

**Quarterly Report for period ending:****December 31, 2010****(in thousands of dollars except for securities and per share amounts)****Financial Highlights**

- The results are based upon the Fair Value and Equity Accounting methods of accounting for its investments.
- **Net Asset Value Per Share** as at December 31, 2010 was **\$4.71 (basic)** as compared to **\$2.53 (basic)** as at December 31, 2009. "NAV Per Share" is a non-GAAP measure defined as total assets less total liabilities divided by total number of common shares outstanding. The term NAV Per Share does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. We believe that the measure provides information useful to our shareholders in understanding our performance; facilitates the comparison of the quarterly and year-end results of our ongoing operations and provides a meaningful measure to evaluate our business relative to that of our peers.
- **Realized gains on disposal of investments** were \$26,888 for the quarter ended December 31, 2010 while **Realized gains on disposal of investments** totaled \$43,091 for the year ended December 31, 2010.
- **Unrealized gains** on our investment portfolio resulting from write-up to market value and by the reversal of prior periods unrealized losses totaled \$265,030 for the quarter ended December 31, 2010. **Unrealized gains** on our investment portfolio totaled \$340,563 for the year ended December 31, 2010.
- **Loss from equity accounted investment** was \$201 for the quarter ended December 31, 2010. **Loss from equity accounted investment** was \$774 for the year ended December 31, 2010.
- **Net investment gains** were \$291,717 for the quarter ended December 31, 2010 while **Net investment gains** totaled \$382,880 for the year ended December 31, 2010.

**Investment Highlights**

- The fair value of the investments held by the Company as at December 31, 2010 increased by 116.5% to \$793,864 from \$366,724 as at December 31, 2009. The cost base of the Company's portfolio was \$690,648 as at December 31, 2010, as compared to \$601,582 as at December 31, 2009. As such, as at December 31, 2010, the fair value of investments exceeded cost by \$103,216 as compared to the cost of investments exceeding fair value by \$234,858 as at December 31, 2009, a 143.9% improvement. The improvement arose primarily from the unrealized gains of \$340,563 recorded during the current year due primarily to an increase in fair value of the Company's investments.
- The total number of investments held by the Company and the allocation of investments by sector remained relatively constant. As at December 31, 2010, 390 out of 428, or 91.1% (2009 – 89.3%), of the investments were in the resources sector. As at December 31, 2010, resource companies represented \$774,629 (97.6%) of the fair value of the investments as compared to \$340,311 (92.8%) as at December 31, 2009.
- As at December 31, 2010, included in total investments were securities of private companies with a fair value totalling \$23,428 (3.0% of total fair value of the Company's investments; cost of \$34,006), as compared to a fair value of \$32,731 as at December 31, 2009 (8.9% of total fair value of the Company's investments; cost of \$41,346). The decrease in fair value was determined in accordance with the Company's accounting policy for private company investments

### Financial Summary

For a complete financial report, visit [www.pinetreecapital.com](http://www.pinetreecapital.com)

All numbers are in thousands, except for per share amounts.

Operating Results	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
Gains/(losses) on disposal of investments, net	\$ 26,888	\$ 9,661	\$ 43,091	\$ (22,426)
Unrealized gains on investments, net	265,030	28,122	340,563	229,344
Gains on disposal of equity accounted investments	-	-	-	370
Losses from equity accounted investments	(201)	(77)	(774)	(116)
Net investment gains	291,717	37,706	382,880	207,172
Net income for the period	228,915	20,294	295,778	157,393
<b>Earnings per common share – basic</b>	<b>1.68</b>	0.15	<b>2.18</b>	1.19
<b>Earnings per common share – diluted</b>	<b>1.65</b>	0.15	<b>2.15</b>	1.18

Consolidated Balance Sheet Highlights	December 31, 2010	December 31, 2009
Investments, at fair value	\$ 793,864	\$ 366,724
Equity accounted investments	899	1,911
Total assets	796,695	383,562
Total liabilities	154,114	40,870
Share capital, warrants and broker warrants and contributed surplus	372,983	368,872
Retained earnings (deficit)	269,598	(26,180)
<b>Net asset value per share – Basic</b>	<b>\$ 4.71</b>	\$ 2.53
<b>Net asset value per share – Diluted</b>	<b>\$ 3.85</b>	\$ 2.05

Investments consist of the following:

Sectors:	2010		2009	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Precious metals	\$ 243,164	\$ 316,667	\$ 177,672	\$ 158,027
Uranium and coal	140,145	171,112	132,812	49,066
Base metals	163,678	148,063	155,576	71,711
Oil & gas	58,890	72,263	52,668	34,404
Potash, lithium and rare earths	37,324	66,524	30,236	27,103
Technology and other	47,447	19,235	52,618	26,413
<b>Total investments</b>	<b>\$ 690,648</b>	<b>\$ 793,864</b>	<b>\$ 601,582</b>	<b>\$ 366,724</b>

**Pinetree's common shares trade on the Toronto Stock Exchange (TSX)  
under the symbol "PNP".**

Outstanding Shares (TSX: "PNP") (as at December 31, 2010)	<b>136,375,673 common shares</b>
52 week trading range (ending December 31, 2010)	<b>\$1.05 - \$4.14 (closing price)</b>
Outstanding Warrants (TSX: "PNP.WT")	<b>5,000,000 warrants Exercisable at \$15.00 per share expiring April 16, 2012</b>
Outstanding Warrants (TSX: "PNP.WT.A")	<b>6,875,000 warrants Exercisable at \$6.50 per share expiring October 23, 2012</b>
Outstanding Warrants (TSX: "PNP.WT.B") Fiscal Year End	<b>8,638,650 warrants Exercisable at \$3.50 per share expiring July 11, 2013 December</b>
Financial Information	<b>For detailed financial information, visit <a href="http://www.pinetreecapital.com/financial.asp">www.pinetreecapital.com/financial.asp</a></b>
Auditors	<b>Ernst &amp; Young, LLP, Toronto, Canada</b>
Registrar and Transfer Agent	<b>Equity Transfer &amp; Trust Company, Toronto, Canada</b>
Investor Relations	<b>Richard Patricio Vice President, Legal and Corporate Affairs email: <a href="mailto:ir@pinetreecapital.com">ir@pinetreecapital.com</a></b>
Head Office	<b>The Exchange Tower Suite 2500, 130 King Street West Toronto, Canada M5X 1A9 Telephone: 416.941.9600 Facsimile: 416.941.1090 E-mail: <a href="mailto:info@pinetreecapital.com">info@pinetreecapital.com</a> Website: <a href="http://www.pinetreecapital.com">www.pinetreecapital.com</a></b>
<b>Board of Directors</b>	
Marshall Auerback	<b>Independent Businessman, London, United Kingdom</b>
Andrew Fleming	<b>Senior Partner, Ogilvy Renault, LLP, Toronto, Canada</b>
Gerry Goldberg, CA	<b>Senior Partner, Schwartz Levitsky Feldman, LLP, Toronto, Canada</b>
Peter Harder	<b>Senior Policy Advisor, Fraser Milner, Casgrain, LLP, Toronto, Canada</b>
Sheldon Inwentash, C.A.	<b>Chief Executive Officer, Pinetree Capital Ltd., Toronto, Canada</b>
Bruno Maruzzo, M.B.A, M.A.Sc, PEO	<b>Principal, Technoventure Inc., Toronto, Canada</b>
Paul Parisotto	<b>President, Coniston Investment Corp., Toronto, Canada</b>
Ronald Perry, C.A.	<b>Principal, Briolijor Corporation, Montreal, Canada</b>