UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______________ to __________________

Commission file number **000-55323**

Mentor Capital, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**77-0395098**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5964 Campus Court, Plano, Texas 75093
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(760) 788-4700**

Securities registered pursuant to Section 12(b) of the Act: **N/A**

Title of each class to be so registered	Trading Symbols (s)	Name of each exchange on which each class is to be registered

Securities registered pursuant to section 12(g) of the Act:

Common Stock
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At May 14, 2026, there were 21,683,189 shares of Mentor Capital, Inc.'s common stock outstanding and 11 shares of Series Q Preferred Stock outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements," as defined in the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act 1934, as amended. All statements contained in this report, other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "seek," "look," "hope," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, acquisition plans, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions. For example, statements in this Form 10-Q regarding the potential future impact on the Company's business and results of operations related to production levels measured in 42 gallon barrels of crude oil ("BBLs") or production levels per 1,000 cubic feet of natural gas ("MCF") on properties in which we have mineral and royalty interests, changes in supply and demand levels for oil, natural gas, and natural gas liquids, coal, and uranium and the resulting impact on the price for those commodities, risks that third party operators will not pay us, actions taken by the members of the Organization of the Petroleum Exporting Countries ("OPEC") and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments, regional supply and demand factors, including delays, curtailment delays or interruptions of production on our mineral and royalty acreage, or governmental orders, rules or regulations that impose production limits on such acreage, federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations, physical and transition risks and benefits relating to global milding and other climate changes, restrictions on the use of water, including limits on the use of produced water by operators and a moratorium on new produced water well permits recently imposed by the Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin, significant declines in prices for oil, coal, uranium, natural gas, or natural gas liquids, which could require recognition of significant impairment, changes in U.S. energy, environmental, monetary and trade policies, conditions in the capital, financial and credit markets, including the availability and pricing of capital for drilling and development by operators, changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services impacting operators, lack of, or disruption in, access to adequate and reliable transportation, processing, storage and other facilities impacting operators, severe weather conditions and natural disasters, money printing, inflation, market conditions and monetization that could impact the price of gold, interest rate fluctuations, fluctuations in gold prices, tax increases, tariff increases, fluctuations in exchange rates, challenges in raising capital, supply chain disruptions, recession, climate regulation, economic sanctions, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain unauthorized access to our information technology systems, increased risk to oil markets, potential banking or currency crises, asset confiscation, theft, future weakness in the credit markets, increased rates of default and bankruptcy, political change, the war in Ukraine, the conflicts in the Middle East, the U.S. confrontation with Venezuela, and other potential international conflicts, and reoccurring election-related changes in the U.S. federal government's administration on the Company's business and results of operations are forward-looking statements. Moreover, due to our past investments, or current involvement in oil, gas, coal, or uranium related industry or other industries, such as gold and commodities, we may be subject to heightened scrutiny and, as a result, our portfolio companies may be subject to additional laws, rules, regulations, and statutes. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. The Company assumes no obligation to revise or update any forward-looking statements for any reason except as required by law.

All references in this Form 10-Q to the "Company," "Mentor," "we," "us," or "our," are to Mentor Capital, Inc.

MENTOR CAPITAL, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets

	March 31, 2026 (unaudited)	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 60,834	$ 49,193
Investments in securities, fair value	808,675	879,208
Investment in gold commodity, at cost	516,346	516,346
Royalty income receivable	23,600	26,000
Prepaid expenses and other current assets	19,983	8,062
Total current assets	1,429,438	1,478,809
Property and equipment		
Property and equipment	54,231	54,231
Accumulated depreciation and amortization	(45,124)	(44,276)
Property and equipment, net	9,107	9,955
Other assets		
Long-term investments	104,431	104,431
Intangible property		
Royalty interests in the Permian Basin	1,369,899	1,369,899
Accumulated amortization of royalty interests	(137,498)	(103,251)
Intangible property, net	1,232,401	1,266,648
Total other assets	1,336,832	1,371,079
Total assets	$ 2,775,377	$ 2,859,843

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets (Unaudited) (Continued)

		March 31, 2026		December 31, 2025
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$	69,950	$	361
Accrued expenses		36,844		38,578
Total current liabilities		106,794		38,939
Long-term liabilities				
Accrued salary, retirement, and incentive fee-related party		523,608		502,805
Total long-term liabilities		523,608		502,805
Total liabilities		630,402		541,744
Commitments and Contingencies (Note 15)				
Shareholders' equity				
Preferred stock, $0.0001 and $0.0001 par value, 5,000,000 and 5,000,000 shares authorized; 11 and 11 series Q preferred shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively. *		-		-
Common stock, $0.0001 and $0.0001 par value, 75,000,000 and 75,000,000 shares authorized; 21,683,189 and 21,683,189 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively.		2,168		2,168
Additional paid in capital		11,917,362		11,917,362
Accumulated deficit		(9,774,555)		(9,601,431)
Total shareholders' equity		2,144,975		2,318,099
Total liabilities and shareholders' equity	$	2,775,377	$	2,859,843

* Par value is less than $0.01.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Income Statements (Unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Revenue		
Royalty revenue	$ 42,767	$ 2,000
Total revenue	42,767	2,000
Cost of sales	-	-
Gross profit	42,767	2,000
Selling, general, and administrative expenses	303,149	195,975
Total costs and expenses	303,149	195,975
Operating income (loss)	(260,382)	(193,975)
Other income and (expense)		
Interest income	132	29,651
Unrealized gain (loss) on investments	52,406	(52,538)
Gain on sale of investments	18,740	9,547
Other income (expenses)	20,414	-
Total other income and (expense)	91,692	(13,340)
Income (loss) before provision for income taxes	(168,690)	(207,315)
Provision for income taxes	(4,434)	(4,443)
Net income (loss) attributable to Mentor	$ (173,124)	$ (211,758)
Basic and diluted net income (loss) per Mentor common share:		
Basic and diluted	$ (0.008)	$ (0.010)
Weighted average number of shares of Mentor common stock outstanding:		
Basic and diluted	21,683,189	21,686,105

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Statement of Shareholders' Equity (Unaudited)
For the Three Months Ended March 31, 2026 and 2025

	Preferred stock		Common stock		Additional	Accumulated	
	Shares	$0.0001 par*	Shares	$0.0001 par	paid in capital	equity (deficit)	Total
Balance at December 31, 2024	11	$ -	21,686,105	$ 2,169	$ 11,917,362	$ (9,027,312)	$ 2,892,219
Net income (loss)	-	-	-	-	-	(211,758)	(211,758)
Balances at March 31, 2025	11	$ -	21,686,105	$ 2,169	$ 11,917,362	$ (9,239,070)	$ 2,680,461
Balance at December 31, 2025	11	$ -	21,683,189	$ 2,168	$ 11,917,362	$ (9,601,431)	$ 2,318,099
Net income (loss)	-	-	-	-	-	(173,124)	(173,124)
Balances at March 31, 2026	11	$ -	21,683,189	$ 2,168	$ 11,917,362	$ (9,774,555)	$ 2,144,975

* Par value of series Q preferred shares is less than $1.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (173,124)	$ (211,758)
Depreciation and amortization	848	85
Accumulated amortization of royalty interests	34,247	-
Amortization of discount on investment in account receivable	-	508
(Gain) loss on investment in securities at fair value	(71,146)	42,991
Decrease (increase) in operating assets		
Royalty income receivable	2,400	(2,000)
Accounts receivable - trade	-	-
Other receivables	-	(11,242)
Prepaid expenses and other current assets	(11,921)	(11,770)
Increase (decrease) in operating liabilities		
Accounts payable	69,589	71,976
Accrued expenses	(1,734)	(16,549)
Accrued salary, retirement, and benefits - related party	20,803	(10,769)
Net cash provided by (used by) operating activities	(130,038)	(148,528)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of gold position	-	(295,328)
Proceeds from investment securities sold	141,679	82,138
Acquired royalty interests in the Permian Basin	-	(1,369,899)
Proceeds from investment in receivable	-	-
Net cash provided by (used by) investing activities	141,679	(1,583,089)
Net change in cash	11,641	(1,731,617)
Beginning cash	49,193	2,182,121
Ending cash	$ 60,834	$ 450,504
SUPPLEMENTARY INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ 674	$ 443

See accompanying Notes to Financial Statements

Note 1 - Nature of operations

Corporate Structure Overview

Mentor Capital, Inc. ("Mentor" or "the Company"), reincorporated under the laws of the State of Delaware in September 2015.

The entity was originally founded as an investment partnership in Silicon Valley, California, by the current CEO in 1985 and subsequently incorporated under the laws of the State of California on July 29, 1994. 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 for voluntary reorganization, and on January 11, 2000, the Company emerged from Chapter 11 reorganization. The Company relocated to San Diego, California, and contracted to provide financial assistance and investment in small businesses. On May 22, 2015, a corporation named Mentor Capital, Inc. ("Mentor Delaware") was incorporated under the laws of the State of Delaware. A shareholder-approved merger between Mentor and Mentor Delaware was approved by the California and Delaware Secretaries of State and became effective September 24, 2015, thereby establishing Mentor as a Delaware corporation. In September 2020, Mentor relocated its corporate office from San Diego, California, to Plano, Texas.

The Company's common stock trades publicly under the trading symbol OTCQB: MNTR.

The Company's current target industry focus includes the classic energy sectors of oil, gas, coal, uranium, and related ventures. Additionally, the Company has residual investments in legal dispute resolution services, collecting on an annuity-like financing, and the collection of a judgment that it intends to continue to pursue.

Mentor's 100% owned subsidiaries, Mentor IP, LLC ("MCIP"), Mentor Partner I, LLC, ("Partner I"), Mentor Partner II, LLC ("Partner II"), and TWG, LLC ("TWG"), are headquartered in Plano, Texas.

MCIP held patent and licensing rights which were divested in October 2023. No capitalized assets related to MCIP are recognized on the consolidated financial statements at March 31, 2026 and 2025.

On August 27, 2021, the Company and Mentor Partner I entered into a Settlement Agreement and Mutual Release with G FarmaLabs Limited, its affiliated entities, and guarantors ("G Farma Settlors") to resolve and settle all outstanding claims on an unpaid finance lease receivable and notes receivable of balances of $803,399 and $1,045,051, respectively, plus accrued interest ("Settlement Agreement").

As of October 2022, the G Farma Settlors failed to make payments and failed to cure each default pursuant to the Settlement Agreement. On July 11, 2023, Mentor and Partner I were awarded a judgment against the G Farma Settlors I in the amount of $2,539,597. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023, until such time as the judgment is paid in full.

The Company has retained the reserve on collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma. Payments from G Farma will be recognized in Other Income as they are received. We will continue to pursue collection from the G Farma Settlors over time. No recovery payments have been received as of March 31, 2026 and 2025. The $2,539,597 judgment and interest receivable of $691,605 for the three months ended March 31, 2026 is fully reserved pending the outcome of the Company's collection process. See Notes 4, 7, and 15.

The Company holds investments in NeuCourt, Inc. ("NeuCourt") at cost totaling $104,431. The investment is comprised of (i) 105,130 warrants, held at cost at $675, (ii) 500,000 shares, held at cost at $10,000, and (iii) a Simple Agreement for Future Equity ("SAFE") held at cost at $93,756. At March 31, 2026 Mentor's 500,000 shares of NeuCourt common stock, represent approximately 6.13% of NeuCourt's issued and outstanding common stock.

The Company's target industry focus includes the classic energy sectors of oil, gas, coal, uranium, and related ventures, with gold investment serving as a placeholder while new energy positions are arranged. Additionally, the Company has residual investments in an alternative dispute resolution platform, collecting on an annuity-like financing, and the collection of a judgment that it intends to continue to pursue. In 2023, the Company initially signaled a substantial return to its energy roots, starting with a tracking investment in New York Stock Exchange energy companies in the oil and gas, coal, and uranium industries.

In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for a total consideration of $1,369,899. The royalty interests entitle the Company to receive a proportional share of revenues generated from the production of hydrocarbons from the underlying property, without incurring any operating or production costs. See Note 7.

The Company also maintains gold investment and short-term treasury exchange-traded funds for the purpose of facilitating investment into the Company to support potential future energy acquisitions and to collect low-risk interest to offset inflation, respectively. See Note 9.

The Company continually works to identify potential acquisitions and investments. While evaluating whether an acquisition may be in the best interests of the Company and its shareholders, no transaction will be announced until that transaction is certain.

Note 2 - Summary of significant accounting policies

Revision of previously issued financial statements (unaudited)

During the preparation of the Company's consolidated financial statements for the year ended December 31, 2025, management identified an error (i.e. valuing gold at fair market value, rather than cost) related to the valuation method used for its investment position in gold that affected certain previously issued interim unaudited financial statements included in the Company's quarterly reports on Form 10-Q for the periods ended March 31, 2025, June 30, 2025 and September 30, 2025. The error did not affect any previously issued audited annual financial statements because the Company did not hold an investment position in gold prior to March 17, 2025.

The Company evaluated the materiality of the error in accordance with the guidance in ASC 250, "*Accounting Changes and Error Corrections,*" and Staff Accounting Bulletin No. 99, "*Materiality*," and concluded that the impacts were not material, individually or in the aggregate, to our previously issued Consolidated Financial Statements for any of the prior quarters in which they occurred for the periods ended for the periods ended March 31, 2025, June 30, 2025 and September 30, 2025, but that correcting the error in the current period would be material to our results of operations for fiscal year 2025 if it was not corrected.. Accordingly, the Company has corrected the error by revising the prior period financial information.

The correction of this error had **no impact on previously reported audited annual results**, and therefore, the Company did not amend its previously filed audited annual reports on Form 10-K. See Note 20 to the consolidated financial statements and the Company's Annual Report for the period ended December 31, 2025 on Form 10-K as filed with the Securities and Exchange Commission on April 15, 2026 for further information related to the Company's investment position in gold.

Condensed consolidated financial statements

The unaudited condensed consolidated financial statements of the Company for the three month period ended March 31, 2026 and 2025 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2025 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on April 15, 2026. These financial statements should be read in conjunction with that report.

Basis of presentation

The accompanying consolidated financial statements and related notes include the activity of subsidiaries in which a controlling financial interest is owned. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Significant intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation.

As shown in the accompanying financial statements, the Company has a significant accumulated deficit of ($9,774,555) as of March 31, 2026. Although the Company had previously recorded significant profit on the sale of its former majority-owned subsidiary, negative cash flows from operations persist due to the Company's continued investments and operations. In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one-hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for total consideration of $1,369,899. The royalty interests entitle the Company to receive a proportional share of revenues generated from the future production of hydrocarbons from the underlying properties, without incurring any operating or production costs in the future. See Note 7.

Ongoing capital formation

The Company will endeavor to raise additional capital to fund its acquisitions from both related and unrelated parties to generate increasing growth and revenues. The Company has 4,250,000 Series D warrants outstanding, and the Company has reset the exercise price to $0.02 per share, which is below the current market price. The Company may reverse split the stock to raise the stock price to a level further 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. These consolidated financial statements do not include any adjustments that might result from repricing the outstanding warrants.

Management's plans include increasing revenues through acquisition, investment, and organic growth. Management anticipates funding new activities by raising additional capital through the sale of equity securities and debt.

Impact related to endemic factors

Our future financial condition may be materially and adversely impacted as a result of the ongoing worldwide economic, political, and military situations, economic sanctions, the impact of money printing, inflation, interest rate fluctuations, fluctuations in gold prices, tax increases, tariff increases, fluctuations in exchange rates, challenges in raising capital, supply chain disruptions, recession, climate regulation, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain access to our information technology systems, increased risk to oil and energy markets, market conditions that could impact the price of gold, the monetization of gold, potential banking or currency crises, asset confiscation, theft, the war in Ukraine, the conflicts in the Middle East, the U.S. confrontation with Venezuela, and other potential international conflicts, reoccurring election-related changes in the U.S. federal government's administration, future weakness in the credit markets, increased rates of default and bankruptcy, political change, and significant liquidity problems for the financial services industry may impact our financial condition in a number of ways. For example, our current or potential customers, or the current or potential customers of our partners or affiliates, may delay or decrease spending with us, may not pay us, or may delay paying us for previously purchased products and services. Also, we, or our partners or affiliates, may have difficulties in securing additional financing.

The risk of money printing, inflation, interest rate increases, tax increases, recession, high energy prices, and supply-demand imbalances is expected to continue in 2026.

We anticipate that current cash and associated resources, without new inflows, would be sufficient for us to execute our business plan for four years after the date these financial statements are issued. The ultimate impact of endemic factors on our business, results of operations, financial condition, and cash flows are dependent on future developments, which are uncertain and cannot be predicted at this time.

Segment reporting

The Company has determined that there are currently two reportable segments: 1) the Company's energy segment and 2) the Company's historic residual operations segment. The Company also maintains a gold investment and short-term treasury exchange-traded funds for the purpose of facilitating investment into the Company to support potential future energy acquisitions and to collect low-risk interest to offset inflation, respectively.

Use of estimates

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amount of revenues and expenses during the reporting period.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition, accounts and notes receivable reserves, expected future cash flows used to evaluate the recoverability of long-lived assets, estimated fair values of long-lived assets used to record impairment charges related to investments, goodwill, intangible assets, amortization periods, accrued expenses, and recoverability of the Company's net deferred tax assets and any related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. Acquisitions and divestitures are not announced until certain. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if past experience or other assumptions do not turn out to lead to substantially accurate predictions.

Recent Accounting Standards

From time to time, the Financial Standards Accounting Board ("FASB") or other standards-setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standard Codifications ("ASCs") are communicated through the issuance of an Accounting Standards Update ("ASU"). Unless otherwise discussed, we believe that the impact of recently issued guidance, whether adopted or to be adopted in the future, is not expected to have a material impact on our consolidated financial statements upon adoption.

Income Taxes: Improvements to Income Tax Disclosures - In December 2023, the FASB issued ASU 2023-09, "*Income Taxes (Topics 740): Improvements to Income Tax Disclosures*," updates ASC 740 to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. We adopted ASU 2023-09 in fiscal year 2025.

Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses - In November 2024, the FASB issued ASU 2024-03 "*Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)*" which adds ASC 220-40 to expand disclosure requirements related to entity expenses. Upon adoption, entities will be required to disclose a disaggregation of certain expense categories included within the expense captions on the face of the income statement within the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The ASU will be adopted by the Company upon the ASU effective date. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

Interim Reporting: Narrow-Scope Improvements - In December 2025, the FASB issued ASU 2025-11 *"Interim Reporting (Topic 270)"* to improve the navigability of required interim disclosures and clarify when such guidance is applicable. ASU 2025-11 provides additional guidance on the disclosures required in interim reporting periods and adds a principle to Topic 270 requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, and interim periods within fiscal years beginning after December 15, 2028. Early adoption is permitted. The ASU will be adopted by the Company upon the ASU effective date. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

Codification Improvements - In December 2025, the FASB issued ASU 2025-12 "*Codification Improvements*," which includes updates to thirty-three Codification entries across a broad range of Topics, arising from technical corrections, unintended application of the Codification, clarifications, and other minor improvements. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026, and for interim reporting periods within those annual periods. Early adoption is permitted. The ASU will be adopted by the Company upon the ASU effective date. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

There were no accounting pronouncements issued during the three months ended March 31, 2026 that are expected to have a material impact on the Company's condensed consolidated financial statements.

Concentrations of cash

The Company maintains its cash and cash equivalents in money market and bank deposit accounts, which at times may exceed federally insured Federal Deposit Insurance Corporation 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. The Company will continue to monitor its accounts and the banking sector for potential financial institution risk.

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 March 31, 2026 and December 31, 2025.

Accounts receivable

Accounts receivable consist of trade accounts arising in the normal course of business and are classified as current assets and carried at original invoice amounts less an estimate for doubtful receivables based on historical losses as a percent of revenue in conjunction with a review of outstanding balances on a quarterly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, 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 March 31, 2026 and December 31, 2025, the Company had no allowance for doubtful normal course receivables.

The guidance under ASC Topic 326, "*Financial Instruments - Credit Losses*," impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. Under the guidance, the Company has the ability to determine that there are no expected credit losses in certain circumstances based on the credit quality of the customer. The allowance for credit losses is based on the Company's expectation of the collectability of the financial instruments carried at amortized costs, including arrangement fees and other receivables, using the CECL framework. The Company's expectation is that the credit risk associated with receivables may be applicable to a client with which it may conduct business who is unable to fulfill its contractual obligation. In such instance, management would monitor the credit risk of clients. Currently, there is not a foreseeable expectation of an event or change that could result in the arrangement fee receivables being unpaid based on individual facts and circumstances. The Company considers factors such as historical experience, credit quality, age of balances, and current and future economic conditions that may affect the Company's expectation of the collectability in determining the allowance for credit losses if such an arrangement became applicable. Based on the Company's evaluation of expected credit losses (considering counterparties, collection history, timing of payments, and other relevant factors), expected losses are insignificant, and no allowance is recorded.

Investments in securities at fair value

Investment in securities consists of debt and equity securities reported at fair value. Under ASU 2016-01, "*Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*," the Company elected to report changes in the fair value of equity investment in realized investment gains (losses), net.

Fair value measurements

The Company adopted ASC 820, "*Fair Value Measurement,"* which defines fair value as the exchange price that would be received to sell 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 establishes 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, to a single current value.

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 available-for-sale investment securities is based on quoted market prices in active markets.

The fair value of the investment in account receivable is based on the net present value of calculated interest and principal payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar investments.

Investment in gold at cost

The Company holds gold bullion as part of its investment strategy initially to preserve capital and hedge against inflationary risks. The Company's investment strategy has shifted towards commodity futures trading as an integrated part of its portfolio involving gold bullion, gold bullion-backed securities, and futures trading in gold, silver, oil, and gas. Gold bullion is classified as an indefinite-lived nonfinancial asset and is accounted for under a cost model. Gold bullion is initially recorded at acquisition cost and subsequently measured at the lower of cost or net realizable value. The Company evaluates the carrying value of gold bullion for impairment on a periodic basis and recognizes losses when the market value declines below cost. Any such impairment losses are recognized in earnings and are not reversed for subsequent recoveries in value. Fair value measurements, when performed for impairment testing, are determined in accordance with ASC 820 "*Fair Value Measurement.*" Realized gains or losses are recognized in earnings upon sale of the gold bullion and are measured as the difference between the proceeds received and the carrying amount of the asset.

Long term investments

The Company's investments in entities where it is a minority owner and does not have the ability to exercise significant influence are recorded at fair value if readily determinable. If the fair market value is not readily determinable, the investment is recorded under the cost method. 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 long-term investments for impairment each reporting period.

Investments in debt securities

At March 31, 2026 and December 31, 2025, the Company held no investments in debt securities. The Company's former investment in debt securities consisted of two convertible notes receivable from NeuCourt, Inc. On July 15, 2022, all principal and accrued interest on the notes were converted into a Simple Agreement for Future Equity ("SAFE"). At March 31, 2026 and December 31, 2025, the SAFE Purchase Amount was $93,756. See Note 6.

Investment in account receivable, net of discount

The Company's investments in accounts receivable are stated at face value, net of unamortized purchase discount. The discount is amortized to interest income over the term of the exchange agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19 on the estimated receivable, we may not receive the 2020 installment payment or the full 2021 installment payment. Due to a reduction in expected collections, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022 and the terms of the investment were modified, resulting in an additional loss of $41,930.

On January 10, 2023, the Company received the 2023 annual installment payment of $117,000. Three additional $117,000 annual installment payments were due in early 2024, 2025, and 2026. The 2024 and 2025 annual installment payments have not been received. On June 11, 2024, the receivable was fully impaired due to a history of uncertain payments. The Company's recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract. The Company intends to continue to pursue the payment of the amounts owed by available legal means.

The Company was notified by the originating third-party payor of the $1,287,000 account receivable that the Company purchased from the former payee that, in or about December 2025 the third-party payor intended to deposit a $180,000 payment with the Superior Court of California, County of Fresno, in an interpleader action through which Mentor and the former payee could resolve ownership of the $180,000. The Company has obtained legal counsel in Fresno, and it is currently pursuing the $180,000 in an interpleader action. See Note 3.

Credit quality of notes receivable and finance leases receivable, and credit loss reserve

As our notes receivable and finance leases receivable are limited in number and they are fully impaired. Our management was able to analyze estimated credit loss reserves based on a detailed analysis of each receivable as opposed to using portfolio-based metrics. Our management did not use a system of assigning internal risk ratings to each of these receivables. Rather, each note receivable and finance lease receivable was analyzed quarterly and categorized as either performing or non-performing based on certain factors, including, but not limited to, financial results, satisfying scheduled payments, and compliance with financial covenants. Our notes receivable and finance lease receivables were categorized as non-performing when the borrower experienced financial difficulty and failed to make scheduled payments. Although the Company has received a judgment related to our collections on the notes receivable and finance leases receivable, the notes receivable and finance leases receivable are fully impaired, and the judgment is fully reserved due to the uncertainty of collection.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the declining balance method over the estimated useful lives of various classes of property. The estimated lives of the property and equipment are generally as follows: computer equipment, 3 years to 5 years; furniture and equipment, 7 years; and vehicles and trailers, 4 years to 5 years. Depreciation is included in selling, general, and administrative costs in the consolidated income statements.

Expenditures for major renewals and improvements are capitalized, while minor replacements, maintenance, and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in operations. The Company continually monitors events and changes in circumstances that could indicate that the carrying balances of its property and equipment may not be recoverable in accordance with the provisions of ASC 360, "*Property, Plant, and Equipment*." When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. See Note 5.

Intangible assets

In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for a total consideration of $1,369,899. The Company's ownership in various non-operating royalty interests that result in a future economic benefit in the form of royalty payments following production are classified as intangible assets in accordance with ASC 350, "*Intangibles – Goodwill and Other*." The Company determined that the royalty interests have an estimated useful life of ten years, which is not uncommon in the oil and gas industry. Our royalty interests are amortized on a straight-line basis over an estimated useful life of ten years. Undiscounted cash flows are used for the recoverability test. Discounted cash flows are used to determine fair value if impairment is triggered. The Company's royalty interests are analyzed in comparison to net present value calculated by using a 10% discount rate ceiling for impairment at least annually or if events or changes in circumstances indicate the asset may be significantly impaired. No indicators of impairment were identified at March 31, 2026. See Note 8.

The Company reviews intangible assets subject to amortization quarterly to determine if any adverse conditions exist or if a change in circumstances has occurred that would indicate impairment or a change in the remaining useful life. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset, or an adverse action or assessment by a regulator. If an impairment indicator exists, we test the intangible asset for recoverability. For purposes of the recoverability test, we group our amortizable intangible assets with other assets and liabilities at the lowest level of identifiable cash flows if the intangible asset does not generate cash flows independent of other assets and liabilities. If the carrying value of the intangible asset (asset group) exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset (asset group), the Company will write the carrying value down to the fair value in the period identified.

Revenue recognition

Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to government authorities.

The guidance under ASC Topic 326, "*Financial Instruments - Credit Losses*," impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the entire life of the financial asset. Under the guidance, the Company has the ability to determine that there are no expected credit losses in certain circumstances based on the credit quality of the customer. The allowance for credit losses is based on the Company's expectation of the collectability of the financial instruments carried at amortized costs, including arrangement fees and other receivables, using the CECL framework. The Company's expectation is that the credit risk associated with receivables may be applicable to a client with which it may conduct business who is unable to fulfill its contractual obligation. In such instance, management would monitor the credit risk of clients. Currently, there is not a foreseeable expectation of an event or change that could result in the arrangement fee receivables being unpaid based on individual facts and circumstances. The Company considers factors such as historical experience, credit quality, age of balances, and current and future economic conditions that may affect the Company's expectation of the collectability in determining the allowance for credit losses if such an arrangement became applicable. Based on the Company's evaluation of expected credit losses (considering counterparties, collection history, timing of payments, and other relevant factors), expected losses are insignificant, and no allowance is recorded.

In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for total consideration of $1,369,899. The royalty interests entitle the Company to receive a proportional share of revenues generated from the production of hydrocarbons from the underlying property, without incurring any operating or production costs. Working interest owners operating the wells will participate in and bear the costs of operation and development. Accrued royalty income is estimated and recognized in the month it is produced. The difference between accrued royalty income and the amount received is adjusted when royalty payments are paid. Therefore, our royalty income accruals are subject to revision. The performance or lack of performance of third-party producers who send royalty payments to the Company, weather conditions, the accuracy of historical check stub and well volume data from the energy professionals upon which our estimates rely, production levels and actual volumes, and prices of oil and natural gas sales may materially impact our royalty income receivable amounts. The Company monitors changes in market conditions, commodity prices, production volumes, and other factors that may materially impact the recoverability of our royalty interests. The Company has the right to receive royalty interest payments once production has occurred, at which point payment is unconditional. The Company's receipt of royalty interest payments is not attached to any performance obligation that the Company must perform, such as the delivery of goods or services in order to receive payment from a customer. Therefore, the Company's ownership of royalty interests is not a contractual asset or liability under ASC 606, "*Revenue from Contracts with Customers*."

Basic and diluted income (loss) per common share

We compute net income (loss) per share in accordance with ASC 260, "*Earnings Per Share*." Under the provisions of ASC 260, basic net income or loss per share includes no dilution and is computed by dividing the net income or loss available to common stockholders for the period by the weighted average number of shares of Common Stock outstanding during the period. Diluted net income or loss per share takes into consideration shares of Common Stock outstanding (computed under basic net income or loss per share) and potentially dilutive securities that are not anti-dilutive.

Outstanding warrants that did not affect the computation of the dilutive weighted average number of shares outstanding, as their effect would be anti-dilutive, were approximately 4,250,000 and 4,250,000 as of March 31, 2026, and December 31, 2025, respectively. There were no potentially dilutive shares outstanding at March 31, 2026 and December 31, 2025.

Conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive for the three months ended March 31, 2026 and 2025 and is not included in calculating the diluted weighted average number of shares outstanding.

Note 3 – Investment in account receivable

On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in an account receivable with annual installment payments of $117,000 for 11 years through 2026, totaling $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through the exercise of 757,059 Series D warrants at $1.60 per share plus a $0.10 per warrant redemption price.

The Company valued the transaction based on the market value of Company common shares exchanged in the transaction, resulting in a 17.87% discount from the face value of the account receivable or net present value of $0.78 per share, the then current share price closing. The discount is being amortized monthly to interest over the 11-year term of the agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19, we might not receive the 2020 installment or the full 2021 installment. Based on management's collection estimates, we recorded an investment loss of ($139,148) on the investment in account receivable at December 31, 2020. In 2021, the Company re-evaluated estimated collections and recorded an investment gain of $22,718. Subsequently, on February 15, 2022, the terms of the investment were modified, resulting in an additional loss of ($41,930). The loss of ($41,930) and gain of $22,718 were reflected in Other Income on the consolidated income statement for the years ended December 31, 2022 and 2021, respectively.

On January 10, 2023, the Company received the 2023 annual installment payment of $117,000. Three additional $117,000 annual installment payments were due in early 2024, 2025, and 2026. The 2024 and 2025 annual installment payments have not been received. At June 11, 2024, the receivable was fully impaired due to a history of uncertain payments.

The investment in account receivable consists of the following at March 31, 2026 and December 31, 2025:

	March 31, 2026	December 31, 2025
Face value*	$ 287,200	$ 287,200
Impairment	(250,208)	(250,208)
Total	36,992	36,992
Unamortized discount	(36,992)	(36,992)
Net balance	-	-
Long term portion	$ -	$ -

* Coincident with the June 11, 2024 impairment, accounts receivable of $2,300 were reclassed and concurrently impaired. Prior to the full impairment, the Company reduced the face value of its investment in account receivable by an additional $100 per month for five receivable payment installments.

On June 11, 2024, our investment in account receivable was impaired by $250,208. The $250,208 impairment consisted of the Company's estimate of the reduction of $287,200 purchased receivable offset by a ($36,992) purchased receivable discount. The Company's recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract.

The Company was notified by the originating third-party payor of the $1,287,000 account receivable that the Company purchased from the former payee that, in or about December 2025 the third-party payor intended to deposit a $180,000 payment with the Superior Court of California, County of Fresno, in an interpleader action through which Mentor and the former payee could resolve ownership of the $180,000. The Company has obtained legal counsel in Fresno, and it is currently pursuing the $180,000 in an interpleader action.

For the three months ended March 31, 2026 and 2025, $0 and $0 of discount amortization is included in interest income, respectively.

Note 4 – Notes purchase agreement receivable

G FarmaLabs Limited ("G Farma") formerly defaulted on a certain Notes Purchase Agreement associated with certain underlying secured promissory notes with the Company, resulting in an eventual final $1,039,501 impairment by the Company. On July 11, 2023, a $2,539,597 judgment was entered against the G Farma and other related G Farma entities and guarantors (collectively, the "G Farma Settlors") in favor of the Company and Partner I in connection with G Farma's and its affiliated entities' default on the Notes Purchase Agreement and equipment finance lease described at Note 7. In addition to the judgment, interest of $691,605 is due as of March 31, 2026. However, collection is unlikely, and since its inception, the judgment and associated interest have remained fully reserved. See "Credit quality of notes receivable and finance leases receivable and credit loss reserve" at Note 2 for further explanation. The Company routinely monitors post-judgment collection potential and feasibility from a long-term collection perspective regarding the Notes Purchase Agreement portion of the Judgment related to the Company's share of the Judgment collection proceeds. Payment received will first be applied against the notes receivable, and if any additional amounts are recovered, they will then be applied against the finance leases receivable, described at Note 7. Payments from G Farma Settlors will be recognized in Other Income as they are received. No recovery payments were included in other income in the consolidated financial statements as of March 31, 2026 and 2025, respectively. See Note 8 to the consolidated financial statements and the Company's Annual Report for the period ended December 31, 2024, on Form 10-K as filed with the Securities and Exchange Commission on March 31, 2025, for further information related to notes purchase agreement and consulting agreement with G Farma.

Note 5 - Property and equipment

Property and equipment are comprised of the following:

	March 31, 2026	December 31, 2025
Computers	$ 39,618	$ 39,618
Furniture and fixtures	14,613	14,613
Machinery and vehicles	-	-
	54,231	54,231
Accumulated depreciation and amortization	(45,124)	(44,276)
Net property and equipment	$ 9,107	$ 9,955

Depreciation and amortization expense were $848 and $85 for the three months ended March 31, 2026 and 2025, respectively.

Note 6 – Convertible notes receivable converted into SAFEs

On November 22, 2017, the Company invested $25,000 in NeuCourt, Inc. ("NeuCourt") as a convertible note receivable. The note bore interest at 5% per annum, originally matured November 22, 2019, and was amended to extend the maturity date to November 22, 2021. No payments were required prior to maturity. However, at the time the November 22, 2017 note was extended, interest accrued through November 4, 2019, was remitted to Mentor. As consideration for the extension of the maturity date for the $25,000 note, a warrant to purchase up to 25,000 shares of NeuCourt common stock at $0.02 per share was issued to Mentor.

On October 31, 2018, the Company invested an additional $50,000 as a convertible note receivable in NeuCourt, which bore interest at 5%, originally matured on October 31, 2020, and was amended to extend the maturity date to October 31, 2022. As consideration for the extension of the maturity date for the $50,000 note plus accrued interest of $5,132, a warrant to purchase up to 52,500 shares of NeuCourt common stock at $0.02 per share was issued to Mentor. On June 13, 2022, the Company sold $2,161 in note principal to a third party, thereby reducing the principal face value of the note to $47,839.

Principal and unpaid interest on the Notes could have been converted into a blend of shares of a to-be-created series of Preferred Stock and Common Stock of NeuCourt (i) on the closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on the maturity of the Note, or (iii) on the election of Mentor following NeuCourt's election to prepay the Note.

On July 15, 2022, the November 22, 2017 and October 31, 2018 convertible notes were exchanged for a Simple Agreement for Future Equity ("SAFE"). Prior to the exchange, the Conversion Price for each Note was the lower of (i) 75% of the price paid in the Next Equity Financing, or the price obtained by dividing a $3,000,000 valuation cap by the fully diluted number of shares. The number of Conversion Shares to be issued on conversion was the quotient obtained by dividing the outstanding principal and unpaid accrued interest on a Note to be converted on the date of conversion by the Conversion Price (the "Total Number of Shares"), The Total Number of Shares consisted of Preferred Stock and Common Stock as follows: (i) That number of shares of Preferred Stock obtained by dividing (a) the principal amount of each Note and all accrued and unpaid interest thereunder by (b) the price per share paid by other purchasers of Preferred Stock in the Next Equity Financing (such number of shares, the "Number of Preferred Stock") and (ii) that number of shares of Common Stock equal to the Total Number of Shares minus the Number of Preferred Stock.

On July 15, 2022, the Company and NeuCourt, Inc. entered into an Exchange Agreement by which the $25,000 and $47,839 principal amounts of the NeuCourt November 22, 2017 and October 31, 2018 convertible notes and accrued unpaid interest in the amounts of $3,518 and $9,673, respectively, were exchanged for a Simple Agreement for Future Equity ("SAFE"), a security providing for the conversion of the SAFE into shares of NeuCourt common or preferred stock ("Capital Stock") at some future date. As of July 15, 2022, the Company received SAFEs in the aggregate face amount of $86,030 (the "Purchase Amount").

The valuation cap of the SAFE is $3,000,000 (“Valuation Cap”), and the discount rate is 75% (“Discount Rate”).

If, prior to termination, conversion, or expiration of the SAFE, NeuCourt sells a series of preferred stock (“Equity Preferred Stock”) to investors in an equity financing raising not less than $500,000, Mentor’s SAFE shall be converted into shares equal to the Purchase Amount divided by the lessor of (x) the price per share of the Equity Preferred Stock multiplied by the Discount Rate and (y) the price per share equal to the Valuation Cap divided by the number of outstanding shares of NeuCourt on a fully diluted, as-converted basis (“Conversion Shares”). The Conversion Shares shall consist of (a) the number of shares of Equity Preferred Stock equal to the Purchase Amount divided by the price per share of the Equity Preferred Stock (“Preferred Stock”) and (b) the number of shares of common stock equal to the Conversion Shares minus the Preferred Stock.

The SAFE will expire and terminate upon the earlier to occur of (i) conversion and (ii) repayment. The SAFE may be repaid by NeuCourt upon sixty (60) days prior notice (“Repayment Notice”) to the Company unless the Company elects during that period to convert the SAFE.

If NeuCourt does not close an equity financing round raising $500,000 or more prior to expiration or termination of the SAFE, the Company may elect to convert the SAFE into the number of shares of a to-be-created series of preferred stock equal to the (x) Purchase Amount divided by (y) the Valuation Cap divided by the number of outstanding shares of NeuCourt on a fully diluted, as-converted basis (“Default Conversion”). Additionally, if NeuCourt experiences a change of control, initial public offering, ceases operations, or enters into a general assignment for the benefit of its creditors prior to conversion, termination, or expiration of the SAFE, the Company will receive the greater of (a) a cash payment equal to the Purchase Amount and (b) the value of the shares issuable on Default Conversion.

On July 22, 2022, the Company sold $989 of the SAFE Purchase Amount to a third party. On August 1, 2022, the Company sold an additional $1,285 of the SAFE Purchase Amount to a third party, thereby reducing the aggregate outstanding SAFE Purchase Amount to $83,756.

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement by which the Company invested an additional $10,000 in the form of a NeuCourt Simple Agreement for Future Equity under the same terms as the previous July 15, 2022 SAFE Purchase Agreement between NeuCourt and the Company, increasing the aggregate SAFE Purchase Amount to $93,756. At March 31, 2026 and December 31, 2025, the SAFE Purchase Amount was $93,756.

Note 7 – Finance leases receivable

When the G Farma Settlors coincidentally defaulted on the Notes Purchase Agreement, as mentioned in Note 4 above, they also defaulted on certain related equipment finance leases with Partner I, resulting in an eventual final $803,399 impairment by Partner I. On July 11, 2023, a $2,539,597 judgment was entered against the G Farma Settlors in favor of the Company and Partner I in connection with Partner I’s finance leases receivable and the Company’s Notes Purchase Agreement receivables described at Note 4. In addition to the judgment, interest of $691,605 is due on March 31, 2026. However, collection is unlikely, and since its inception, the judgment has remained fully reserved. See “Credit quality of notes receivable and finance leases receivable and credit loss reserve” at Note 2 for further explanation. The Company routinely monitors post-judgment collection potential and feasibility from a long-term collection perspective regarding the finance leases receivable portion of the Judgment related to Partner I’s share of the Judgment collection proceeds. Payment received will first be applied against the notes receivable described in Note 4, and if any additional amounts are recovered, they will then be applied against the finance leases receivable. Payments from G Farma Settlors will be recognized in Other Income as they are received. No recovery payments were included in other income in the consolidated financial statements as of March 31, 2026, and 2025, respectively. See Note 9 to the consolidated financial statements and the Company’s Annual Report for the period ended December 31, 2024, on Form 10-K as filed with the Securities and Exchange Commission on March 31, 2025, for further information related to notes purchase agreement and consulting agreement with G Farma.

Note 8 – Interest in oil and gas royalties

In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for total consideration of $1,369,899 as follows:

- On March 20, 2025, Mentor Capital, Inc. purchased an average of 0.0332439% oil and gas royalty interests in seven (7) producing horizontal wells and a royalty interest of approximately 0.15625% in two (2) non-producing mineral wells located in the Permian Basin situated in Howard County, Texas from Bluestem Royalty Partners, LP, a Texas limited partnership, for a total acquisition cost of $60,980. Prior to the Company's purchase, average daily production in the last six months was approximately 5,252 BBLs and 5,580 MCF. Transfer of title to oil, gas, and mineral royalty interests and other interests in the name of Mentor Capital, Inc. was recorded on April 3, 2025 in Howard County, Texas by a certain Mineral and Royalty Deed effective March 1, 2025. Therefore, royalty payments owed to the Company commenced and were recognized as of March 1, 2025.

- On March 25, 2025, Mentor Capital, Inc. purchased an overriding royalty interest of approximately 0.06% in seventy-one (71) producing oil and gas wells in a nearly 3.5 square mile pooled horizontal drilling project located in the Permian Basin situated in Martin County, Texas from Gatorex Holdings, LLC, a Texas limited liability company, for a total acquisition cost of $720,690. Prior to the Company's purchase, average daily production in the last six months was approximately 16,572 BBLs and 37,496 MCF. Transfer of title to overriding royalty interests together with all interests in any units, bonuses, rents, royalties, and other benefits which may accrue in the name of Mentor Capital, Inc. was recorded on April 9, 2025 in Martin County, Texas by a certain Assignment of Overriding Royalty Interests effective April 1, 2025. Royalty payments owed to the Company commenced and were recognized effective April 1, 2025.

- On March 31, 2025, Mentor Capital, Inc. purchased royalty interests of approximately 0.050099% in forty-one (41) producing oil and gas wells in the Permian Basin situated in Martin County, Texas from Maven Royalty 2, LP, a Delaware limited partnership, for $588,229. Prior to the Company's purchase, average daily production in the last six months was approximately 15,734 BBLs and 20,645 MCF. Transfer of title to all oil, gas, and associated liquid or liquefiable hydrocarbons, including royalty, overriding royalty, unit interest and mineral interests of whatever nature, in, on, and under that may be produced from or attributable to the property including royalty interests in the name of Mentor Capital, Inc. was recorded on April 9, 2025 in Martin County, Texas by a certain Mineral and Royalty Deed effective April 1, 2025. Therefore, royalty payments owed to the Company commenced and were recognized on April 1, 2025.

The royalty interests entitle the Company to receive a proportional share of revenues generated from the production of hydrocarbons from the underlying property, without incurring any operating or production costs. Working interest owners operating the wells will participate in and bear the costs of operation and development.

The Company's ownership in various non-operating royalty interests that result in future economic benefit in the form of royalty payments following production are classified as intangible assets in accordance with ASC 350, "*Intangibles – Goodwill and Other*." The Company determined that the royalty interests have an estimated useful life of ten years which is not uncommon in the oil and gas industry. Therefore, the acquisition purchase price and associated transaction costs of our royalty interests are amortized on a straight-line basis over an estimated useful life of ten years. In contemplation of the purchase of oil and gas royalty interests, management studied the historical production curves of the wells individually and in the aggregate, along with studying its estimated percentage of royalty income based on historical royalty payments in alignment with the percentage it purchased. The Company's royalty interests are analyzed for impairment a least annually or if events or changes in circumstances indicate the asset may be significantly impaired. As of March 31, 2026, the total carrying value of all royalty interests taken together was $1,232,401, which was calculated as the beginning balance of our royalty interests of $1,369,899 less accumulated amortization of $137,498 at March 31, 2026. No indicators of impairment were identified during the three months ended March 31, 2026.

The following table summarizes activity related to the royalty interests at March 31, 2026 and December 31, 2025:

Royalty Interest Activity		
Balance at December 31, 2025	$	1,266,648
Additions		-
Amortization		(34,247)
Impairment		-
Balance at March 31, 2026	$	1,232,401

Royalty revenue was $42,767 and $2,000 for the three months ended March 31, 2026 and 2025.

Accrued royalty income and incurred severance taxes are estimated and recognized in the month oil is produced, when royalty income is earned. The difference between accrued royalty income and the amount received is adjusted when royalty payments are received.

Accrual of estimated royalty income was $23,600 and $2,000 for the three months ended March 31, 2026 and 2025, respectively, which represent the Company's estimated receivables for approximately two months. Net accrual of estimated royalty income was ($2,400) and $2,000 for the three months ended March 31, 2026 and 2025, respectively, which represent the Company's $35,400 estimated receivables for approximately three months, less ($37,800) reversals related to November 2025, December 2025, and January 2026 prior accruals related to such payments being received in the three months ended March 31, 2026. Royalty payments received were $45,167 and $0 for the three months ended March 31, 2026, and 2025, which represent the royalty income earned by the Company in November 2025, December 2025, and January 2026 as of March 31, 2026. No royalty payments were received as of March 31, 2025 due to the recent purchase of the Company's royalty interests. Actual and estimated severance taxes were approximately 5.10% of actual and accrued royalty income at the three months ended March 31, 2026. The difference between the estimated incurred severance tax liability and the amount paid is adjusted upon the Company's receipt of royalty statements. The Company monitors changes in market conditions, commodity prices, production volumes, and other factors, which may materially impact the recoverability of our royalty interests.

Estimated annual *ad valorem* tax liability was $4,750 and $0 for the three months ended March 31, 2026, and 2025. This liability is assessed according to value by the county assessor in the locality where our royalty interests are located, in accordance with local and state law.

Subsequent to quarter end, the Company received a total of $13,464 in royalty interest payments, gross, which, after payment of $662 in severance taxes paid by the Company, were $12,802, net, which represents a portion of the royalty income earned by the Company in February, 2026. See Note 17.

Note 9 – Investments and fair value and at cost

The hierarchy of Level 1, Level 2 and Level 3 Assets are listed as following:

	Unadjusted Quoted Market Prices (Level 1)		Significant Unobservable Inputs (Level 3)		Significant Unobservable Inputs (Level 3)	
	Investment in Securities		Investment in Common Stock Warrants		Other Equity Investments	
Balance at December 31, 2024	$	1,120,482	$	675	$	103,756
Total gains or losses						
Included in earnings (or changes in net assets)		15,107		-		-
Purchases, issuances, sales, and settlements						
Purchases		614,830		-		-
Issuances		-		-		-
Sales		(871,211)		-		-
Settlements		-		-		-
Balance at December 31, 2025	$	879,208		675		103,756
Total gains or losses						
Included in earnings (or changes in net assets)		71,146		-		-
Purchases, issuances, sales, and settlements						
Purchases		-		-		-
Issuances		-		-		-
Sales		(141,679)		-		-
Settlements		-		-		-
Balance at March 31, 2026	$	808,675	$	675	$	103,756

Gold position held at cost:

On March 17, 2025, the Company purchased a 3 (three) kilogram gold position for $295,328, and on July 17, 2025, the Company purchased a 2 (two) kilogram gold position for $221,018. The Company holds gold bullion as part of its integrated investment strategy to profit from trading in gold, gold-backed securities, and potential futures trading. Initially, the gold purchase helped preserve capital and hedge against inflationary risks. Gold bullion is classified as an indefinite-lived nonfinancial asset and is accounted for under a cost model.

Gold bullion is initially recorded at acquisition cost and subsequently measured at the lower of cost or net realizable value. The Company evaluates the carrying value of gold bullion for impairment on a periodic basis and recognizes losses when the market value declines below cost. Any such impairment losses are recognized in earnings and are not reversed for subsequent recoveries in value.

As of March 31, 2026 and 2025, the carrying value of gold bullion was $516,346 and $295,328, respectively. The estimated fair value of gold bullion, based on quoted market prices for gold, was approximately $736,714 and $302,371 as of March 31, 2026, and 2025. The Company did not recognize any impairment losses related to gold bullion at March 31, 2026, and 2025. See Note 20 to the consolidated financial statements and the Company's Annual Report for the period ended December 31, 2025, on Form 10-K as filed with the Securities and Exchange Commission on April 15, 2026, for further disclosures regarding the Company's historical accounting treatment related to gold.

Subsequent to quarter-end, on April 16, 2026, the Company sold one kilogram of gold bullion for $148,329, at a $49,886 realized gain. See Note 17.

NeuCourt investment held at cost:

The Company holds investments in NeuCourt, Inc. ("NeuCourt") at cost as Level 3 assets, totaling $104,431. The investment is comprised of (i) 105,130 warrants, held at cost at $675, (ii) 500,000 shares, held at cost at $10,000, and (iii) a Simple Agreement for Future Equity ("SAFE") held at cost at $93,756. At March 31, 2026 Mentor's 500,000 shares of NeuCourt common stock, represent approximately 6.13% of NeuCourt's issued and outstanding common stock. See Note 6 for further details regarding the Company's NeuCourt SAFE.

Note 10 - Common stock warrants

On August 21, 1998, the Company filed for voluntary reorganization with the United States Bankruptcy Court for the Northern District of California, and on January 11, 2000, the Company's Plan of Reorganization was approved. Among other things, the Company's Plan of Reorganization allowed creditors and claimants to receive new Series A, B, C, and D warrants in settlement of their prior claims. All Series A and Series C warrants were exercised by December 31, 2014. All Series B warrants were exercised on January 11, 2022. Exercise prices in effect from January 1, 2015 through December 31, 2022 for Series D warrants were $1.60. On October 14, 2023, the Board of Directors of the Company authorized a reset of the Series D warrants strike price to $0.02 plus a $0.10 per warrant redemption fee, if applicable.

The Company intends to allow warrant holders or Company designees, in place of original holders, additional time as needed to exercise the remaining Series D warrants.

As of March 31, 2026, and December 31, 2025, there were 4,250,000 Series D warrants outstanding with an exercise price of $0.02 per share plus a $0.10 per warrant redemption fee, if applicable. If the called 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 holders. All such changes in the exercise price of warrants were provided for by the court in the Plan of Reorganization to provide a mechanism for all debtors to receive value even if they could not or did not exercise their warrants. The Series D warrants expire on May 11, 2038.

In 2009, the Company entered into an Investment Banking Agreement and a related Strategic Advisory Agreement regarding a potential merger with a cancer development company. In conjunction with those related agreements, the Company issued 689,159 Series H ($7) Warrants with a 30-year life. As of March 31, 2026, and December 31, 2025, there were 413,512 Series H ($7) warrants outstanding. The warrants are subject to cashless exercise based upon the ten-day trailing closing bid price preceding the exercise as interpreted by the Company. The Series H warrants expire on November 8, 2039.

As of March 31, 2026, and December 31, 2025, the weighted average contractual life for all Mentor warrants was 12.25 years and 13.25 years, respectively, and the weighted average outstanding warrant exercise price was $0.64 and $0.62 per share, respectively.

During the three months ended March 31, 2026, no Series D warrants were exercised, and no warrants were issued. The intrinsic value of outstanding warrants at March 31, 2026 and December 31, 2025 was $110,500 and $237,150, respectively.

The following table summarizes Series D common stock warrants as of each period:

	Series D
Outstanding at December 31, 2024	4,250,000
Issued	-
Exercised	-
Outstanding at December 31, 2025	4,250,000
Issued	-
Exercised	-
Outstanding at March 31, 2026	4,250,000

Series E, F, G, and H warrants were issued for investment banking and advisory services during 2009. Series E, F, and G warrants were exercised in 2014. As of March 31, 2026, there were 413,512 Series H ($7) Warrants outstanding. The following table summarizes Series H ($7) warrants as of each period:

	Series H $7.00 exercise price
Outstanding at December 31, 2024	413,512
Issued	-
Canceled	-
Exercised	-
Outstanding at December 31, 2025	413,512
Issued	-
Exercised	-
Outstanding at March 31, 2026	413,512

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's Third Amended Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share of the Company's Common Stock at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30-day exercise period. In successive months, the authorized partial warrant redemption amount was recalculated, and the redemption offer repeated according to the court formula. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date schedule after the prior 1% redemption was completed to prevent potential third-party manipulation of share prices at month-end. The periodic partial redemptions could continue to be recalculated and repeated until such unexercised warrants are exhausted, or the partial redemption is otherwise paused, or truncated by the Company. For the three months ended March 31, 2026, and 2025 no warrants were redeemed.

Note 11 - Warrant 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 become a Company designee to redeem warrants have deposited redemption fees with the Company that, when warrants are redeemed, will be forwarded to the former warrant holders through DTCC or at their last known address 30 days after the last warrant of a 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.

In prior years the Series A, Series B, and Series C redemption fees have been distributed through DTCC into holder's brokerage accounts or directly to the holders. All Series A, Series B, and Series C warrants have been exercised and are no longer outstanding.

Once the Series D warrants have been fully redeemed and exercised, the fees for the Series D warrant series will likewise be distributed. Mr. Billingsley has agreed to assume liability for paying these redemption fees and therefore warrant redemption fees received are retained by the Company for operating costs. Should Mr. Billingsley be incapacitated or otherwise become unable to pay the warrant redemption fees, the Company will remit the warrant redemption fees to former holders from amounts otherwise due to Mr. Billingsley from the Company, which are sufficient to cover the redemption fees at March 31, 2026 and December 31, 2025.

Note 12 - Stockholders' equity

Common Stock

The Company was incorporated in California in 1994 and was redomiciled as a Delaware corporation, effective September 24, 2015. There are 75,000,000 authorized shares of Common Stock at $0.0001 par value. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders.

Issuer Purchases of Equity Securities

The Company has previously repurchased 300,000 and 3,000,000 shares of the Company's common stock in accordance with two separate stock repurchase plans that concluded on July 31, 2023, and December 31, 2024, respectively.

As of March 31, 2026 and December 31, 2025, no authorized repurchase plan was in effect. No shares of the Company's common stock were repurchased during 2025 or during the three months ended March 31, 2026.

Preferred Stock

Mentor has 5,000,000, $0.0001 par value, preferred shares authorized.

On July 13, 2017, the Company filed a Certificate of Designation of Rights, Preferences, Privileges and Restrictions of Series Q Preferred Stock (“Certificate of Designation”) with the Delaware Secretary of State to designate 200,000 preferred shares as Series Q Preferred Stock, such series having a par value of $0.0001 per share. Series Q Preferred Stock is convertible into Common Stock, at the option of the holder, at any time after the date of issuance of such share and prior to notice of redemption of such share of Series Q Preferred Stock by the Company, into such number of fully paid and nonassessable shares of Common Stock as determined by dividing the Series Q Conversion Value by the Conversion Price at the time in effect for such share.

The per share “Series Q Conversion Value,” as defined in the Certificate of Designation, shall be calculated by the Company at least once each calendar quarter as follows: The per share Series Q Conversion Value shall be equal to the quotient of the “Core Q Holdings Asset Value” divided by the number of issued and outstanding shares of Series Q Preferred Stock. The “Core Q Holdings Asset Value” shall equal the value, as calculated and published by the Company, of all assets that constitute Core Q Holdings which shall include such considerations as the Company designates and need not accord with any established or commonly employed valuation method or considerations. “Core Q Holdings” consists of all proceeds received by the Company on the sale of shares of Series Q Preferred Stock and all securities, acquisitions, and business acquired from such proceeds by the Company. The Company shall periodically, but at least once each calendar quarter, identify, update, account for and value, the assets that comprise the Core Q Holdings.

The “Conversion Price” of the Series Q Preferred Stock shall be at the product of 105% and the closing price of the Company’s Common Stock on a date designated and published by the Company. The Series Q Preferred Stock will be available only to accredited, institutional, or qualified investors.

The Company sold and issued 11 shares of Series Q Preferred Stock on May 30, 2018, at a price of $10,000 per share, for an aggregate purchase price of $110,000 (“Series Q Purchase Price”). The Company invested the Series Q Purchase Price as capital in Partner II to purchase equipment to be leased to Pueblo West. On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West. Therefore, the Core Q Holdings at September 30, 2022 and December 31, 2022 include this interest. The Core Q Holdings Asset Value at March 31, 2026 and December 31, 2025 was $31,510 and $20,843 per share, respectively. There was no contingent liability for the Series Q Preferred Stock conversion at March 31, 2026 and December 31, 2025. At March 31, 2026 and December 31, 2025, the Series Q Preferred Stock could have been converted at the Conversion Price of $0.105 and $0.105, respectively.

Note 13 - Accrued salary, accrued retirement, and incentive fee - related party

The Company had an outstanding liability to its CEO as follows:

	March 31, 2026	December 31, 2025
Accrued salaries and benefits	$ 43,293	$ 62,154
Accrued retirement and other benefits	741,968	702,304
Offset by shareholder advance	(261,653)	(261,653)
	$ 523,608	$ 502,805

As approved by resolution of the Board of Directors in 1998, the CEO will be paid an incentive fee and a bonus, which are payable in installments at the CEO’s option. The incentive fee is 1% of the increase in market capitalization based on the bid price of the Company’s stock beyond the book value at confirmation of the bankruptcy, which was approximately $260,000. The bonus is 0.5% of the increase in market capitalization for each $1 increase in stock price up to a maximum of $8 per share (4%) based on the bid price of the stock beyond the book value at confirmation of the bankruptcy. For the three months ended March 31, 2026 and 2025, there were no incentive fee expenses.

Note 14 – Related party transactions

Between January 1, 2026 and March 31, 2026, our Chief Executive Officer, Chet Billingsley, purchased 44,100 shares of the Company's common stock on the open market at an average price of $0.085 per share. Such share purchases are reported on Form 4s filed with the Securities and Exchange Commission within two business days of the transaction date in accordance with Section 16(a) of the Securities and Exchange Act of 1934.

On January 12, 2026, our Chief Executive Officer, Chet Billingsley, purchased 11 Series Q Convertible Preferred Shares of the Company from a third party in a private transaction for a total purchase price of $204,488, or $18,590 per share. Subsequent to the quarter-end, effective April 3, 2026, such 11 Series Q Convertible Preferred Shares were elected to be converted into 5,906,107 shares of the Company's Common Stock at the Series Q Conversion Value of $347,279 at a Common Stock conversion price of $0.0588 per Common Share. The purchase and conversion were reported on Form 4s filed with the Securities and Exchange Commission within two business days of the transaction date in accordance with Section 16(a) of the Securities and Exchange Act of 1934. See Note 17.

Subsequent to quarter-end, between April 1, 2026, and April 14, 2026, our Chief Executive Officer, Chet Billingsley, purchased an additional 6,900 shares of the Company's common stock on the open market at an average price of $0.060 per share. Such share purchases are reported on Form 4s filed with the Securities and Exchange Commission within two business days of the transaction date in accordance with Section 16(a) of the Securities and Exchange Act of 1934. See Note 17.

Note 15 – Commitments and contingencies

As of March 31, 2026, and 2025, the Company had certain commitments and contingencies related to collections. Chief among these are legal expenses and costs that may be associated with opportunistic collections, such as the collection of a $180,000 receivable that the Company is pursuing in the Superior Court of California, County of Fresno, in an interpleader action as of March 31, 2026. Management estimates that the ratio of committed estimated legal fees to expected recovery may be about ten percent. Such is not expected to be material enough to report on and will not be certain until the Company makes a business judgment on legal involvement, as it continues to monitor the potential for collection feasibility. The Company is also monitoring the potential of its collection on a $2,539,597 judgment plus $691,605 interest from the G Farma Settlors. Management's approach toward collection from the G Farma Settlors is similar, though of larger magnitude, but with a smaller probability. Due to the uncertainty of collection, the receivable is fully impaired, and the judgment is fully reserved. See Notes 3, 4, and 7.

Note 16 – Segment Information

The Company is an operating, acquisition, and investment business. Subsidiaries in which the Company has a controlling financial interest are consolidated. The Company generally has two reportable segments. The first reportable segment is its classic energy segment, which consists of the Company's operations and investment in the classic energy space, including its oil and gas royalty interests. The classic energy segment includes the fair value of securities investments in (i) oil and gas, (ii) uranium, and (iii) coal plus the Company's March 2025 acquisition of three fractional, non-operating royalty interests in oil and gas properties covering approximately one-hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas for total consideration of $1,369,899 that is further disclosed at Note 8. The Company's primary aim for its classic energy segment is to acquire revenue-generating energy assets, such as oil and gas royalties, oil service businesses, or other private energy operating companies, as viable opportunities for such acquisition(s) become available. The second reportable segment consists of the Company's historic residual operations, which include the fully impaired settlement payments receivable from G Farma and its co-defendants in the amount of $2,539,597 plus $691,605 accrued interest at March 31, 2026, and the operation of subsidiaries Mentor IP, Partner I, Partner II, and TWG. The Company also maintains a gold investment for profit and short-term treasury exchange-traded funds for the purpose of facilitating investment into the Company to support potential future energy acquisitions and to collect low-risk interest to offset inflation, respectively. Additionally, the Company formerly had small investments in securities listed on the NYSE and NASDAQ, an investment in note receivable from a non-affiliated party that was fully impaired on June 11, 2024, and the fair value of convertible notes receivable and accrued interest from NeuCourt, that was exchanged for a NeuCourt SAFE security investment that is carried at cost as a long-term investment and is included with the Company's long term investments on the Company's consolidated balance sheet. The gold investment, short-term treasury exchange-traded funds, and the investment in NeuCourt are included in the Corporate and Eliminations section below.

Our Chief Operating Decision Maker ("CODM") is our Chairman and Chief Executive Officer, Chet Billingsley. Our CODM evaluates the performance of the Company's operating segments on an ongoing weekly basis and he routinely monitors each segment's exposure to risk due to potential economic factors, societal trends, and market conditions in order to assess and determine the proper allocation of resources related to segment expenses. Our CODM uses segment operating income (loss) to review monthly, quarterly, and annual segment trends. Additionally, the CODM regularly monitors actual and prospective cash and cash equivalent balances weekly.

Routine expenses related to Company's oil and gas royalty interests within its energy segment were limited to the severance and *ad valorem* tax liabilities of $6,835 and $0 as of March 31, 2026, and 2025. The Company's CODM monitors changes in market conditions, commodity prices, production volumes, and other factors, which may materially impact the recoverability of our royalty interests. Costs not allocated to our two reportable segments represent activities associated with the Company's management and headquarters functions, especially with regard to accounting and audits for the Company and its majority-owned subsidiaries. The Company's headquarters functions also include monitoring our less than majority positions for value and investment security and reviewing possible acquisition candidates and acquisition assets on an ongoing basis. These costs primarily included administrative expenses, professional service fees, advertising and promotion expenses, travel-related expenses, employee and officer salaries, employee and officer accrued benefits, employee and officer payroll tax expenses, board fees, and depreciation expenses. See Management's Discussion and Analysis of Financial Condition and Results of Operations, Results of Operations for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, Selling, General, and Administrative Expenses for a further disclosure and discussion of the Company's management and headquarters related expenses.

Segment information for our current operating segments is as follows:

	Energy Segment	***Historic Segment***	**Corporate and Eliminations**	**Consolidated**
Three months ended March 31, 2026				
Net revenue	$ 42,767	$ -	$ -	$ 42,767
Operating income (loss)	42,767	(489)	(302,660)	(260,382)
Interest and dividend income	131	-	1	132
Interest expense	-	-	-	-
Severance and *ad valorem* taxes	6,835	-	-	6,835
Property additions	-	-	-	-
Fixed asset depreciation and amortization	-	-	848	848
Other asset additions	-	-	-	-
Other asset amortization	34,247	-	-	34,247
Total assets	1,257,537	1,419	1,516,421	2,775,377
Three months ended March 31, 2025				
Net revenue	$ 2,000	$ -	$ -	$ 2,000
Operating income (loss)	2,000	(180)	(195,795)	(193,975)
Interest and dividend income	29,650	-	2	29,651
Interest expense	-	-	-	-
Severance and *ad valorem* taxes	-	-	-	-
Property additions	-	-	-	-
Fixed asset depreciation and amortization	-	-	85	85
Other asset additions	1,369,899	-	-	1,369,899
Other asset amortization	508	-	-	508
Total assets	2,356,252	1,564	887,689	3,254,505

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the three months ended March 31, 2026 and 2025, as presented in the unaudited condensed consolidated income statements:

	Three Months Ended March 31,	
	2026	2025
Operating loss	$ (260,382)	$ (193,975)
Realized gain (loss) on investment in securities	18,740	9,547
Unrealized gain (loss) on investment in securities	52,406	(52,538)
Interest and dividend income	132	29,651
Interest expense	-	-
Other income	20,414	-
Income before income taxes	$ (168,690)	$ (207,315)

Note 17 – Subsequent events

Management evaluated subsequent events through the date these financial statements were issued and concluded that no events subsequent to March 31, 2026 have occurred that would require recognition or disclosure except as noted below.

Subsequent to quarter-end, between April 1, 2026, and April 14, 2026, our Chief Executive Officer, Chet Billingsley, purchased an additional 6,900 shares of the Company's common stock on the open market at an average price of $0.060 per share. Such share purchases are reported on Form 4s filed with the Securities and Exchange Commission within two business days of the transaction date in accordance with Section 16(a) of the Securities and Exchange Act of 1934.

Subsequent to the quarter-end, effective April 3, 2026, 11 Series Q Convertible Preferred Shares owned by our Chief Executive Officer, Chet Billingsley, were elected to be converted into 5,906,107 shares of the Company's Common Stock at the Series Q Conversion Value of $347,279 at a Common Stock conversion price of $0.0588 per Common Share. The conversion was reported on Form 4 filed with the Securities and Exchange Commission within two business days of the transaction date in accordance with Section 16(a) of the Securities and Exchange Act of 1934.

Subsequent to year-end, on April 6, 2026, the Company initiated futures trading with a test minimum May 2026 one-hundred-ounce silver contract and a test minimum June 2026 one-ounce gold contract.

Subsequent to quarter-end, on April 16, 2026, the Company sold one kilogram of gold bullion for $148,329, at a $49,886 realized gain.

Subsequent to quarter end, the Company received a total of $13,464 in royalty interest payments, gross, which, after payment of $662 in severance taxes paid by the Company, were $12,802, net, which represents a portion of the royalty income earned by the Company in February, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion will assist in the understanding of our financial position at March 31, 2026 and the results of operations for the three months ended March 31, 2026 and 2025. The information below should be read in conjunction with the information contained in the unaudited Condensed Consolidated Financial Statements and related notes to the financial statements included within this Quarterly Report on Form 10-Q for the three months ended March 31, 2026 and 2025 and our Annual Report on Form 10-K for the year ended December 31, 2025.

Corporate Background

The Company's common stock trades publicly under the trading symbol OTCQB: MNTR.

The Company was originally founded as an investment partnership in Silicon Valley, by the current CEO in 1985. The partnership acquired a salsa factory, bakery, trucking company, tortilla chip plant, and an athletic club chain. The former investment partnership was incorporated under the laws of the State of California on July 29, 1994 and on September 12, 1996, the Company's offering statement was qualified under Regulation A of the Securities Act of 1933 and began to trade its shares publicly. The Company relocated to San Diego, California, and contracted to provide financial assistance and investment in small businesses. On September 24, 2015, the Company redomiciled from California to Delaware by merging the California Mentor Capital, Inc. corporation into a newly formed Delaware entity, Mentor Capital, Inc. Following the merger, the Company is governed under the laws of the State of Delaware. In September 2020, Mentor relocated its corporate office from San Diego, California, to Plano, Texas.

In the public arena, the Company is opportunistic and maintains diverse operating and investment activities. These have included the acquisition of oil and gas partnerships, New York Stock Exchange gas trading company mini-tender offers, ATM ownership, facilities operations investment, cancer immunotherapy investment, equipment financing, intellectual property investment, litigation financing, investment in a dispute resolution company, and discounted funding of annuity-like fund flows. Most recently, from its new Texas base, the Company signaled a substantial return to its energy roots, starting with stock purchases in several energy companies in the oil and gas, coal, and uranium markets and purchases of fractional, non-operating royalty interests in producing oil and gas properties operating in West Texas and is utilizing gold as a placeholder until new energy investments are arranged.

Acquisitions and investments

Mentor Capital, Inc.

The Company's target industry focus includes the classic energy sectors of oil, gas, coal, uranium, and related ventures, with gold investment first serving as a placeholder while new energy positions are arranged. Although the energy sector declined, the gold investment did extraordinarily well. As a result, the Company progressively shifted to emphasize gold investment for profit and has begun to shift toward precious metals-oriented trading as a more profitable approach, including bullion, securities, and futures. Additionally, the Company has residual investments in an alternative dispute resolution platform, collecting on an annuity-like financing, and the collection of a judgment that it intends to continue to pursue. In 2023, the Company initially signaled a substantial return to its energy roots, starting with a tracking investment in New York Stock Exchange energy companies in the oil and gas, coal, and uranium industries.

In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one-hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for total consideration of $1,369,899 as follows:

- On March 20, 2025, Mentor Capital, Inc. purchased an average of 0.0332439% oil and gas royalty interests in seven (7) producing horizontal wells and a royalty interest of approximately 0.15625% in two (2) non-producing mineral wells located in the Permian Basin situated in Howard County, Texas from Bluestem Royalty Partners, LP, a Texas limited partnership, for a total acquisition cost of $60,980. Prior to the Company's purchase, average daily production in the last six months was approximately 5,252 BBLs and 5,580 MCF. Transfer of title to oil, gas, and mineral royalty interests and other interests in the name of Mentor Capital, Inc. was recorded on April 3, 2025 in Howard County, Texas by a certain Mineral and Royalty Deed effective March 1, 2025. Therefore, royalty payments owed to the Company commenced and were recognized as of March 1, 2025.

- On March 25, 2025, Mentor Capital, Inc. purchased an overriding royalty interest of approximately 0.06% in seventy-one (71) producing oil and gas wells in a nearly 3.5 square mile pooled horizontal drilling project located in the Permian Basin situated in Martin County, Texas from Gatorex Holdings, LLC, a Texas limited liability company, for a total acquisition cost of $720,690. Prior to the Company's purchase, average daily production in the last six months was approximately 16,572 BBLs and 37,496 MCF. Transfer of title to overriding royalty interests together with all interests in any units, bonuses, rents, royalties, and other benefits which may accrue in the name of Mentor Capital, Inc. was recorded on April 9, 2025 in Martin County, Texas by a certain Assignment of Overriding Royalty Interests effective April 1, 2025. Royalty payments owed to the Company commenced and were recognized effective April 1, 2025.

- On March 31, 2025, Mentor Capital, Inc. purchased royalty interests of approximately 0.050099% in forty-one (41) producing oil and gas wells in the Permian Basin situated in Martin County, Texas from Maven Royalty 2, LP, a Delaware limited partnership, for $588,229. Prior to the Company's purchase, average daily production in the last six months was approximately 15,734 BBLs and 20,645 MCF. Transfer of title to all oil, gas, and associated liquid or liquefiable hydrocarbons, including royalty, overriding royalty, unit interest and mineral interests of whatever nature, in, on, and under that may be produced from or attributable to the property including royalty interests in the name of Mentor Capital, Inc. was recorded on April 9, 2025 in Martin County, Texas by a certain Mineral and Royalty Deed effective April 1, 2025. Therefore, royalty payments owed to the Company commenced and were recognized on April 1, 2025.

The Company's three (3) fractional royalty interests entitle the Company to receive a proportional share of revenues generated from the production of hydrocarbons from the underlying property, without incurring any operating or production costs. Working interest owners of our royalty interests operating the wells will participate in and bear the costs of operation and development. See Note 8.

The Company also maintains a gold investment and short-term treasury exchange-traded funds for the purpose of facilitating investment into the Company to support potential future energy acquisitions and to collect low-risk interest to offset inflation, respectively. See Note 9.

Mentor IP, LLC (MCIP)

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor, to hold interests related to patent rights. On October 24, 2023, the Company divested Mentor IP, LLC's intellectual property and licensing rights related to a certain United States and Canadian patent. The Company received no payment for its divestment. MCIP is a wholly-owned subsidiary of the Company that could facilitate future mergers and acquisitions.

NeuCourt, Inc.

NeuCourt, Inc. ("NeuCourt") is a Delaware corporation that is developing a technology that is expected to be useful to the dispute resolution industry.

On July 15, 2022, the Company and NeuCourt entered into an Exchange Agreement whereby the Company's outstanding convertible promissory notes and accrued interest, in an aggregate net amount of $83,756, was exchanged for a Simple Agreement for Future Equity ("SAFE") in equal face value. On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement, increasing the Company's aggregate SAFE Purchase Amount to $93,756. At March 31, 2026 and December 31, 2025, the SAFE Purchase Amount was $93,756.

On December 21, 2018, the Company purchased 500,000 shares of NeuCourt Common Stock, approximately 6.13% of the issued and outstanding NeuCourt shares at March 31, 2026.

Mentor Partner I, LLC

Mentor Partner I, LLC (“Partner I”) was reorganized under the laws of the State of Texas in February 2021. Partner I originally held the contractual rights to lease payments from G Farma and now the related settlement and $2,539,591 judgment receivable plus interest receivable of $691,605 at March 31, 2026 in favor of the Company and Partner I. Partner I is a wholly-owned subsidiary of the Company that could facilitate future mergers and acquisitions.

Mentor Partner II, LLC

Mentor Partner II, LLC (“Partner II”) was reorganized under the laws of the State of Texas in February 2021. Partner II originally held the contractual rights to lease payments from Pueblo West, which was paid off by a final payment of $245,369 on September 28, 2022. Partner II is a wholly-owned subsidiary of the Company that could facilitate future mergers and acquisitions.

TWG, LLC

On October 4, 2022, the Company formed TWG, LLC (“TWG”), a Texas limited liability company, as a wholly owned subsidiary of Mentor in order to prepare to fulfill certain modification agreement performance obligations related to installment payments the Company receives from a non-affiliated party. TWG is a wholly-owned subsidiary of the Company that could facilitate future mergers and acquisitions.

Waste Consolidators, Inc.

On October 4, 2023, we sold and completely divested our majority controlling 51% interest in Waste Consolidators Inc. (“WCI”), our facilities operations segment, that provides waste management and disposal services, including waste consolidation, bulk item pickup, general property maintenance, and one-time clean-up services to business park owners, governmental centers, and apartment complexes in Phoenix, Austin, San Antonio, Houston, and Dallas. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. WCI is now reported as a discontinued operation. WCI had been a long-standing investment, but it no longer aligned with the Company’s central business focus in the energy sector. The $6,000,000 proceeds from the sale of our WCI shares provided the Company with capital to seek out new business opportunities in the classic energy space of oil and gas, coal, uranium, and related businesses which are Mentor Capital, Inc.’s current focus.

Ally Waste Services, LLC

On October 4, 2023, in connection with the sale of the Company’s 51% ownership interest in WCI, the Company received a one-year unsecured, subordinated, promissory note in initial principal face amount of $1,000,000 from Ally Waste Services, LLC (“Ally”) at 6% per annum. The $1,000,000 initial principal face amount of the note plus accrued interest of $60,000 was paid by Ally on October 4, 2024.

Overview

The Company maintains a diverse and opportunistic acquisition focus. It sold its former legacy investment in the former facilities operations segment and continues looking to expand into the classic energy markets of oil, gas, coal, uranium, and related businesses. The Company signaled a substantial return to its energy roots, starting with a tracking investment in six New York Stock Exchange energy companies in the oil and gas, coal, uranium, and pipeline markets. In March 2025, the Company acquired three fractional, non-operating royalty interests in oil and gas properties covering approximately one-hundred twenty-one (121) wells in the Spraberry Field of the Permian Basin in West Texas, through related public auctions for total consideration of $1,369,899. The royalty interests entitle the Company to receive a proportional share of revenues generated from the production of hydrocarbons from the underlying property, without incurring any operating or production costs. The Company also maintains a gold investment and short-term treasury exchange-traded funds for the purpose of facilitating investment into the Company to support potential future energy acquisitions and to collect low-risk interest to offset inflation, respectively. The Company is expanding its involvement in the trading of commodities.

Business Approach

The Company's primary aim has been to acquire revenue-generating energy assets, such as oil and gas royalties, oil service businesses or other private energy operating companies as viable opportunities for such acquisition(s) become available. The Company is moving further to integrate commodities and precious metals trading into this mix. Our general headquarters functions are aimed at providing accounting, legal, and general business support for our larger investment targets and our majority-owned subsidiaries. We monitor our smaller and less than majority positions for value and investment security. Management also spends considerable effort reviewing possible acquisition candidates on an ongoing basis.

Mentor seeks to take significant positions in target companies to provide public market liquidity for founders, protection for investors, funding for the companies, and incubate private companies that Mentor believes to have significant potential. When Mentor takes a major position in its investees, it provides financial management when needed but leaves operating control in the hands of the company founders. Retaining control, receiving greater liquidity, and working with an experienced organization to efficiently develop disclosures and compliance that are similar to what is required of public companies are three potential key advantages to company founders working with Mentor Capital, Inc.

The Company continually works to identify potential acquisitions, investments, and divestitures. While evaluating whether an acquisition or divestiture may be in the best interests of the Company and its shareholders, no transaction will be announced until that transaction is certain.

Liquidity and Capital Resources

The Company's future success is dependent upon its ability to make a return on its acquisitions and investments to generate positive cash flow and to obtain sufficient capital from non-portfolio-related sources. The Company currently has enough cash to effectuate its business plans for the next four years. Management believes they can raise additional funds to support their business plan and develop a successful operating company.

Results of Operations

Three Months Ended March 31, 2026, compared to Three Months Ended March 31, 2025

Revenues

On March 1, 2025, only nine (9) of the one hundred twenty-one (121) wells associated with royalty interests that the Company acquired in March 2025 were effective for revenue recognition during the last 30 days of the first quarter of 2025. Royalty revenue for the remaining one hundred twelve (112) wells then commenced on April 1, 2025. Accrued revenue for the three months ended March 31, 2026 was $23,600 compared to $2,000 for the three months ended March 31, 2025 ("the prior year period").

Gross profit

Gross profit for the three months ended March 31, 2026 was $42,767 compared to $2,000 for the prior year period. The Company's cost of goods sold for the three months ended March 31, 2026 were $0 and $0 for the prior year period.

Selling, general and administrative expenses

Our selling, general and administrative expenses, including severance and *ad valorem* taxes, for the three months ended March 31, 2026 was $303,149 compared to $195,975 for the prior year period, an increase of $107,174. We experienced a $45,112 increase in officer salary and benefits, a $33,739 increase in accumulated amortization expense, a $9,487 increase in employee salary and benefits, a $8,750 increase in board of directors fees, a $4,750 increase in annual *ad valorem* taxes, a $3,304 increase in professional fees, a $2,085 increase in severance taxes, a $763 increase in depreciation expense, a $102 increase in insurance expense, and a $57 increase in advertising expense, offset a ($895) decrease in administrative fees, anda ($80) decrease in travel related expenses resulting in an increase in other selling, general and administrative expenses of 54.69%, for the three months ended March 31, 2026 as compared to the prior year period.

Other income (expense)

Other income (expense), net, totaled $91,692 for the three months ended March 31, 2026, compared to ($13,340) for the prior year period, an increase of $105,033 or (787.35%). The increase is due to a $104,944 increase in unrealized gain on investment in securities, a $20,414 increase in other income from a class action settlement payment in re: *Electronic Servitor Publication Network Inc. v. BF Borgers* and a $9,193 increase in gain on sale of investments, offset by a decrease in ($29,519) decrease in interest income for the three months ended March 31, 2026.

Net results

The net result for the three months ended March 31, 2026 was a net loss attributable to Mentor of ($173,124) or ($0.008) per Mentor common share compared to a net loss attributable to Mentor in the prior year period of ($211,758) or ($0.010) per Mentor common share. The Company will continue to look for acquisition opportunities to expand its portfolio in companies that are positive for operating revenue or have the potential to become positive for operating revenue.

Liquidity and Capital Resources

Since our reorganization, we have raised capital through warrant holder exercise of warrants to purchase shares of Common Stock. As of March 31, 2026, we had cash and cash equivalents of $60,834 and working capital of $1,322,644.

Operating cash outflows in the three months ended March 31, 2026 was ($130,038), including ($173,124) of net loss, plus a realized and unrealized loss on investment in securities at fair value of ($71,146), prepaid expenses and other assets of ($11,921), and accrued expenses of ($1,734), offset by an increase in accounts payable of $69,589, non-cash accumulated amortization of royalty interests of $34,247, accrued salary, retirement and benefits to related party of $20,803, royalty income receivable of $2,400, and non-cash depreciation and amortization of $848.

Cash outflows from investing activities in the three months ended March 31, 2026, were $141,679, which consisted of $141,679 proceeds from investment in securities sold.

Net cash outflows from financing activities for the three months ended March 31, 2026 were $0.

We will seek to raise additional funds through financing, additional collaborative relationships, or other arrangements to increase revenues to support positive cash flow. We believe our existing available resources and opportunities are sufficient to satisfy our funding requirements for four years. Internal sources of liquidity include our ability to immediately convert to cash some or all of our investment in securities valued at $808,675 at March 31, 2026, and our ability to immediately convert to cash our investment in gold held at cost at a carrying value of $516,346 and estimated at fair value based on quoted market prices at $763,714 as of March 31, 2026. External liquidity sources include royalty revenue from our oil and gas royalty interests in the Permian Basin valued at $1,232,401 at March 31, 2026. Material unused sources of liquid assets are the potential sale of our oil and gas royalty interests held in the Permian Basin.

In addition, on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's court-approved Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30-day exercise period. The periodic partial redemptions may continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise temporarily paused, suspended, or truncated by the Company.

For the three months ended March 31, 2026, there were no redemptions of Series D Warrants. There were no redemptions of Series D Warrants in 2025. We believe that if warrants are redeemed and exercised, partial warrant redemptions will provide additional monthly cash for monthly operations.

Disclosure About Off-Balance Sheet Arrangements

We do not have any transactions, agreements, or other contractual arrangements that constitute off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this item.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Management, with the participation of our chief executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our chief executive officer and principal financial officer concluded that, as of March 31, 2026, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our managers, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting.

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2026 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

G FarmaLabs Limited

On August 27, 2021, the Company and Mentor Partner I settled certain litigation with G FarmaLabs Limited, a Nevada corporation, and certain of its affiliates (the "G Farma Settlors"). The G Farma Settlors partially performed, and then breached, the Settlement Agreement.

Consequently, in February 2023, the Company and Mentor Partner I filed a Request for Entry of Judgment seeking entry of a stipulated judgment against the G Farma Settlors for (1) the remaining unpaid settlement amount of $494,450 promised, all accrued and unpaid interest thereon, and an additional $2,000,000 principal amount as agreed in the Settlement Agreement, (2) the Company's incurred costs, and (3) attorneys' fees paid by the Company to obtain the judgment. On July 11, 2023, the Court entered judgment against the G Farma Settlors and in favor of Mentor and Partner I in the amount of $2,539,597, which is comprised of $2,494,450 of principal (calculated as the aggregate settlement amount, less payments made by the G Farma Settlors, plus the default addition) plus accrued and unpaid interest of $40,219, costs of $1,643, and attorneys' fees of $3,285 incurred by Mentor and Mentor Partner I in connection with obtaining the judgment. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023, until such time as the judgment is paid in full.

The Company has retained the reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the history of uncertain payments from G Farma and the G Farma Settlors. Payments recovered will be reported as Other income in the consolidated income statements. See Notes 1, 4, and 7 to this Quarterly Report and Notes 1, 8, 9, and 16 to Company's Annual Report for the period ended December 31, 2024 on Form 10-K filed with the Securities and Exchange Commission on March 31, 2025. The $2,539,597 judgment and interest receivable of $691,605 for the three months ended March 31, 2026 is fully reserved pending the outcome of the Company's collection process.

Investment in account receivable

On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in an account receivable with annual installment payments of $117,000 for 11 years through 2026, totaling $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through the exercise of 757,059 Series D warrants at $1.60 per share plus a $0.10 per warrant redemption price.

The Company valued the transaction based on the market value of Company common shares exchanged in the transaction, resulting in a 17.87% discount from the face value of the account receivable or net present value of $0.78 per share, the then current share price closing. The discount is being amortized monthly to interest over the 11-year term of the agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19, we might not receive the 2020 installment or the full 2021 installment. Based on management's collection estimates, we recorded an investment loss of ($139,148) on the investment in account receivable at December 31, 2020. In 2021, the Company re-evaluated estimated collections and recorded an investment gain of $22,718. Subsequently, on February 15, 2022, the terms of the investment were modified, resulting in an additional loss of ($41,930). The loss of ($41,930) and gain of $22,718 were reflected in Other Income on the consolidated income statement for the years ended December 31, 2022 and 2021, respectively.

On January 10, 2023, the Company received the 2023 annual installment payment of $117,000. Three additional $117,000 annual installment payments were due in early 2024, 2025, and 2026. The 2024 and 2025 annual installment payments have not been received.

On June 11, 2024, our investment in account receivable was impaired by $250,208. The $250,208 impairment consisted of the Company's estimate of the reduction of $287,200 purchased receivable offset by a ($36,992) purchased receivable discount. The Company's recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract. For the years ended December 31, 2025 and 2024, $0 and $9,559 of discount amortization are included in interest income.

The Company was notified by the originating third-party payor of the $1,287,000 account receivable that the Company purchased from the former payee that, in or about December 2025 the third-party payor intended to deposit a $180,000 payment with the Superior Court of California, County of Fresno, in an interpleader action through which Mentor and the former payee could resolve ownership of the $180,000. The Company has obtained legal counsel in Fresno, and it is currently pursuing the $180,000 in an interpleader action.

Item 1A. Risk Factors.

In addition to other information in this Quarterly Report on Form 10-Q, the following risk factors should be carefully considered in evaluating our business since it operates in a highly changing and complex business environment that involves numerous risks, some of which are beyond our control. The following discussion highlights a few of these risk factors, any one of which may have a significant adverse impact on our business, operating results, and financial condition.

As a result of the risk factors set forth below and elsewhere in this Form 10-Q and in our Form 10-K, and the risks discussed in our Rule 15c2-11 and other publicly disclosed submissions, actual results could differ materially from those projected in any forward-looking statements.

We face significant risks, and the risks described below may not be the only risks we face. Additional risks that we do not know of or that we currently consider immaterial may also impair our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be harmed, and the trading price of our Common Stock could decline.

We may incur material expenses or delays in financings or SEC filings due to the recent changes in our auditors and the associated reaudits of financial statements. Our stock price, expenses, delayed reporting, and access to the capital markets may all be affected.

As a public company, we are required to file annual and quarterly financial statements with the Securities and Exchange Commission which are audited or reviewed, as applicable, by independent registered public accountants who are PCAOB-registered, and permitted to appear and practice before the Securities and Exchange Commission. Our former auditor, BF Borgers, was prohibited from practicing before the Securities and Exchange Commission, so we engaged new auditors, Spicer Jeffries, in May 2024 to complete the 2024 year-end audit and reauditing of the 2023 and 2022 opening balances. Following completion of the 2025 financial statements audit, we dismissed Spicer Jeffries, which had been purchased by Cherry Bekaert in June 2025, and have since engaged a new auditor. Our access to the capital markets and our ability to make timely filings with the Securities and Exchange Commission will depend on having financial statements re-audited and re-reviewed by the new auditor who is PCAOB-registered and permitted to appear and practice before the Securities and Exchange Commission. In addition, we may experience delays in working with potential acquisition targets or lenders until our financial statements are re-audited and reviewed by the new auditor. As a result, we may encounter delays, additional audit expenses, and other material costs due to our inability to rely on our previously reviewed and audited financial statements by BF Borgers, Spicer Jeffries, and Cherry Bekaert. Any resulting delay in accessing or inability to access the public capital markets could be disruptive to our operations and could affect the price and liquidity of our securities. Any negative news about the proceedings against BF Borgers may also adversely affect investor confidence and public perception of the Company. All of these factors could materially and adversely affect our business, the market price of our common stock, and our ability to access the capital markets.

Variable financial conditions can be challenging.

Securing additional sources of financing to enable us to increase investing in our target markets will be difficult, and there is no assurance of our ability to secure such financing. A failure to obtain additional financing, or to continue to generate capital from the sale of operating businesses and assets, or to generate positive cash flow from operations could prevent us from continuing to seek out and invest in larger new companies.

Mentor will continue to attempt to raise capital resources from related and unrelated parties through the sale of preferred and common stock equity and debt. Management's plans further include monetizing existing mature business projects and increasing revenues through acquisition, investment, and organic growth.

A failure to obtain financing could prevent us from executing our business plan.

We anticipate that current cash resources and opportunities without new inflows would be sufficient for us to execute our business plan for four years after the date these financial statements are issued. We believe that securing substantial additional sources of financing is possible, but there is no assurance of our ability to secure such financing. A failure to obtain additional financing could prevent us from making substantial expenditures for advancement and growth to partner with businesses and hire additional personnel. If we raise additional future financing by selling equity, or convertible debt securities, the relative equity ownership of our existing investors could be diluted, or the new investors could obtain terms more favorable than previous investors. If we raise additional funds through debt financing, we could incur significant borrowing costs and be subject to adverse consequences in the event of a default.

Management voluntarily transitioned to a fully reporting company and spends considerable time meeting the associated reporting obligations.

Management operated Mentor Capital, Inc. as a non-reporting public company for over 29 years and approximately 10 years ago voluntarily transitioned to reporting company status subject to financial and other SEC-required disclosures. Prior to such voluntary transition, management had not been required to prepare and make such required disclosures. As a reporting company, we may be subject to the Securities and Exchange Act, as amended ("Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Act, and other securities rules and regulations. If we were listed on an Exchange, we would be subject to the rules of the Exchange on which we were listed. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating activities. Preparing and filing periodic reports imposes a significant expense, time, and reporting burden on management. This distraction can divert management from its operation of the business to the detriment of core operations.

Investors may suffer risk of dilution following exercise of warrants for cash.

As of March 31, 2026, the Company had 21,683,189 outstanding shares of its Common Stock trading at approximately $0.0.068 per share. As of the same date, the Company also had 4,250,000 outstanding Series D warrants exercisable for shares of Common Stock at $0.02 per share. These Series D warrants do not have a cashless exercise feature. The Company estimates that the warrants may be increasingly exercised anytime the per share price of the Company's Common Stock is greater than $0.24 per share. Exercise of these Series D warrants may result in immediate and potentially substantial dilution to current holders of the Company's Common Stock. In addition, the Company has 413,512 outstanding Series H warrants with a per share exercise price of $7.00 held by an investment bank and its affiliates. These $7.00 Series H warrants include a cashless exercise feature. Current and future shareholders may suffer dilution of their investment and equity ownership if any of the warrant holders elect to exercise their warrants.

Beginning on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and in accordance with the Company's court-approved Plan of Reorganization, the Company announced that it would allow for partial redemption of up to 1% per month of the outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. On October 7, 2016, the Company announced that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date to be scheduled after the prior 1% redemption is complete to prevent potential third-party manipulation of share prices during the pricing period at month-end. Company designees that apply during the redemption period must pay 10 cents per warrant to redeem the warrants and then exercise the Series D warrant to purchase a share of the Company's Common Stock at a maximum of one-half of the closing bid price on the day preceding the 1% partial redemption. The 1% partial redemption may continue to be periodically recalculated and repeated according to the court formula until such unexercised warrants are exhausted, or the partial redemption is otherwise suspended or truncated by the Company. There were no warrant redemptions in the first quarter of 2026 or in fiscal year 2025.

We may be unable to collect on our ownership in oil and gas royalty interests in the form of oil and gas royalty payments or amounts owed to us may be reduced due to external market conditions, regulatory changes, or the performance of third-party oil and gas operators.

We may be unable to collect on oil and gas royalty interests owed to us due to a failure of third-party producers to properly send royalty payments to us, or we may experience delays in payments or mistakes in the amounts sent to us. Further, our anticipated royalty payment amounts may decrease due to declines in production levels on properties in which we have mineral and royalty interests or changes in supply and demand levels for oil, gas, and natural gas. Our royalty interests may also be impacted by negative market and trade conditions that may affect the demand for oil, gas, and natural gas, which would impact prices for those commodities. We may be impacted by actions taken by the members of the Organization of the Petroleum Exporting Countries ("OPEC") and Russia that affect the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments, including regional supply and demand factors and delays of production that may be caused by governmental or state orders, rules, or regulations that impose production limits on such acreage including federal, state, and legislative initiatives relating to hydraulic fracturing. Our anticipated royalty interest payments may be decreased due to risks related to climate change. Restrictions on the use of water, including limits on the use of produced water by operators and a moratorium on new produced water well permits recently imposed by the Texas Railroad Commission in an effort to control induced seismicity in the Permian Basin could affect our royalty payments. Future royalty revenue may also be affected by significant declines in prices for oil, natural gas, or natural gas liquids, which, if significant, may require significant impairment of our royalties. Third party operators may be impacted by changes in U.S. energy, environmental, monetary and trade policies and conditions in the capital, financial and credit markets, including the availability and pricing of capital for their drilling and development operations, or they could face changes in availability or cost of rigs, equipment, raw materials, supplies and oilfield services, or a lack of or disruption in access to adequate and reliable transportation, processing, storage and other facilities impacting operators, including severe weather conditions and natural disasters.

Our business model is to partner with or acquire other companies.

We aim to find energy businesses whose products, managers, technology, or other factors we like and then acquire or invest in those businesses. While we are open to investing in a diverse portfolio of entities across the energy sector, there is no certainty that we will find suitable partners or that we will be able to engage in transactions on advantageous terms with the partners we identify. There is also no certainty that we will be able to consummate future transactions on favorable terms, or any new transaction at all. To date, several of our acquisitions/investments have not turned out well for us.

We may have to work harder to introduce rigor in our transactions.

Many of the people and entities with whom we engage may not be used to operating in business transactions in a public environment. Therefore, in order to discharge our fiduciary and disclosure obligations, we may have to work harder to maintain good business practices. Entities and persons operating in private industry may be unaccustomed to entering into lengthy written agreements or keeping financial records according to GAAP. Additionally, entities and persons with whom we had engaged may not have paid particular attention to the obligations, including their obligations associated with employee retention tax credit and economic injury disaster loan programs with which they have agreed in written contracts. We have experienced or may experience differences in this manner with several different entities with whom we do business, including several entities that failed to comply with common law contractual obligations, which led us into litigation and other legal remedies.

Our actual results could differ materially from those anticipated in our forward-looking statements.

This Form 10-Q contains forward-looking statements within the meaning of the federal securities laws that relate to future events or future financial performance. When used in this report, you can identify forward-looking statements by terminology such as “believes,” “anticipates,” “seeks,” “looks,” “hopes,” “plans,” “predicts,” “expects,” “estimates,” “intends,” “will,” “continue,” “may,” “potential,” “should,” and similar expressions. These statements are only expressions of expectation. Our actual results could, and likely will, differ materially from those anticipated in such forward-looking statements as a result of many factors, including those set forth above and elsewhere in this report and including factors unanticipated by us and not included herein. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Neither we nor any other person assumes responsibility for the accuracy and completeness of these statements. Accordingly, we caution readers not to place undue reliance on these statements. Where required by applicable law, we will undertake to update any disclosures or forward-looking statements.

If we are unable to protect our royalty interests and property, our competitive position would be adversely affected.

We and our partners and subsidiaries intend to rely on contracts and agreements with third parties to protect our property rights. If we, or our affiliates and partners, fail to protect property rights, including our royalty interest rights, our business, financial condition, and results of operations would suffer. In the future, we may be forced to pay significant amounts to defend our rights, and a substantial amount of the attention of our management may be diverted from our ongoing business, all of which would materially adversely affect our business.

We depend on our key personnel and may have difficulty attracting and retaining the skilled staff and outside professionals we need to execute our growth plans.

Our success will be dependent largely upon the personal efforts of our Chief Executive Officer, Chet Billingsley. The loss of Mr. Billingsley could have a material adverse effect on our business and prospects. Currently, we have two full-time employees, and we substantially rely on the services provided by outside professionals. To execute our plans, we will have to retain our current employees and work with outside professionals who we believe will help us achieve our goals. Competition for recruiting and retaining highly skilled employees with technical, management, marketing, sales, product development, and other specialized training is intense. We may not be successful in employing and retaining such qualified personnel. Specifically, we may experience increased costs in order to retain skilled employees. If we are unable to retain experienced employees and the services of outside professionals as needed, we may be unable to execute our business plan.

Founder and CEO Chet Billingsley, along with other members of the Company's Board of Directors, have considerable control over the company through their aggregate ownership of approximately 32.53% of the outstanding shares of the Company's Common Stock on a fully diluted basis.

As of March 31, 2026, Mr. Billingsley owned approximately 26.43% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Together with other members of the Company's Board of Directors, the management of the Company owns approximately 32.53% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Mr. Billingsley holds 47,274 Series D warrants, exercisable at $0.02 per share. Marcia Meyer, and Lori Stansfield, directors of the Company, hold an aggregate of 628,955 Series D warrants exercisable at $0.02 per share. Due to the large number of shares of Common Stock owned by Mr. Billingsley and the directors of the Company, management has considerable ability to exercise control over the Company and matters submitted for shareholder approval, including the election of directors and approval of any merger, consolidation or sale of substantially all of the assets of the Company. Additionally, due to his position as CEO and Chairman of the Board, Mr. Billingsley has the ability to control the management and affairs of the Company. The Company's directors and Mr. Billingsley owe a fiduciary duty to our shareholders and are required to act in good faith in a manner each reasonably believes to be in the best interests of our shareholders. As shareholders, Mr. Billingsley and the other directors are entitled to vote their shares in their own interests, which may not always be in the interests of our shareholders generally.

We face rapid change.

The market for our partners' and subsidiaries' products and services is characterized by rapidly changing laws, political climate, technologies, and the introduction of new products and services. We believe that our future success will depend in part upon our ability to work with companies that develop and enhance products and services offered in the energy and dispute resolution industries. There can be no assurance that our partners and subsidiaries will be able to develop and execute products and services or enhance initial products in a timely manner to apply and satisfy customer needs, achieve market acceptance or address changes in our target markets. Failure to apply and develop products and services and introduce them successfully and in a timely manner could adversely affect our competitive position, financial condition, and results of operations.

If we experience rapid growth, we will need to manage such growth well.

We may experience substantial growth in the size of our staff and the scope of our operations, resulting in increased responsibilities for management. To manage this possible growth effectively, we will need to continue to improve our operational, financial and management information systems, will possibly need to create departments that do not now exist, and hire, train, motivate and manage a growing number of staff. Due to a competitive employment environment for qualified accounting, technical, marketing, and sales personnel, we may experience difficulty in filling our needs for qualified personnel. There can be no assurance that we will be able to effectively achieve or manage any future growth, and our failure to do so could delay market penetration or otherwise have a material adverse effect on our financial condition and results of operations.

We could face product liability risks and may not have adequate insurance.

Our partners' and affiliates' products may be used in sensitive ways. We may become the subject of litigation alleging that our partners' and affiliates' products were pollutive, ineffective or unsafe. Thus, we may become the target of lawsuits from injured or disgruntled customers or other users. We intend to, but do not now, carry product and liability insurance, but in the event that we are required to defend more than a few such actions, or in the event we are found liable in connection with such an action, our business and operations may be severely and materially adversely affected.

***There is a limited market for our Common Stock*.**

Our Common Stock is not listed on any exchange and trades on the OTC Markets OTCQB system. As such, the market for our Common Stock is limited and is not regulated by the rules and regulations of any exchange. Freely trading shares of even fully reporting OTCQB companies like ours receive careful scrutiny by brokers who may require legal opinion letters, proof of consideration, medallion guarantees, or expensive fee payments before accepting or declining share deposits. Further, the price of our Common Stock and its volume in the market may be subject to wide fluctuations. Our stock price could decline regardless of our actual operating performance, and stockholders could lose a substantial part of their investment as a result of industry or market-based fluctuations. Our stock may trade relatively thinly. If a more active public market for our stock is not sustained, it may be difficult for stockholders to sell shares of our Common Stock. Because we do not now pay cash dividends on our Common Stock, stockholders may not be able to receive a return on their shares unless they are able to sell them. The market price of our Common Stock will likely fluctuate in response to a number of factors, including but not limited to the following:

- sales, sales cycle, and market acceptance or rejection of the energy products and services or the royalty interests in which we've invested;
- our ability to engage with partners who are successful in their markets;
- economic conditions within our markets;
- the timing of announcements by us or our competitors of significant products, contracts or acquisitions or publicity regarding actual or potential results or performance thereof;
- domestic and international economic, business, and political conditions;
- justified or unjustified adverse publicity; and
- proper or improper third-party short sales or other manipulation of our stock.

We have a long business and corporate existence.

We began in Silicon Valley in 1985 as a limited partnership and operated as Mentor Capital, LP until we incorporated in California in 1994. We were privately owned until September 1996; at which time our Common Stock began trading on the Over The Counter Pink Sheets. Our merger and acquisition and business development activities have spanned many business sectors, and we went through a bankruptcy reorganization in 1998. In late 2015, we reincorporated under the laws of the State of Delaware. We are opportunistic and have operated in several different industries over our existence but do not have brand recognition within any one industry.

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC require annual management assessments of the effectiveness of our internal control over financial reporting. If we fail to adequately maintain compliance with, or maintain the adequacy of, our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC. If we cannot favorably assess our internal controls over financial reporting, investor confidence in the reliability of our financial reports may be adversely affected, which could have a material adverse effect on our stock price.

We have indemnified our officers and directors.

We have indemnified our officers and directors against possible monetary liability to the maximum extent permitted under California and Delaware law. The managers of Mentor Partner I, LLC, Mentor Partner II, LLC, and TWG, LLC have been indemnified to the maximum extent permitted under Texas law.

The worldwide economy could impact the Company in numerous ways.

The effects of negative worldwide economic events, such as the impact of money printing, inflation, interest rate fluctuations, fluctuations in gold prices, tariff increases, fluctuations in exchange rates, challenges in raising capital, supply chain disruptions, recession, climate regulation, economic sanctions, potential banking or currency crises, asset confiscation, theft, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain access to our information technology systems, the war in Ukraine, the conflicts in the Middle-East, the U.S. confrontation in Venezuela, and other potential international conflicts, reoccurring election-related changes in the U.S. federal government, product and labor shortages, increased risk to oil and energy markets, market conditions and monetization that could impact the price of gold, and a global economic slowdown may cause disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, political change, impact levels of consumer spending, and may impact our business, operating results, or financial condition. The ongoing worldwide economic, political, and military situations, future weakness in the credit markets, and significant liquidity problems for the financial services industries may also impact our financial condition in a number of ways. For example, current or potential partners and affiliates may not pay us, or our partners or affiliates may delay paying us or our partners or affiliates for previously purchased products and services. Our involvement in the classic energy sector may draw political or regulatory scrutiny even if our actions are entirely legal and beneficial to society. Also, we may have difficulties in securing additional financing in the energy sector.

Shareholders, directors, partners, professionals, and employees may disagree with management's plan and direction for the company.

In any organization, some individuals will have differing views on the best approach that the Company should follow to optimize results. These differences can sometimes even evolve into personal conflicts that are a distraction to management. With over four decades of senior management experience current leadership has rarely but occasionally encountered these sorts of diverging opinions as to how the Company should proceed. Disagreements of this nature have recently been addressed but may again continue or reappear in the future and randomly over time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 14, 2023, our Chief Executive Officer, Chet Billingsley, exercised 2,000,000 Series D warrants at $0.02 per share. Mr. Billingsley paid the Company $40,000 in cash. This increased Mr. Billingsley's share ownership by 2,000,000 common shares, increased the Company's outstanding shares of common stock to 21,686,105, and decreased the Company's outstanding Series D warrants to 4,250,000. The sale of 2,000,000 shares of common stock through the exercise of Series D warrants was made in reliance on 11 U.S.C. § 1145 and Section 3(a)(7) of the Securities Act of 1933, as amended.

On January 12, 2026, our Chief Executive Officer, Chet Billingsley, purchased 11 Series Q Convertible Preferred Shares of the Company from a third party in a private transaction for a total purchase price of $204,488 or $18,590 per share. Subsequent to the year-end, effective April 3, 2026, such 11 Series Q Convertible Preferred Shares were elected to be converted into 5,906,107 shares of the Company's Common Stock at the Series Q Conversion Value of $347,279 at a Common Stock conversion price of $0.0588 per Common Share. The original holder of the 11 Series Q Convertible Preferred Shares of the Company purchased the preferred shares on May 30, 2018, for $10,000 per share, pursuant to Rule 506(b) of Regulation D under Section 4(a)(2) of the Securities Act of 1933, as amended.

Other than as stated above, there have been no other unregistered securities sold within the past three years.

Item 3. Defaults Upon Senior Securities and Use of Proceeds.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
3.2	Bylaws of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.1	Instrument Defining Rights of Security Holders. (A copy of our Bankruptcy Plan of Reorganization, including Mentor's Sixth Amended Disclosure Statement, incorporated by reference to Exhibit 4 of our Registration Statement on Form 10, filed with the SEC on November 19, 2014.)
4.2	Description of assumed warrants to purchase shares of Mentor's Common Stock (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.3	Certificate of Designations of Rights, Preferences, Privileges and Restrictions of Series Q Preferred Stock (Incorporated by reference to Exhibit 4.3 to Mentor's Quarterly Report on Form 10-Q for the Period Ended September 30, 2017, filed with the SEC on November 9, 2017)
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	XBRL Exhibits
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Mentor Capital, Inc.
Date: May 14, 2026	By: */s/ Chet Billingsley* Chet Billingsley, Chief Executive Officer
Date: May 14, 2026	By: */s/ Chet Billingsley* Chet Billingsley, Principal Financial Officer

Exhibit 31.1 and 31.2

Quarter ended March 31, 2026
CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Chet Billingsley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mentor Capital, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2026

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
Principal Financial Officer

Exhibit 32.1 and 32.2

Certification of Chief Executive Officer and Principal Financial Officer
Certification Pursuant to 18 U.S.C. Section 1350, as Amended,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Chet Billingsley, Chief Executive Officer and Principal Financial Officer of Mentor Capital, Inc. (the "Company"), hereby certify pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2026, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2 The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2026

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
Principal Financial Officer