

Quarterly Report for period ending:**June 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 June 30, 2010 was **\$2.19 (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 \$5,844 for the quarter ended June 30, 2010 while **Realized gains on disposal of investments** totaled \$11,046 for the six months ended June 30, 2010.
- **Unrealized losses** on our investment portfolio resulting from write-down to market value offset by the reversal of prior periods unrealized losses totaled \$78,274 for the quarter ended June 30, 2010. **Unrealized losses** on our investment portfolio totaled \$61,416 for the six months ended June 30, 2010.
- **Loss from equity accounted investment** was \$149 for the quarter ended June 30, 2010. **Loss from equity accounted investment** was \$360 for the six months ended June 30, 2010.
- **Net investment losses** were \$72,579 for the quarter ended June 30, 2010 while **Net investment losses** totaled \$50,730 for the six months ended June 30, 2010.

Investment Highlights

- The fair value of the investments held by the Company as at June 30, 2010 decreased by 13.3% to \$317,944 as compared to \$366,724 at the end of last year. The cost base of the Company's portfolio was \$614,327 as at June 30, 2010, as compared to \$601,582 as at December 31, 2009. As such, the cost of investments exceeded fair value by \$296,383 as at June 30, 2010 versus \$234,858 as at December 31, 2009, a 26.2% increase. The increase in the excess of cost over fair value arose primarily from the unrealized losses of \$78,274 recorded during the second quarter due to a decrease in fair value of the Company's investments offset by the reversals of previously recognized unrealized losses.
- 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 June 30, 2010, 384 out of 429, or 89.5% (December 31, 2009 – 89.3%), of the investments were in the resources sector. As at June 30, 2010, resource companies represented \$293,251 (92.2%) of the fair value of the investments as compared to \$340,311 (92.8%) as at December 31, 2009.
- As at June 30, 2010, included in total investments were securities of private companies with a fair value totalling \$29,892 (9.4% of total fair value of the Company's investments; cost of \$41,047), 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 June 30, | | Six months ended June 30, | |
|---|--------------------------------|-------------|------------------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 |
| Gains/(losses) on disposal of investments, net | \$ 5,844 | \$ (20,790) | \$ 11,046 | \$ (26,682) |
| Unrealized gains (losses) on investments, net | (78,274) | 79,005 | (61,416) | 127,012 |
| Gains/(losses) from equity accounted investments | (149) | 305 | (360) | (334) |
| Net investment gains (losses) | (72,579) | 58,520 | (50,730) | 99,996 |
| Net income (loss) for the period | (61,646) | 44,653 | (47,318) | 73,252 |
| Earnings (loss) per common share – basic | (0.45) | 0.34 | (0.35) | 0.56 |
| Earnings (loss) per common share – diluted | (0.45) | 0.34 | (0.35) | 0.56 |

| Consolidated Balance Sheet Highlights (Unaudited) | June 30, 2010 | December 31, 2009 |
|--|----------------|-------------------|
| Investments, at fair value | \$ 317,944 | \$ 366,724 |
| Equity accounted investments | 1,392 | 1,911 |
| Total assets | 338,312 | 383,562 |
| Total liabilities | 41,297 | 40,870 |
| Share capital, warrants and broker warrants and contributed surplus | 370,513 | 368,872 |
| Deficit | (73,498) | (26,180) |
| NAV per share – Basic | \$ 2.19 | \$ 2.53 |
| NAV per share – Diluted | \$ 1.77 | \$ 2.05 |

Investments consist of the following:

| Sectors: | June 30, 2010 | | December 31, 2009 | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Cost | Fair Value | Cost | Fair Value |
| Resources: | | | | |
| Precious metals | \$ 192,432 | \$ 129,262 | \$ 177,672 | \$ 158,027 |
| Base metals | 153,132 | 65,988 | 155,576 | 71,711 |
| Uranium and coal | 133,057 | 50,475 | 132,812 | 49,066 |
| Oil & gas | 52,787 | 30,391 | 52,668 | 34,404 |
| Potash, lithium and rare earths | 29,406 | 17,135 | 30,236 | 27,103 |
| Technology and other | 30,038 | 19,131 | 25,308 | 16,745 |
| Energy related technology | 16,056 | 3,866 | 17,238 | 5,190 |
| Biotechnology | 7,419 | 1,696 | 10,072 | 4,478 |
| Total investments | \$ 614,327 | \$ 317,944 | \$ 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 June 30, 2010) | 135,709,653 common shares |
| 52 week trading range (ending June 30, 2010) | \$1.16 - \$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 |
| 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 |
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| Bruno Maruzzo, M.B.A, M.A.Sc, PEO | Principal, Technoventure Inc., Toronto, Canada |
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| Ronald Perry, C.A. | Principal, Briolijor Corporation, Montreal, Canada |