

Quarterly Report for period ending:**September 30, 2010****(in thousands of dollars except for securities and per share amounts)****Financial Highlights**

- The results are based upon the Fair Value and Equity Accounting methods of accounting for its investments.
- **Net Asset Value Per Share** as at September 30, 2010 was **\$3.04 (basic)** as compared to **\$2.53 (basic)** as at December 31, 2009. "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** were \$5,157 for the quarter ended September 30, 2010 while **Realized gains on disposal of investments** totaled \$16,203 for the nine months ended September 30, 2010.
- **Unrealized gains** on our investment portfolio resulting from write-up to market value offset by the reversal of prior periods unrealized gains totaled \$136,949 for the quarter ended September 30, 2010. **Unrealized gains** on our investment portfolio totaled \$75,533 for the nine months ended September 30, 2010.
- **Loss from equity accounted investment** was \$213 for the quarter ended September 30, 2010. **Loss from equity accounted investment** was \$573 for the nine months ended September 30, 2010.
- **Net investment gains** were \$141,893 for the quarter ended September 30, 2010 while **Net investment gains** totaled \$91,163 for the nine months ended September 30, 2010.

Investment Highlights

- The fair value of the investments held by the Company as at September 30, 2010 increased by 27.4% to \$467,367 as compared to \$366,724 at the end of last year. The cost base of the Company's portfolio was \$626,880 as at September 30, 2010, as compared to \$601,582 as at December 31, 2009. As such, the cost of investments exceeded fair value by \$159,513 as at September 30, 2010 versus \$234,858 as at December 31, 2009, a 32.1% decrease. The decrease in the excess of cost over fair value arose primarily from the unrealized gains of \$136,949 recorded during the third quarter due to an increase in fair value of the Company's investments offset by the reversals of previously recognized unrealized gains.
- The total number of investments held by the Company and the allocation of investments by sector remained relatively constant from December 31, 2009. As at September 30, 2010, 378 out of 420, or 90.0% (December 31, 2009 – 89.3%), of the investments were in the resources sector. As at September 30, 2010, resource companies represented \$446,947 (95.6%) of the fair value of the investments as compared to \$340,311 (92.8%) as at December 31, 2009.
- As at September 30, 2010, included in total investments were securities of private companies with a fair value totalling \$30,029 (6.4% of total fair value of the Company's investments; cost of \$35,116), as compared to a fair value of \$32,731 as at December 31, 2009 (8.9% of total fair value of the Company's investments; cost of \$41,346). The decrease in fair value was determined in accordance with the Company's accounting policy for private company investments.

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,	
	2010	2009	2010	2009
Gains/(losses) on disposal of investments, net	\$ 5,157	\$ (5,405)	\$ 16,203	\$ (32,087)
Unrealized gains on investments, net	136,949	74,210	75,533	201,222
Gain on disposal of equity accounted investment	-	370	-	370
Gains/(losses) from equity accounted investments	(213)	295	(573)	(39)
Net investment gains	141,893	69,470	91,163	169,466
Net income for the period	114,181	63,847	66,863	137,099
Earnings per common share – basic	0.84	0.48	0.49	1.04
Earnings per common share – diluted	0.84	0.48	0.49	1.04

Consolidated Balance Sheet Highlights	September 30, 2010	December 31, 2009
Investments, at fair value	\$ 467,367	\$ 366,724
Equity accounted investments	1,179	1,911
Total assets	469,965	383,562
Total liabilities	57,887	40,870
Share capital, warrants and broker warrants and contributed surplus	371,395	368,872
Retained earnings (deficit)	40,683	(26,180)
NAV per share – Basic	\$ 3.04	\$ 2.53
NAV per share – Diluted	\$ 2.46	\$ 2.05

Investments consist of the following:

Sectors:	September 30, 2010		December 31, 2009	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Precious metals	\$ 206,527	\$ 203,863	\$ 177,672	\$ 158,027
Uranium and coal	135,837	84,313	132,812	49,066
Base metals	151,056	82,272	155,576	71,711
Oil & gas	54,741	46,078	52,668	34,404
Potash, lithium and rare earths	30,574	30,421	30,236	27,103
Technology and other	48,145	20,420	52,618	26,413
Total investments	\$ 626,880	\$ 467,367	\$ 601,582	\$ 366,724

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

Outstanding Shares (TSX: "PNP") (as at September 30, 2010)	135,709,653 common shares
52 week trading range (ending September 30, 2010)	\$1.05 - \$2.32 (closing price)
Outstanding Warrants (TSX: "PNP.WT")	5,000,000 warrants Exercisable at \$15.00 per share expiring April 16, 2012
Outstanding Warrants (TSX: "PNP.WT.A")	6,875,000 warrants Exercisable at \$6.50 per share expiring October 23, 2012
Outstanding Warrants (TSX: "PNP.WT.B")	8,638,650 warrants Exercisable at \$3.50 per share expiring July 11, 2013
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
Investor Relations	Richard Patricio Vice President, Legal and Corporate Affairs email: ir@pinetreecapital.com
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Board of Directors	
Marshall Auerback	Independent Businessman, London, United Kingdom
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Gerry Goldberg, CA	Senior Partner, Schwartz Levitsky Feldman, LLP, Toronto, Canada
Peter Harder	Senior Policy Advisor, Fraser Milner, Casgrain, LLP, Toronto, Canada
Sheldon Inwentash, C.A.	Chief Executive Officer, Pinetree Capital Ltd., Toronto, Canada
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