

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

- The Company effected a two-for-one stock split by way of 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 September 30, 2007 was **\$4.05 (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 losses on disposal of investments** for the third quarter of 2007 were \$2,998 while **Realized gains on disposal of investments** for the nine months ended September 30, 2007 totaled \$170,533.
- **Unrealized losses** on our investment portfolio resulting from write-downs to market value and reversal of prior periods unrealized gains totaled \$137,154 for Q3. **Unrealized losses** on our investment portfolio totaled \$274,454 for the nine months ended September 30, 2007.
- **Net investment losses** for the third quarter of fiscal 2007 were \$140,152 while **Net investment losses** for the nine months ended September 30, 2007 totaled \$103,921.
- **Net loss** for the third quarter of fiscal 2007 was \$92,305 or \$0.93 per share (basic) while **Net loss** for the nine months ended September 30, 2007 was \$89,391 or \$0.96 per share (basic).

Investment Highlights

- As at September 30, 2007, the Company held investments with a fair value of \$529,631 as compared to \$552,377 at the end of last year, a 4.1% decrease. The cost base of the Company's portfolio was \$541,811 as at September 30, 2007 as compared to \$290,069 as at December 31, 2006. As such, the cost exceeded fair value by \$12,180 as at September 30, 2007 versus an excess of fair value over cost of \$262,308 as at December 31, 2006, a decrease of 104.6%. The decrease arose from significant gains realized in the first nine months of the year (\$170,533) along with the unrealized losses recorded in the same period (\$274,454). The large unrealized losses in the nine-month period were primarily a result of the overall correction in global stock markets during the latter portion of the current period and the decrease in the value of the U.S. and Australian dollars versus the Canadian dollar during the period, which reduced the Canadian dollar value of the Company's U.S. and Australian dollar investments (the Company reports in Canadian dollars).
- The Company continues to focus on acquisitions of investments in the resource sector. As at September 30, 2007, 408 out of 467, or 87.4%, of the investments were in the resource sector. During the quarter, the Company decreased its net number of resource company investments by 39. As at September 30, 2007, \$463,717 (87.6%) of the fair value of the investments were in resource companies as compared to \$721,019 (89.1%) as at June 30, 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 September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Gains (losses) on disposal of investments, net	\$ (2,998)	\$ 14,762	\$ 170,533	\$ 53,921
Unrealized gains (losses) on investments, net	(137,154)	39,627	(274,454)	80,864
Net investment gains (losses)	(140,152)	54,389	(103,921)	134,785
Net income (loss) for the period	(92,305)	37,391	(89,391)	85,420
Earnings (loss) per common share - basic	(0.93)	0.44	(0.96)	1.11
Earnings (loss) per common share - diluted	(0.93)	0.41	(0.96)	1.05

Balance Sheet Highlights (unaudited)	September 30, 2007	December 31, 2006
Investments, at fair value	\$ 529,631	\$ 552,377
Total assets	530,610	553,828
Total liabilities	126,344	185,998
Share capital, warrants/broker warrants and contributed surplus	229,577	103,750
Retained earnings	174,689	264,080
Net asset value per share – Basic	4.05	4.24
Net asset value per share – Diluted	3.65	3.97

Investments consist of the following:

Sectors:	September 30, 2007		December 31, 2006	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Precious metals	\$ 181,176	\$ 193,943	\$ 94,392	\$ 179,076
Uranium	152,120	131,674	82,163	187,881
Base metals	76,005	69,825	23,804	34,894
Oil & gas	42,908	43,495	52,036	77,848
Molybdenum	33,054	24,780	—	—
Biotechnology	13,957	11,452	11,100	10,958
Energy related technology	8,665	8,445	6,438	20,284
Technology and other	33,926	46,017	20,136	41,436
Total investments	\$ 541,811	\$ 529,631	\$ 290,069	\$ 552,377

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

Outstanding Shares (as at Sept 30, 2007) **99,715,232 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 Sept 30, 2007) **\$3.93 - \$15.15 (closing price)**

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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