

**Quarterly Report for period ending:
June 30, 2003****Financial Highlights**

- The results are based upon the Fair Value method of accounting for its investments.
- Realized Losses on disposal of investments for the second quarter of 2003 were \$770,634 while Realized Losses on disposal of investments for the first six months of the year totaled \$813,491.
- Unrealized Gains on our investment portfolio resulting from write-ups to market value totaled \$2,305,707 for Q2. Unrealized Gains on our investments from write-ups to market value totaled \$1,665,231 for the six months ended June 30, 2003.
- Reversal of previously recognized unrealized losses on disposal of investments were \$853,296 for Q2. For the first six months of the year, reversal of previously recognized unrealized gains totaled \$970,765.
- Net Investment Gains for the second quarter of fiscal 2003 were \$2,388,369 while Net Investment Gains for the first six months of the year totaled \$1,822,505.
- Net Income for the second quarter of fiscal 2003 was \$2,456,790 or \$0.27 per share (basic and diluted). Net Income for the six months ended June 30, 2003 totaled \$1,979,742 or \$0.22 per share (basic and diluted)
- Net Asset Value Per Share as at June 30, 2003 was \$1.29 per share (basic) and \$1.15 (diluted).

Investment Highlights

- During the first quarter of 2003, the Company disposed of its remaining holdings of Lumenon Innovative Lightwave Technology, Inc. for proceeds of \$80,093 and a net realized loss of \$488,119. The Company also sold a small portion of its holdings of Enghouse Systems Limited for a net gain of approximately \$380,000.
- At June 30, 2003, the Company maintained investments in 23 companies in which it either owns more than 5% of the company, or it has invested more than \$200,000 in the company, or the investment's fair value is more than \$200,000. These are outlined in detail in notes to the Company's unaudited financial statements for the period ending June 30, 2003. The Company's investment portfolio is comprised of a diversified mix of technology sectors including telecommunications and fibre optics, application and platform software, biomedical, and alternative energy. Many of these, both private and public, are in the early stages of commercialization.

Financial Summary

For a complete financial report, visit www.pinetreecapital.com

Operating Results (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
Realized gains (losses) on disposal of investments, net	\$ (770,634)	\$ (945,263)	\$ (813,491)	\$ 1,842,506
Reversal of previously recognized unrealized losses (gains), net	853,296	86,528	970,765	(2,438,773)
Unrealized gains (losses) on investments, net	2,305,707	(2,856,465)	1,665,231	(4,187,739)
Net income (loss) after taxes	2,456,790	(4,012,817)	1,979,742	(5,432,516)
Earnings (loss) per common share – basic and diluted	0.27	(0.43)	0.22	(0.58)

Balance Sheet Highlights	June 30, 2003 (unaudited)	December 31, 2002 (audited)
Investments, at fair value	\$ 18,401,722	\$ 18,206,529
Cash and cash equivalents (bank indebtedness)	(9,584)	236,106
Total assets	18,853,457	18,917,019
Total liabilities	7,375,076	9,247,371
Share capital	18,273,780	18,444,789
Deficit	6,795,399	8,775,141
Net asset value per share – Basic	1.29	1.05
Net asset value per share – Diluted	1.15	0.94

Investments consist of the following:	June 30, 2003 (unaudited)	December 31, 2002 (audited)
Marketable securities available for sale*	\$ 11,472,845	\$ 11,665,995
Other public investments	3,273,905	2,503,860
Private investments	3,654,972	4,036,674
Total investments, at fair value	\$ 18,401,722	\$ 18,206,529

*Marketable Securities Available For Sale are investments which we can sell without any restrictions.

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

Outstanding Shares	8,914,169 common shares
52 week trading range (ending Jun 30, 2003)	\$0.25 - \$1.00
Fiscal Year End	December
Financial Information	For detailed financial information, visit <u>Investor Relations: Financial Information</u> at www.pinetreecapital.com or www.sedar.com
Auditors	Ernst & Young, LLP, Toronto, Ontario, Canada
Legal Counsel	Aird & Berlis, Toronto, Ontario, Canada
Registrar and Transfer Agent	Equity Transfer Services Inc., Toronto, Canada
Investor Relations	Larry Goldberg, C.A. Executive Vice President & Chief Financial Officer email: ir@pinetreecapital.com
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Board of Directors	
Sheldon Inwentash, C.A.	Chief Executive Officer, Pinetree Capital Corp., Toronto, Canada
Steven Saviuk, C.A.	Chief Executive Officer, Manitex Capital Inc., Montreal, Canada
Ronald Perry, C.A.	Principal, Briolijor Corporation, Montreal, Canada
Bruno Maruzzo, M.B.A, M.A.Sc, PEO	Prinicpal, Technoventure Inc. Toronto, Canada