

**Quarterly Report for period ending:
June 30, 2006**

Financial Highlights

- On July 19, 2006, the Company had a two-for-one stock split of its common shares affected by way of a stock dividend. ALL FIGURES AND COMPARATIVES FIGURES AND REFERENCES TO THE PRIOR PERIODS REFLECT THE STOCK SPLIT.
- **Net Asset Value Per Share** as at June 30, 2006 was **\$5.42 (basic)** as compared to **\$3.73 (basic)** as at December 31, 2005.
- The results are based upon the Fair Value method of accounting for its investments.
- **Realized gains on disposal of investments** for the second quarter of 2006 were \$19,268,822 while **Realized gains on disposal of investments** for the first six months of the year totaled \$39,158,997.
- **Unrealized losses** on our investment portfolio resulting from write-downs to market value and reversal of prior periods unrealized gains totaled \$37,371,253 for Q2. **Unrealized gains** on our investments portfolio totaled \$41,236,625 for the six months ended June 30, 2006.
- **Net investment losses** for the second quarter of fiscal 2006 were \$18,102,431 while **Net investment gains** for the first six months of the year totaled \$80,395,622.
- **Net loss** for the second quarter of fiscal 2006 was \$18,324,172 or \$0.45 per share (basic) while **Net income** for the first half of the year was \$48,029,188 or \$1.34 per share (basic).

Investment Highlights

- As at June 30, 2006, the Company held investments with a Fair Market Value of \$314,690,028 as compared to \$176,142,271 at the end of last year, a 78.7% increase. As at June 30, 2006, \$262,088,965 of the investments (December 31, 2005 – \$122,575,784) were in resource companies.
- The fair value of the Company's portfolio increased to \$314,690,028 from \$176,142,271 as at December 31, 2005. The cost base of the Company's portfolio was \$204,785,937 as at June 30, 2006 as compared to \$107,615,176 as at December 31, 2005. As such, the excess of fair value over cost stood at \$109,904,091 as at June 30, 2006 versus an excess of \$68,527,095 as at December 31, 2005, an increase of 60.4%.

Financial Summary

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

Operating Results (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2006	2005	2006	2005
Gains on disposal of investments, net	\$ 19,268,822	\$ 2,261,188	\$ 39,158,997	\$ 7,296,859
Unrealized gains (losses) on investments, net	(37,371,253)	(2,238,392)	41,236,625	(3,528,135)
Net investment gains (losses)	(18,102,431)	22,796	80,395,622	3,768,724
Net income (loss) for the period	(18,324,172)	420,006	48,029,188	2,808,432
Earnings (loss) per common share - basic	(0.45)	0.02	1.34	0.10
Earnings (loss) per common share - diluted	(0.45)	0.01	1.22	0.10

Balance Sheet Highlights (unaudited)	June 30, 2006	December 31, 2005
Investments, at fair value	\$ 314,690,028	\$ 176,142,271
Investments, at cost	204,785,937	107,615,176
Cash and cash equivalents (bank indebtedness)	340,487	(2,317,947)
Total assets	315,170,188	176,337,752
Total liabilities	84,372,038	65,552,286
Share capital and contributed surplus	99,324,946	27,341,450
Retained earnings	131,473,204	83,444,016
Net asset value per share – Basic	5.42	3.73
Net asset value per share – Diluted	4.98	3.42

Investments consist of the following:

Sectors:	June 30, 2006		December 31, 2005	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Uranium/coal	\$ 45,936,610	\$ 66,923,381	\$ 19,036,306	\$ 28,936,824
Oil & gas	47,301,538	69,321,637	22,029,954	40,169,596
Precious metals	70,345,120	115,207,876	28,638,580	38,238,604
Base metals	12,029,252	10,636,071	11,418,937	15,230,760
Biotechnology	8,372,083	7,006,536	6,974,403	5,937,810
Energy related technology	7,018,555	19,682,663	4,958,623	19,372,657
Technology and other	13,782,779	25,911,864	14,558,373	28,256,020
Total investments	\$ 204,785,937	\$ 314,690,028	\$ 107,615,176	\$ 176,142,271

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

Outstanding Shares (as at June 30, 2006) **42,640,496 common shares (reflects two-for-one stock split on July 19, 2006)**
52 week trading range (ending June 30, 2006) **\$1.105 - \$10.40**

Fiscal Year End **December**

Financial Information **For detailed financial information, visit
www.pinetreecapital.com/financial.asp**

Auditors **Ernst & Young, LLP, Toronto, Canada**

Legal Counsel **Goodman & Carr, LLP, Toronto, 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**

Head Office **The Exchange Tower
130 King Street West
Suite 2810, P.O. Box 47
Toronto, Canada M5X 1A9
Telephone: 416.941.9600 Facsimile: 416.941.1090
E-mail: info@pinetreecapital.com
Website: www.pinetreecapital.com**

Board of Directors

Sheldon Inwentash, C.A. **Chief Executive Officer, Pinetree Capital Ltd., 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**
Dr Joseph Greenberg **Physician (private practice), Toronto, Canada**
Dr. Kent Moore **Associate Professor, Department of Physics, University of Toronto, Toronto, Canada**