

Quarterly Report for period ending:**June 30, 2007****(in thousands of dollars except for share and per share amounts)****Financial Highlights**

- 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. The Company effected another two-for-one stock split and paid a stock dividend of one common share for every share owned at the close of business on April 5, 2007.

ALL FIGURES AND COMPARATIVE FIGURES AND REFERENCES TO PRIOR PERIODS REFLECT THE STOCK SPLIT.

- **Net Asset Value Per Share** as at June 30, 2007 was **\$4.97 (basic)** as compared to **\$4.24 (basic)** as at December 31, 2006. "NAV per share" is a non-GAAP measure defined as shareholders' equity 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.
- 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 2007 were \$76,768 while **Realized gains on disposal of investments** for the first six months of the year totaled \$173,531.
- **Unrealized losses** on our investment portfolio resulting from write-downs to market value and reversal of prior periods unrealized gains totaled \$127,914 for Q2. **Unrealized losses** on our investment portfolio totaled \$137,300 for the six months ended June 30, 2007.
- **Net investment losses** for the second quarter of fiscal 2007 were \$51,146 while **Net investment gains** for the first six months of the year totaled \$36,231.
- **Net loss** for the second quarter of fiscal 2007 was \$44,266 or \$0.47 per share (basic) while **Net income** for the first half of the year was \$2,914 or \$0.03 per share (basic).

Investment Highlights

- As at June 30, 2007, the Company held investments with a fair value of \$809,031 as compared to \$552,377 at the end of last year, a 46.5% increase. The cost base of the Company's portfolio was \$684,003 as at June 30, 2007 as compared to \$290,069 as at December 31, 2006. As such, the excess of fair value over cost stood at \$125,028 as at June 30, 2007 versus an excess of \$262,308 as at December 31, 2006, a decrease of 52.3%. The decrease arose from the large amount of gains realized in the first six months of the year (\$173,531) and the unrealized losses recorded in the same period (\$137,300). As we realize profit on our investments, we generally allocate our cash assets toward new investments. Because of the relatively limited amount of time that new investments acquired during the six-month period ended June 30, 2007 were held in our portfolio, the excess of the fair value of these investments over cost is less than the excess of fair market value over cost of our older investments.
- The Company continues to focus on acquisitions of investments in the resource sector. As at June 30, 2007, 447 out of 509, or 87.8%, of the investments were in the resource sector. During the quarter, the Company increased its net number of resource company investments by 105. As at June 30, 2007, \$721,019 (89.1%) of the investments were in resource companies as compared to \$617,806 (88.5%) as at March 31, 2007 and \$479,699 (86.8%) as at December 31, 2006.

Financial Summary

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

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

Operating Results (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
Gains on disposal of investments, net	\$ 76,768	\$ 19,269	\$ 173,531	\$ 39,159
Unrealized gains (losses) on investments, net	(127,914)	(37,371)	(137,300)	41,237
Net investment gains (losses)	(51,146)	(18,102)	36,231	80,396
Net income (loss) for the period	(44,266)	(18,324)	2,914	48,029
Earnings (loss) per common share - basic	(0.47)	(0.22)	0.03	0.67
Earnings (loss) per common share - diluted	(0.47)	(0.22)	0.03	0.63

Balance Sheet Highlights (unaudited)	June 30, 2007	December 31, 2006
Investments, at fair value	\$ 809,031	\$ 552,377
Total assets	810,069	553,828
Total liabilities	315,236	185,998
Share capital and contributed surplus	227,839	103,750
Retained earnings	266,994	264,080
Net asset value per share – Basic	4.97	4.24
Net asset value per share – Diluted	4.58	3.97

Investments consist of the following:

Sectors:	June 30, 2007		December 31, 2006	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Precious metals	\$ 238,484	\$ 281,610	\$ 94,392	\$ 179,076
Uranium	181,919	211,118	82,163	187,881
Base metals	88,792	108,274	23,804	34,894
Oil & gas	69,367	77,413	52,036	77,848
Molybdenum	42,809	42,604	—	—
Biotechnology	18,798	18,554	11,100	10,958
Energy related technology	8,634	10,443	6,438	20,284
Technology and other	35,200	59,015	20,136	41,436
Total investments	\$ 684,003	\$ 809,031	\$ 290,069	\$ 552,377

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

Outstanding Shares (as at June 30, 2007) **99,614,148 common shares (reflects two-for-one stock split on July 19, 2006 and a two-for-one stock split on April 5, 2007)**
52 week trading range (ending June 30, 2007) **\$3.67 - \$15.15**

Fiscal Year End **December**
Financial Information **For detailed financial information, visit www.pinetreecapital.com/financial.asp**
Auditors **Ernst & Young, LLP, Toronto, Canada**
Legal Counsel **Cassels Brock & Blackwell, LLP**
Registrar and Transfer Agent **Equity Transfer & Trust Company, Toronto, Canada**
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Board of Directors

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