

**Quarterly Report for period ending:****September 30, 2008****(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.

- The results are based upon the Fair Value and Equity Accounted methods of accounting for its investments.
- **Net Asset Value Per Share** as at September 30, 2008 was **\$2.02 (basic)** as compared to **\$3.79 (basic)** as at June 30, 2008 and **\$4.20 (basic)** as at December 31, 2007. "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.
- **Realized gains on disposal of investments** for the third quarter of 2008 were \$5,194 while **Realized losses on disposal of investments** for the nine months ended September 30, 2008 totaled \$1,585.
- **Unrealized losses** on our investment portfolio resulting from write-down to market value and reversal of prior periods unrealized gains totaled \$257,634 for Q3. **Unrealized losses** on our investment portfolio totaled \$318,829 for the nine months ended September 30, 2008.
- **Loss from equity accounted investment** was \$3,769 for the quarter ended September 30, 2008. **Loss from equity accounted investment** was \$3,987 for the nine months ended September 30, 2008.
- **Net investment losses** for the third quarter of fiscal 2008 were \$256,209 while **Net investment losses** for the nine months ended September 30, 2008 totaled \$324,401.
- **Net loss** for the third quarter of fiscal 2008 was \$210,853 or \$1.63 per share (basic) while **Net loss** for the nine months ended September 30, 2008 was \$262,484 or \$2.21 per share (basic).

**Investment Highlights**

- As at September 30, 2008, the fair value of the Company's investments decreased by 60.5% to \$233,987 as compared to \$592,039 at the end of last year. The cost base of the Company's portfolio was \$600,771 as at September 30, 2008 as compared to \$639,960 as at December 31, 2007. As such, the cost of investments exceeded fair value by \$366,784 as at September 30, 2008 versus \$47,921 as at December 31, 2007. The increase arose primarily from the unrealized losses of \$318,829 in the nine months ended September 30, 2008 due to an overall decline of the closing bid prices of the Company's investments. Although the Company's investment strategy has not changed and its long term strategy remains intact, the Company believes that it will continue to see volatility and downward pressure on stock prices in the near term.
- Although the total number of investments held by the Company has decreased, the Company continues to focus on investments in the resource sector. As at September 30, 2008, 371 out of 427, or 86.9%, of the investments were in the resource sector. As at September 30, 2008, \$206,630 (88.3%) of the fair value of the investments was in resource companies as compared to \$544,838 (92.0%) as at December 31, 2007.

### Financial Summary

For a complete financial report, visit [www.pinetreecapital.com](http://www.pinetreecapital.com)

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

| Operating Results (Unaudited)                  | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |               |
|--|-------------------------------------|---------------|------------------------------------|---------------|
|  | 2008                                | 2007          | 2008                               | 2007          |
| Gains (losses) on disposal of investments, net | \$ 5,194                            | \$ (2,998)    | \$ (1,585)                         | \$ 170,533    |
| Unrealized losses on investments, net          | (257,634)                           | (128,819)     | (318,829)                          | (267,234)     |
| Income (loss) from equity accounted investment | (3,769)                             | (410)         | (3,987)                            | 705           |
| Net investment losses                          | (256,209)                           | (132,227)     | (324,401)                          | (95,996)      |
| Net loss for the period                        | (210,853)                           | (92,305)      | (262,484)                          | (89,391)      |
| <b>Loss per common share – basic</b>           | <b>(1.63)</b>                       | <b>(0.93)</b> | <b>(2.21)</b>                      | <b>(0.96)</b> |
| <b>Loss per common share - diluted</b>         | <b>(1.63)</b>                       | <b>(0.93)</b> | <b>(2.21)</b>                      | <b>(0.96)</b> |

| Consolidated Balance Sheet Highlights (unaudited)                      | September 30, 2008 | December 31, 2007 |
|--|--------------------|-------------------|
| Investments, at fair value   | \$ 233,987         | \$ 592,039        |
| Equity accounted investment  | 5,814              | 19,555            |
| Total assets   | 289,741            | 620,179           |
| Total liabilities  | 24,190             | 143,252           |
| Share capital, warrants and broker warrants and<br>contributed surplus | 355,560            | 304,452           |
| Retained earnings (deficit)  | (90,009)           | 172,475           |
| <b>Net asset value per share – Basic</b>                               | <b>\$ 2.02</b>     | <b>\$ 4.20</b>    |
| <b>Net asset value per share – Diluted</b>                             | <b>\$ 1.66</b>     | <b>\$ 3.61</b>    |

Investments consist of the following:

| Sectors:                  | September 30, 2008 |                   | December 31, 2007 |                   |
|---------------------------|--------------------|-------------------|-------------------|-------------------|
|                           | Cost               | Fair Value        | Cost              | Fair Value        |
| Resources:                |                    |                   |                   |                   |
| Precious metals           | \$ 185,718         | \$ 75,716         | \$ 236,272        | \$ 240,479        |
| Uranium                   | 146,243            | 44,276            | 166,662           | 118,384           |
| Base metals               | 122,212            | 44,069            | 84,923            | 72,874            |
| Oil & gas                 | 40,350             | 18,988            | 50,315            | 45,543            |
| Molybdenum                | 35,198             | 18,171            | 40,652            | 50,506            |
| Potash and rare earths    | 9,910              | 5,410             | 5,954             | 17,052            |
| Technology and other      | 31,883             | 15,394            | 29,701            | 23,805            |
| Biotechnology             | 13,547             | 7,416             | 13,838            | 11,400            |
| Energy related technology | 15,710             | 4,547             | 11,643            | 11,996            |
| <b>Total investments</b>  | <b>\$ 600,771</b>  | <b>\$ 233,987</b> | <b>\$ 639,960</b> | <b>\$ 592,039</b> |

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

|  |   |
|--|---|
| Outstanding Shares (TSX:<br>"PNP")<br>(as at September 30, 2008) | <b>131,313,988 common shares (reflects two-for-one stock split on April 5, 2007)</b>  |
| 52 week trading range<br>(ending September 30,<br>2008)          | <b>\$1.06 - \$6.85 (closing price)</b>  |
| Outstanding Warrants<br>(TSX: "PNP.WT")                          | <b>5,000,000 warrants<br/>Exercisable at \$15.00 per share expiring April 16, 2012</b>  |
| Outstanding Warrants<br>(TSX: "PNP.WT.A")                        | <b>6,875,000 warrants<br/>Exercisable at \$6.50 per share expiring October 23, 2012</b>   |
| Outstanding Warrants<br>(TSX: "PNP.WT.B")                        | <b>8,638,650 warrants<br/>Exercisable at \$3.50 per share expiring July 11, 2013</b>  |
| Fiscal Year End  | <b>December</b>   |
| Financial Information  | <b>For detailed financial information, visit<br/><a href="http://www.pinetreecapital.com/financial.asp">www.pinetreecapital.com/financial.asp</a></b>   |
| Auditors   | <b>Ernst &amp; Young, LLP, Toronto, Canada</b>  |
| Legal Counsel  | <b>Cassels Brock &amp; Blackwell, LLP</b>   |
| Registrar and Transfer<br>Agent                                  | <b>Equity Transfer &amp; Trust Company, Toronto, Canada</b>   |
| Investor Relations   | <b>Larry Goldberg, C.A.<br/>Executive Vice President &amp; Chief Financial Officer<br/>email: <a href="mailto:ir@pinetreecapital.com">ir@pinetreecapital.com</a></b>  |
| Head Office  | <b>The Exchange Tower<br/>Suite 2500, 130 King Street West<br/>Toronto, Canada M5X 1A9<br/>Telephone: 416.941.9600 Facsimile: 416.941.1090<br/>E-mail: <a href="mailto:info@pinetreecapital.com">info@pinetreecapital.com</a><br/>Website: <a href="http://www.pinetreecapital.com">www.pinetreecapital.com</a></b> |
| <b>Board of Directors</b>  |   |
| Marshall Auerback  | <b>Independent Businessman, London, United Kingdom</b>  |
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| Ronald Perry, C.A.   | <b>Principal, Briolijor Corporation, Montreal, Canada</b>   |