Mentor Capital, Inc. and Subsidiaries

Consolidated Financial Statements

June 30, 2014

(Unaudited)

Mentor Capital, Inc. and Subsidiaries

Contents

Mentor Capital, Inc. and Subsidiaries

Consolidated Balance Sheet
June 30, 2014

ASSETS		
Current assets		
Cash and cash equivalents	$	907,551
Accounts receivable-trade, net		247,039
Receivable - Bhang Chocolate Company shareholders		1,500,000
Related party note receivable		1,080,000
Loan commitment fee receivable		621,200
Other receivables		20,712
Prepaid expenses and other current assets		143,037
Related party advances		20,004
Investments in securities, at fair value		23,564
Other investment, at cost		100,000
Total current assets		4,663,107
Property and equipment		
Property and equipment		226,812
Accumulated depreciation		(179,724)
Property and equipment, net		47,088
Other assets		
Goodwill		123,374
Shareholder loans receivable		1,142,115
Investment in unconsolidated entities		64,793
Deposits		9,575
Total other assets		1,339,857
Total assets	$	6,050,052

Mentor Capital, Inc. and Subsidiaries
Consolidated Balance Sheet (Continued)
June 30, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	
Accounts payable	$ 52,921
Accrued expenses	52,571
Notes payable, current portion	37,440
Income taxes payable	-
Total current liabilities	142,932
Long-term liabilities	
Notes payable, net of current portion	8,813
Accrued salary and benefits	1,373,125
Total long-term liabilities	1,381,938
Shareholders' equity	
Preferred stock, no par value, 100,000,000 shares authorized; no shares issued and outstanding	-
Common stock, no par value, 400,000,000 shares authorized; 14,507,831 shares issued and outstanding at June 30, 2014	6,068,072
Retained deficit	(1,724,728)
Non-controlling interest	181,838
Total shareholders' equity	4,525,182
Total liabilities and shareholders' equity	$ 6,050,052

Mentor Capital, Inc. and Subsidiaries
Consolidated Statement of Operation
For The Six Months Ended June 30, 2014

Revenue	
Service fees	$ 997,298
Other revenue	1,625
Total revenue	998,923
Cost of sales	676,825
Gross profit	322,098
Selling, general and administrative expenses	712,787
Operating income	(390,689)
Other income and (expense)	
Interest income (expense)	(4,063)
Loan financing fees	(14,651)
Gain on investments	2,192
Other income (expense)	(4,362)
Total other income and (expense)	(20,884)
Loss before provision for income taxes	(411,573)
Provision for income taxes	1,895
Net loss	(413,468)
Gain attributable to non-controlling interest	38,725
Net loss attributable to controlling interest	$ (452,193)
Basic and diluted net loss per common share:	
Basic	$ (0.043)
Diluted	$ (0.043)
Weighted average number of shares of common stock outstanding:	
Basic	10,463,572
Diluted	10,468,072

Mentor Capital, Inc. and Subsidiaries

Consolidated Statement of Changes in Shareholders' Equity
For The Six Months Ended June 30, 2014

	Controlling interest			Non-	
	Common stock		Retained	controlling	
	Shares	no par	deficit	interest	Totals
Balance at December 31, 2013	6,419,312	$ 1,787,990	$ (1,374,777)	$ -	$ 413,213
Effect of consolidating interest in WCI previously accounted for at cost, effective January 1, 2014, as reported March 31, 2014	-	-	331,060	402,870	733,930
Adjustment to prior period WCI retained earnings	-	-	(228,818)	(223,261)	(452,079)
Minority shareholder distributions	-	-	-	(36,496)	(36,496)
Conversion of warrants to common stock, net of conversion costs	8,088,519	4,280,082	-	-	4,280,082
Net income (loss)		-	(452,193)	38,725	(413,468)
Balance at June 30, 2014	14,507,831	$ 6,068,072	$ (1,724,728)	$ 181,838	$ 4,525,182

Mentor Capital, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the Six Months Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (413,468)
Adjustments to reconcile net loss to net	
cash provided by (used by) operating activities:	
Depreciation and amortization	13,450
Investment gain (loss)	(1,042)
Loss on sale of furniture and equipment	1,946
Decrease (increase) in operating assets	
Accounts receivable - trade	13,146
Other receivables	(2,460)
Prepaid expenses and other current assets	200,799
Increase (decrease) in operating liabilities	
Accounts payable	20,201
Accrued expenses	(54,050)
Income tax payable	-
Accrued salary and benefits	41,800
Net cash provided by (used by) operating activities	(179,679)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receivable - Bhang Chocolate Company shareholders	(1,500,000)
Purchases of property and equipment	(6,680)
Investment in securities	(20,805)
Other investment	(100,000)
Shareholder loans	(1,884)
Effect from consolidating WCI	(34,705)
Net cash provided by (used by) investing activities	(1,664,074)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Debt reduction:	
Notes payable	(49,212)
Loan commitment fee paid	(621,200)
Proceeds:	
Warrants converted to common stock, net of costs	3,335,851
Net cash provided by (used by) financing activities	2,665,439
Net change in cash	821,687
Beginning cash	85,864
Ending cash	$ 907,551

Mentor Capital, Inc. and Subsidiaries
Consolidated Statement of Cash Flows (Continued)
For the Six Months Ended June 30, 2014

SUPPLEMENTARY INFORMATION:

Cash paid for interest	$	4,063
Cash paid for income taxes	$	1,895

NON-CASH INVESTING AND FINANCING TRANSACTIONS:

Purchase additional 1% interest in WCI resulting in 51% controlling interest:		
Additional 1% interest acquired through investment payable	$	25,000
Equity acquired		3,665
Increase in goodwill	$	21,335
Calculated 50% equity in WCI prior to purchase of additional interest	$	181,442
Initial investment at cost at January 1, 2014		(79,200)
Equity effect of consolidating WCI, previously reported at cost	$	102,242
Originally reported, March 31, 2014	$	331,060
Effect of prior period adjustments		(228,818)
	$	102,242

Note 1 - Nature of Operations

History (1985 – 2008)

Mentor Capital, Inc. (“Mentor” or “the Company”) was founded as an investment partnership by the current CEO in 1985 and incorporated July 29, 1994, under the laws of the State of California. On September 12, 1996, the Company’s offering statement was qualified pursuant to Regulation A of the Securities Act, and the Company began to trade its shares publicly. On August 21, 1998, the Company filed voluntary reorganization with the bankruptcy court and, on January 11, 2000, the Company emerged from Chapter 11. The Company has contracted to provide financial assistance and investment into small businesses since its reorganization.

Current Business (2008 - 2014)

Since the August 2008, name change back to Mentor Capital, Inc., the Company’s common stock has traded publicly under the trading symbol OTC Markets: MNTR.

In 2009 the Company began focusing its investing activities in leading edge cancer companies. In response to government limitations on reimbursement for highly technical and expensive cancer treatments and a resulting business decline in the cancer development sector, the Company decided to exit that space. In the summer of 2013 the Company was asked to consider investing in cancer related therapy using medical marijuana treatment. On August 27, 2013 the Company made the decision to divest of its cancer assets and focus on becoming a pure play in the cannabis and medical marijuana sector.

On January 1, 2014, Mentor purchased an additional 1% of Waste Consolidators, Inc. (WCI) for $25,000. This results in a 51% ownership of WCI. WCI is a legacy investment that is now included in the consolidated financial statements for the six months ended June 30, 2014.

On January 17, 2014, the Company transitioned out of its cancer related trading dormancy by announcing its first cannabis sector letter of intent amidst significantly increased share volume and price. The Company was concentrated approximately 97% in the cannabis and medical marijuana space following the acquisition of 60% of Bhang Chocolate Company, Inc. (“Bhang”) for $9 million which closed February 28, 2014. Mentor has agreed to fund up to $30 million to Bhang for operations. Bhang is a world leading brand of cannabis related medicated chocolates. Subsequent to signing the agreement, Bhang minority shareholders stated that they are not happy with the terms of the consummated agreement and have not provided financial information to the Company. Due to uncertainty of the final outcome surrounding this transaction, the Company has presented cash paid to these shareholders for the purchase of equity in Bhang as a receivable in the consolidated balance sheet, see Note 13.

On March 27, 2014, the Company purchased a 51% interest in MicroCannaBiz (“Canna”), a development stage company for $200 thousand. Canna provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Company’s consolidated financial statements include majority owned subsidiaries of 51% or more, with the exception of the investment in Bhang due to the uncertainty surrounding this investment (see Note 13). The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All material intercompany balances and transactions have been eliminated in consolidation.

Note 2 - Summary of significant accounting policies (continued)

The Company estimates it has adequate cash reserves to support one to three years of operation. Management's plans include increasing revenues through acquisition, investment, and organic growth. This is to be funded by raising additional capital through the sale of equity securities and debt.

Concentrations of cash

The Company maintains its cash and cash equivalents in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts nor does the Company believe it is exposed to any significant credit risk on cash and cash equivalents. At June 30, 2014, the Company had uninsured cash balances of approximately $264,900.

Cash and cash equivalents

The Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company had no short-term debt securities as of June 30, 2014.

Loan commitment fee receivable

Loan commitment fee receivable represents refundable fees paid for credit default insurance to a third party as required by the lender on an international loan facility. The lender was unable to fund the loan and a cooperative exit from the loan commitment was agreed to by the parties on June 12, 2014. The lender has released the requirement for credit default insurance and the insurance company has agreed to return the fee.

Accounts receivable

Customer accounts receivable are classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, collateral available, and aging of accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates resulting in the customer's inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts will be required. At June 30, 2014, the Company considers its accounts receivable to be fully collectible and no allowance has been included in the accompanying financial statements.

Investment in unconsolidated entities

The Company’s investments in entities where it is a minority owner are recorded under the cost-method as the fair market value is not readily determinable. Under this method, the Company’s share of the earnings or losses of such investee company is not included in the Company’s financial statements. The Company reviews the carrying value of its cost-method investment for impairment each reporting period.

Property, equipment and machinery

Property, equipment and machinery are recorded at cost. Depreciation is computed on the straight-line and declining balance methods over the estimated useful lives of various classes of property ranging from 3 to 7 years. .

Expenditures for renewals and betterments are capitalized and maintenance and repairs are charged to expense. Upon retirement or sale, the cost of assets disposed and the accumulated depreciation is removed from the accounts. The resulting gain or loss is credited or charged to income.

Note 2 - Summary of significant accounting policies (continued)

Goodwill

Goodwill was derived from the acquisition of WCI. The Company accounts for its Goodwill in accordance with FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other, which requires the Company to test goodwill for impairment annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, rather than amortize. Goodwill impairment tests consist of a comparison of each reporting unit's fair value with its carrying value. Impairment exists when the carrying amount of goodwill exceeds the implied fair value for each reporting unit. To estimate the fair value, management used valuation techniques which included the discounted value of estimated future cash flows. The evaluation of impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and are subject to change as future events and circumstances change. Actual results may differ from assumed and estimated amounts. Management determined that no impairment write-downs were required as of June 30, 2013.

Revenue recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "*Revenue Recognition*". The Company records revenue under each contract once persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable and collectability is reasonably assured. Fees are based on monthly contractual terms and some based on performance of the client. Service is presumed to be rendered as of the end of each monthly period.

Income (loss) per common share

Basic income (loss) per common share is calculated by dividing net income (loss) by the weighted-average number of shares of common stock outstanding. For the six month period ended June 30, 2014, the diluted earnings per common share includes the components of basic earnings per common share and also gives effect to dilutive common stock equivalents such as potentially dilutive common stock purchase warrants. No dilutive effect was calculated for the six month period ended June 30, 2014, as the Company reported a net loss in the period and the effect would have been anti-dilutive.

Income taxes

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities.

Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. No interest expense or penalties were recognized during the six months ended June 30, 2014.

Advertising and promotion

The Company expenses advertising and promotion costs as incurred. Advertising and promotion costs were $5,118 for the six months ended June 30, 2014.

Note 2 - Summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from these estimates.

Fair value measurements

The Fair Value Measurements and Disclosure Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Fair Value Measurements and Disclosure Topic establish a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These three general valuation techniques that may be used to measure fair value are as follows: Market approach (Level 1) – which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources. Cost approach (Level 2) – which is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and the Income approach (Level 3) – which uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

The carrying amounts of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, customer deposits and other accrued liabilities approximate their fair value due to the short-term nature of these instruments.

The fair value of the note receivable is based on the net present value of calculated interest and principle payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar notes.

The fair value of long-term debt is based on the net present value of calculated interest and principle payments. The carrying value of long-term debt approximates fair value due to the fact that the interest rate on the debt is based on market rates.

Note 3 - Note receivable

At June 30, 2014, note receivable consists of a note for $1,080,000 from a minority stockholder in WCI. The note is payable on demand and the minority stockholder may utilize any of his remaining warrants as currency to partially repay the loan at a rate of $0.45 per warrant. The note accrues interest at 0.42% per annum with annual interest only payments due. Accrued interest on the note of $3,591 is included in other receivables in the consolidated balance sheet at June 30, 2014.

Note 4 - Property and equipment

Property and equipment is comprised of the following at June 30, 2014:

Computers	$ 18,093
Furniture and fixtures	19,491
Machinery and vehicles	189,228
	226,812
Accumulated depreciation	(179,724)
	$ 47,088

Depreciation expense was $17,747 for the six months ended June 30, 2014.

Note 5 - Funding agreement

The Company entered into a Co-operative funding agreement with Bhang Chocolate on February 28, 2014. In anticipation of an unrelated debt funding for Mentor Capital which had been announced by the lending bank, Bhang owners were to receive $9.0 million in the first 90 days. However, the lending bank was unable to fund the loan. As provided in the funding agreement, in the event of any shortfall in payment the owners may elect to receive free trading Mentor shares to the extent not otherwise covered by cash available for payment or alternatively they may elect to receive cash from ongoing warrant exercise plus a 10% late payment penalty. An additional $30.0 million in expansion funding will be invested into the Bhang Chocolate Company as it is received from warrant exercise over approximately the next 36 months. If there is a shortfall in delivering the $30 million after all warrants are exercised the Company may fully satisfy its obligation by issuing 200% of the shortfall in common stock to Bhang owners. The Company paid Bhang owners $1,500,000 within the first 90 days and the shortfall is expected to be paid by either assigning Mentor shares to Bhang minority owners or from ongoing warrant exercise. Bhang owners want to modify the terms of the signed funding agreement. Therefore the amount paid to the Bhang owners is reflected as a receivable in the consolidated balance sheet pending the outcome of this uncertainty (see Note 13).

The Company entered into a Co-operative funding agreement with Canna that closed on March 27, 2014. Canna is to receive $200 thousand in funding as the Company receives proceeds from warrant exercise. Allocation of funding to Canna is discretionary and may be reduced to $100,000 with no change in the Mentor's ownership if Mentor is dissatisfied with Canna performance. The Company has the right in its sole discretion, to convert the paid portion of the $200,000 equity investment in Canna to a six percent (6%) ten-year note payable to Mentor in 120 equal payments of principal and interest at any time. If triggered, this provision would truncate further funding.

Note 6 - Common stock warrants

The Company's Plan of Reorganization provided for the creditors and claimants to receive new warrants in settlement of their claims. The term of the warrants, initially sixteen months, has been extended each year and were to expire on May 11, 2009. On August 1, 2008 the Company extended the expiration date of the warrants until May 11, 2038.

Note 6 - Common stock warrants (continued)

Each warrant is callable by the Company if the share price exceeds the exercise price by the lesser of $1 or 100%. The warrant holders have 30 to 90 calendar days during which to exercise their warrants once they are called. Although not anticipated, the Company may lower the exercise price of the warrants at any time. Similarly, the Company could, but does not anticipate, reverse splitting the stock to raise the stock price above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. If the warrants are not exercised, the Company has the right to designate the warrants to a new holder in return for a $0.10 per share redemption fee payable to the original warrant holder as discussed further in Note 7. On June 18, 2014, the Company lowered the exercise price of series D warrants from $7.00 per share to $1.60 per share.

At November 8, 2009, the Company entered into an Investment Banking agreement with Network One Securities, LLC and a related Strategic Advisory Agreements with Lenox Hill Partners, LP with regard to a potential merger with a cancer development company. In conjunction with those related agreements, the Company issued 81,699 Series E ($1) Warrants, 369,037 Series F ($3) Warrants, 85,579 Series G ($0.65) Warrants and 689,159 Series H ($7) Warrants, all with a 30 year life. The warrants are subject to cashless exercise based upon the ten day trailing closing bid price preceding the exercise as interpreted by the Company.

As of June 30, 2014 the weighted average warrant contractual life was 25 years and the weighted average outstanding warrant exercise price was $1.84 per share.

During the six month period ended June 30, 2014 a total of 8,109,111 warrants were exercised. During the six month period ended June 30, 2014 no warrants were issued. At June 30, 2014 the total intrinsic value of outstanding warrants was $5,490.

The following table summarizes common stock warrants as of June 30, 2014:

	Series A $0.09 exercise price	Series B $0.11 exercise price	Series C $0.09 exercise price	Series D $1.60 exercise price	A,B,C,D Total Warrants
Outstanding at December 31, 2013	1,198,973	5,379,557	190,797	15,312,627	22,081,954
Issued	-	-	-	-	-
Exercised	(1,198,973)	(5,375,057)	(190,797)	(805,029)	(7,569,856)
Outstanding at June 30, 2014	-	4,500	-	14,507,598	14,512,098

Note 6 - Common stock warrants (continued)

Series E, F, G and H warrants were issued for investment banking and advisory services during 2009. Warrants were exercised under the cashless provision allowed for these warrants as follows:

	Series E $1.00 exercise price	Series F $3.00 exercise price	Series G $0.65 exercise price	Series H $7.00 exercise price	E,F,G,H Total Warrants
Outstanding at December 31, 2013	81,699	369,037	88,579	689,159	1,228,474
Issued	-	-	-	-	-
Exercised	(81,699)	(369,037)	(88,579)	-	(539,315)
Outstanding at June 30, 2014	-	-	-	689,159	689,159
Shares issued as a result of cashless exercise	73,388	210,870	70,152	-	354,410

Note 7 - Warranty redemption liability

The Plan of Reorganization provides the right for the Company to call, and the Company or its designee to redeem warrants that are not exercised timely, as specified in the Plan, by transferring a $0.10 redemption fee to the former holders. Certain individuals desiring to acquire warrants or increase existing warrant holdings have deposited redemption fees with the Company that, when warrants are redeemed, will be forwarded to the former warrant holders at their last known address 30 days after the last warrant of any class is exercised, or earlier at the discretion of the Company. The Company has arranged for a service to process the redemption fees in offset to an equal amount of liability. During the six months ended June 30, 2014, an officer assumed liability for approximately $168,500 in redemption fees and no further liability is owed by the Company.

Note 8 – Stockholders' equity

Common Stock

The Company has a total of 400,000,000 shares of Common Stock, no par value authorized at June 30, 2014. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders and may accumulate their votes for the election of directors. During 2007, the Company effected a 1,000 to 1 reverse stock split on its outstanding common stock, under the authority of the Plan and subsequent to receiving 84% shareholder approval and Board of Director approval. During September 2008, the Company announced a stock repurchase plan which allowed for a total of 12.5% of the Company's shares to be repurchased during future periods. All shares under the plan were repurchased prior to December 31, 2013.

Note 9 - Income tax

The Company does not file consolidated income tax returns for federal or state purposes. The Company and its subsidiaries are taxed as C-Corporations for federal income tax purposes. There were no changes in the Company's unrecognized tax benefits during 2013. Due to the existence of the valuation allowance, future changes in unrecognized tax benefits will not impact the Company's effective tax rate.

The provision for income tax on earnings subject to income taxes differs from the statutory federal income tax rate at June 30, 2014:

Expected federal income tax expense (benefit)	$ -
State income taxes	1,895
Provision for income taxes	$ 1,895

Note 10 - Lease commitments

Operating Leases

Mentor currently rents approximately 2,000 square feet of office space on a month-to-month basis in Ramona, California in San Diego County. Rent expense for the six months ended June 30, 2014 was $10,193.

WCI rents approximately 3,000 of office and warehouse space in Tempte, Arizona under an operating lease expiring in January 2015. Rent expense for the six months ended June 30, 2014 was $13,267.

WCI has 14 vehicles leases under a master fleet management agreement with for initial terms of 4 years expiring through April 2018. Vehicle lease expense of $51,614 is included in cost of sales in the consolidated income statement.

The approximate remaining annual minimum lease payments under the non-cancelable operating leases existing as of December 31, 2013 with original or remaining terms over one year were as follows:

Years ending December 31,	Rental expense
2014	$ 99,282
2015	74,961
2016	53,091
2017	14,680
	$ 242,014

Note 11 - Notes payable

WCI has six vehicle notes payable with a balance due of $81,939 at June 30, 2014 of which $71,323 is due in 2014 with the remaining balance of $8,813 maturing in 2015. Interest rates range from 6.64% to 7.99%.

Note 12 - Related party transactions

As of June 30, 2014 the Company has an outstanding liability to its Chief Executive Officer ("CEO") for accrued salaries and benefits in the amount of $1,373,125 that have accrued variably over the preceding 28 years.

The Company agreed to loan the CEO $944,000 to exercise his additional warrants into shares to be used to provide coverage for a potential loan. In total, CEO Billingsley has 5 million shares in an escrow to guarantee the potential loan which was mutually rescinded and an additional 486 shares in two brokerage accounts. The note receivable from the CEO includes other small advances and is classified as long term in the consolidated balance sheet.

Included in the consolidated balance sheet is an advance to an officer of WCI in the amount of $20,004 at June 30, 2014.

Note 13 – Failure to receive funding and uncertainty relating to investment in Bhang Chocolates

A $35 million executed and closed international loan facility which was not announced by Mentor, pending receipt of funds in the USA, was terminated on June 30, 2014 because the lender was not able to fund the loan. Mentor now has the ability to search for alternative sources of funding.

Mentor, in turn, was not able to fully fund the Bhang acquisition, however the Co-operative funding agreement provides for specific alternatives to satisfy the purchase should there be a shortfall in Mentor funds (see Note 5). The Bhang owners have communicated that they are unhappy with the agreement provision that specifies the alternatives for the acquisition of Bhang ownership should there be a funding shortfall and have been unwilling to provide financial information for the consolidated financial statements. It is the position of Mentor management that the Company has performed under the terms of the signed agreement, however the amount paid to Bhang owners of $1,500,000 has been classified as a receivable pending resolution of this uncertainty.