

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

Financial Highlights

- On July 31, 2006, the Company effected a two-for-one stock split and paid a stock dividend of one common share for every share owned at the close of business on July 19, 2006.
ALL FIGURES AND COMPARATIVE FIGURES AND REFERENCES TO PRIOR PERIODS REFLECT THE STOCK SPLIT.
- **Net Asset Value Per Share** as at September 30, 2006 was **\$6.27 (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 third quarter of 2006 were \$14,762,245 while **Realized gains on disposal of investments** for the first nine months of the year totaled \$53,921,242.
- **Unrealized gains** on our investment portfolio resulting from write-ups to market value and reversal of prior periods unrealized gains totaled \$39,626,943 for Q2. **Unrealized gains** on our investments portfolio totaled \$80,863,568 for the nine months ended September 30, 2006.
- **Net investment gains** for the third quarter of fiscal 2006 were \$54,389,188 while **Net investment gains** for the first nine months of the year totaled \$134,784,810.
- **Net income** for the third quarter of fiscal 2006 was \$37,390,818 or \$0.87 per share (basic) while **Net income** for the first nine months of the year was \$85,420,006 or \$2.23 per share (basic).

Investment Highlights

- As at September 30, 2006, the Company held investments with a Fair Market Value of \$420,663,034 as compared to \$176,142,271 at the end of last year, a 138.8% increase. As at September 30, 2006, \$351,413,957 of the investments (December 31, 2005 – \$122,575,784) were in resource companies.
- The fair value of the Company's portfolio increased to \$420,663,034 from \$176,142,271 as at December 31, 2005. The cost base of the Company's portfolio was \$271,132,000 as at September 30, 2006 as compared to \$107,615,176 as at December 31, 2005. As such, the excess of fair value over cost stood at \$149,531,034 as at September 30, 2006 versus an excess of \$68,527,095 as at December 31, 2005, an increase of 118.2%.

Financial Summary

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

Operating Results (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
Gains on disposal of investments, net	\$ 14,762,245	\$ 3,843,609	\$ 53,921,242	\$ 11,140,468
Unrealized gains on investments, net	39,626,943	25,341,528	80,863,568	21,813,393
Net investment gains	54,389,188	29,185,137	134,784,810	32,953,861
Net income for the period	37,390,818	22,802,285	85,420,006	25,610,717
Earnings per common share – basic	0.87	0.82	2.23	0.92
Earnings per common share - diluted	0.82	0.75	2.11	0.87

Balance Sheet Highlights (unaudited)	September 30, 2006	December 31, 2005
Investments, at fair value	\$ 420,663,034	\$ 176,142,271
Investments, at cost	271,132,000	107,615,176
Cash and cash equivalents (bank indebtedness)	137,351	(2,317,947)
Total assets	421,576,577	176,337,752
Total liabilities	151,421,326	65,552,286
Share capital and contributed surplus	101,291,229	27,341,450
Retained earnings	168,864,022	83,444,016
Net asset value per share – Basic	6.27	3.73
Net asset value per share – Diluted	5.82	3.42

Investments consist of the following:

Sectors:	September 30, 2006		December 31, 2005	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Uranium	\$ 70,750,916	\$ 92,252,000	\$ 19,036,306	\$ 28,936,824
Oil & gas	57,939,297	80,321,549	22,029,954	40,169,596
Precious metals	87,541,820	154,537,824	28,638,580	38,238,604
Base metals	22,593,732	24,302,584	11,418,937	15,230,760
Biotechnology	8,692,406	5,956,585	6,974,403	5,937,810
Energy related technology	6,589,264	25,395,722	4,958,623	19,372,657
Technology and other	17,024,565	37,896,770	14,558,373	28,256,020
Total investments	\$ 271,132,000	\$ 420,663,034	\$ 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 Sept 30, 2006) **43,060,638 common shares (reflects two-for-one stock split on July 19, 2006)**
52 week trading range (ending Sept 30, 2006) **\$1.10 - \$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**

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