARTY		608,630
WARRANT REDEMPTION LIABILITY		512,443
ACCRUED RETIREMENT AND OTHER BENEFITS - RELATED PARTY		411,588
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TOTAL LIABILITIES		6,545,821

STOCKHOLDERS' DEFICIT

PREFERRED STOCK-NO PAR VALUE, 100,000,000 SHARES AUTHORIZED, NO SHARES ISSUED AND OUTSTANDING AT SEPTEMBER 30, 2011 COMMON STOCK, NO PAR VALUE: 400,000,000 SHARES AUTHORIZED 2,188,296 AND 2,457,726 SHARES ISSUED AND OUTSTANDING AT DECEMBER 31, 2010 AND SEPTEMBER 30, 2011		
CAPITAL STOCK	\$	1,304,120
NET INCOME		313,414
RETAINED EARNINGS		(1,329,348)
ACCUMULATED DEFICIT		<u>(1,015,934)</u>

TOTAL STOCKHOLDERS' EQUITY		<hr/>
		288,186

TOTAL LIABILITIES AND AND STOCKHOLDERS' EQUITY	\$	<u>6,834,007</u>
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MENTOR CAPITAL, INC.
STATEMENT OF OPERATIONS
For the Nine Months Ending September 30, 2011

REVENUE			
Administration fees	\$	415,963	\$
Total revenue		<u>415,963</u>	
OPERATING EXPENSES		192,095	
Operating income		<u>223,868</u>	
OTHER EXPENSE (INCOME)			
Interest income		(9,072)	
Interest expense		2,624	
Total other income		<u>6,448</u>	
INCOME FROM OPERATIONS		230,316	
GAIN/LOSS ON INVESTMENTS		83,097	
NET INCOME	\$	<u>313,413</u>	\$
Basic earnings per common share		<u>\$0.13</u>	
Weighted average shares - basic		<u>2,323,011</u>	