

Quarterly Report for period ending:**September 30, 2011****(in thousands of dollars except for securities and per share amounts)****Financial Highlights**

- The current results and comparatives are based upon the accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). All comparative information has been adjusted from previously reported consolidated financial statements under Canadian Generally Accepted Accounting Principles.
- **Net Asset Value Per Share** as at September 30, 2011 was **\$2.64 (basic)** as compared to **\$4.74 (basic)** as at December 31, 2010. “NAV Per Share” is a non-IFRS measure defined as total assets less total liabilities divided by total number of common shares outstanding. The term NAV Per Share does not have any standardized meaning according to IFRS 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.
- **Net realized gains on disposal of investments** were \$22,583 for the quarter ended September 30, 2011 while **Net realized gains on disposal of investments** totaled \$112,272 for the nine months ended September 30, 2011.
- **Net change in unrealized losses** on our investment portfolio resulting from write-down to market value and the reversal of prior periods unrealized gains totaled \$176,621 for the quarter ended September 30, 2011. **Net change in unrealized losses** on our investment portfolio totaled \$441,243 for the nine months ended September 30, 2011.
- **Net investment losses** were \$154,038 for the quarter ended September 30, 2011 while **Net investment losses** totaled \$328,971 for the nine months ended September 30, 2011.
- **Loss for the period** were \$136,394 and **Total comprehensive loss for the period** were \$136,392 for the quarter ended September 30, 2011.
- **Loss for the period** were \$292,250 and **Total comprehensive loss for the period** were \$292,259 for the nine months ended September 30, 2011.

Investment Highlights

- The fair value of the investments held by the Company as at September 30, 2011 decreased by 48.1% to \$414,320 from \$799,022 as at December 31, 2010. The cost base of the Company’s portfolio was \$748,981 as at September 30, 2011, as compared to \$692,423 as at December 31, 2010. As such, as at September 30, 2011, the cost of the investments exceeded the fair value by \$334,661 as compared to the fair value exceeded the cost of the investments by \$106,599 as at December 31, 2010, a decrease of \$441,260.
- The total number of investments held by the Company remained relatively constant. As at September 30, 2011, 415 out of 448, or 92.6% (December 31, 2010 – 91.2%), of the investments were in the resources sector. As at September 30, 2011, resource companies represented \$397,979 (96.1%) of the fair value of the investments as compared to \$779,787 (97.6%) as at December 31, 2010.
- As at September 30, 2011, included in total investments were securities of private companies with a fair value totalling \$23,508 (5.7% of total fair value of the Company’s investments; cost of \$40,170). As at December 31, 2010, included in total investments were securities of private companies with a fair value totalling \$23,428 (3.0% of total fair value of the Company’s investments; cost of \$34,006). The fair value was determined in accordance with the Company’s accounting policy for private company investments (see “Significant Accounting Policies”). The amounts at which the Company’s private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments.

Financial Summary

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

Unaudited - all numbers are in thousands, except for per share amounts.

Operating Results	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Realized gains on disposal of investments, net	\$ 22,583	\$ 5,157	\$ 112,272	\$ 16,203
Net change in unrealized gains (losses) on investments	(176,621)	137,023	(441,243)	73,894
Net investment gains (losses)	(154,038)	142,180	(328,971)	90,097
Profits (loss) for the period	(136,394)	114,628	(292,250)	65,989
Total comprehensive income (loss) for the period	(136,392)	114,628	(292,259)	65,988
Earnings (loss) per common share based on loss for the period – basic	(1.00)	0.84	(2.14)	0.49
Earnings (loss) per common share based on loss for the period - diluted	(1.00)	0.84	(2.14)	0.48

Consolidated Statements of financial position Highlights	September 30, 2011	December 31, 2010
Investments at fair value	\$ 414,320	\$ 799,022
Total assets	431,882	822,121
Total liabilities	71,034	175,392
Share capital, warrants and broker warrants, contributed surplus, equity component of convertible debentures and foreign currency translation reserve	380,046	373,677
Retained earnings (deficit)	(19,198)	273,052
NAV per share – Basic	\$ 2.64	\$ 4.74
NAV per share – Diluted	\$ 2.14	\$ 3.88

Investments consist of the following:

Sectors:	September 30, 2011		December 31, 2010	
	Cost	Fair Value	Cost	Fair Value
Resources:				
Precious metals	\$ 295,572	\$ 221,780	\$ 243,164	\$ 316,667
Base metals	163,443	67,896	165,453	153,221
Oil and gas	71,029	42,937	58,890	72,263
Uranium	118,170	33,368	123,433	109,720
Potash, lithium and rare earths	47,719	27,308	37,324	66,524
Coal	4,938	4,690	16,712	61,392
Technology and other	48,110	16,341	47,447	19,235
Total investments	\$ 748,981	\$ 414,320	\$ 692,423	\$ 799,022

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

Outstanding Shares (TSX: "PNP") (as at Sept 30, 2011)	136,547,273 common shares
52 week trading range (ending Sept 30, 2011)	\$1.26 - \$4.24 (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
Registrar and Transfer Agent	Equity Transfer & Trust Company, Toronto, Canada
Investor Relations	Richard Patricio Vice President, Legal and Corporate Affairs email: ir@pinetreecapital.com
Head Office	The Exchange Tower Suite 2500, 130 King Street West Toronto, Canada M5X 1A9 Telephone: 416.941.9600 Facsimile: 416.941.1090 E-mail: info@pinetreecapital.com Website: www.pinetreecapital.com
Board of Directors	
Marshall Auerback	Independent Businessman, London, United Kingdom
Andrew Fleming	Senior Partner, Ogilvy Renault, LLP, Toronto, Canada
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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