

**Quarterly Report for period ending:****December 31, 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 December 31, 2008 was **\$1.33 (basic)** as compared to **\$2.02 (basic)** as at September 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 losses on disposal of investments** for the fourth quarter of 2008 were \$3,022 while **Realized losses on disposal of investments** for the twelve months ended December 31, 2008 totaled \$4,607.
- **Unrealized losses** on our investment portfolio resulting from write-down to market value and reversal of prior periods unrealized gains totaled \$99,105 for Q4. **Unrealized losses** on our investment portfolio totaled \$417,934 for the twelve months ended December 31, 2008.
- **Loss from equity accounted investment** was \$2,247 for the quarter ended December 31, 2008. **Loss from equity accounted investment** was \$6,234 for the twelve months ended December 31, 2008.
- **Net investment losses** for the fourth quarter of fiscal 2008 were \$104,374 while **Net investment losses** for the twelve months ended December 31, 2008 totaled \$428,775.
- **Net loss** for the fourth quarter of fiscal 2008 was \$93,564 or \$0.71 per share (basic) while **Net loss** for the twelve months ended December 31, 2008 was \$356,048 or \$2.92 per share (basic).

**Investment Highlights**

- The lack of access to credit and the worsening of the global recession have negatively and significantly impacted commodity and materials prices, driving down trading prices of stocks in the different resource sectors in which the Company primarily invests. As a result, the fair value of the investments held by the Company as at December 31, 2008 decreased by 77.4% to \$133,969 as compared to \$592,039 at the end of last year. The cost base of the Company's portfolio was \$599,918 as at December 31, 2008 as compared to \$639,960 as at December 31, 2007. As such, the cost of investments exceeded fair value by \$465,949 as at December 31, 2008 versus \$47,921 as at December 31, 2007. The increase arose primarily from the unrealized losses of \$417,934 in the twelve months ended December 31, 2008 due to an overall decline of the closing bid prices of the Company's investments and a write-down of the value of Pinetree's private company investments.
- 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 December 31, 2008, 374 out of 427, or 87.5%, of the investments were in the resource sector. As at December 31, 2008, \$117,905 (88.0%) 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                               | Three months ended<br>December 31, |               | Twelve months ended<br>December 31, |               |
|---|------------------------------------|---------------|-------------------------------------|---------------|
|   | 2008                               | 2007          | 2008                                | 2007          |
| Gains (losses) on disposal of investments, net  | \$ (3,022)                         | \$ 20,305     | \$ (4,607)                          | \$ 190,838    |
| Unrealized losses on investments, net           | (99,105)                           | (21,135)      | (417,934)                           | (288,369)     |
| Income (loss) from equity accounted investments | (2,247)                            | 4,843         | (6,234)                             | 5,548         |
| Net investment gains (losses)                   | (104,374)                          | 4,013         | (428,775)                           | (91,983)      |
| Net loss for the period                         | (93,564)                           | (2,214)       | (356,048)                           | (91,605)      |
| <b>Loss per common share – basic</b>            | <b>(0.71)</b>                      | <b>(0.02)</b> | <b>(2.92)</b>                       | <b>(0.94)</b> |
| <b>Loss per common share – diluted</b>          | <b>(0.71)</b>                      | <b>(0.02)</b> | <b>(2.92)</b>                       | <b>(0.94)</b> |

| Consolidated Balance Sheet Highlights                               | December 31, 2008 | December 31, 2007 |
|---|-------------------|-------------------|
| Investments, at fair value  | \$ 133,969        | \$ 592,039        |
| Equity accounted investments  | 3,567             | 19,555            |
| Total assets  | 201,398           | 620,179           |
| Total liabilities   | 27,188            | 143,252           |
| Share capital, warrants and broker warrants and contributed surplus | 357,783           | 304,452           |
| Retained earnings (deficit)   | (183,573)         | 172,475           |
| <b>Net asset value per share – Basic</b>                            | <b>\$ 1.33</b>    | <b>\$ 4.20</b>    |
| <b>Net asset value per share – Diluted</b>                          | <b>\$ 1.09</b>    | <b>\$ 3.61</b>    |

Investments consist of the following:

| Sectors:                  | December 31, 2008 |                   | December 31, 2007 |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | Cost              | Fair Value        | Cost              | Fair Value        |
| Resources:                |                   |                   |                   |                   |
| Precious metals           | \$ 186,891        | \$ 50,540         | \$ 236,272        | \$ 240,479        |
| Uranium                   | 147,117           | 26,953            | 166,662           | 118,384           |
| Base metals               | 122,379           | 23,529            | 84,923            | 72,874            |
| Oil & gas                 | 40,052            | 10,066            | 50,315            | 45,543            |
| Potash and rare earths    | 10,220            | 3,658             | 5,954             | 17,052            |
| Molybdenum                | 35,198            | 3,159             | 40,652            | 50,506            |
| Technology and other      | 28,999            | 8,205             | 29,701            | 23,805            |
| Biotechnology             | 13,352            | 5,493             | 13,838            | 11,400            |
| Energy related technology | 15,710            | 2,366             | 11,643            | 11,996            |
| <b>Total investments</b>  | <b>\$ 599,918</b> | <b>\$ 133,969</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 December 31, 2008) | <b>131,313,988 common shares (reflects two-for-one stock split on April 5, 2007)</b>  |
| 52 week trading range<br>(ending December, 2008)                | <b>\$0.38 - \$4.81 (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>  |
| Andrew Fleming  | <b>Senior Partner, Ogilvy Renault, LLP, Toronto, Canada</b>   |
| Peter Harder  | <b>Senior Policy Advisor, Fraser Milner, Casgrain, LLP, Toronto, Canada</b>   |
| Alan Hibben, CA, CFA,<br>ICD.D                                  | <b>Principal, Shakerhill Partners Ltd., Toronto, Canada</b>   |
| Bruno Maruzzo, M.B.A.,<br>M.A.Sc, PEO                           | <b>Prinicpal, Technoventure Inc., Toronto, Canada</b>   |
| Dr. Kent Moore  | <b>Associate Professor, Department of Physics, University of Toronto, Toronto,<br/>Canada</b>   |
| Sheldon Inwentash, C.A.   | <b>Chief Executive Officer, Pinetree Capital Ltd., Toronto, Canada</b>  |
| Ronald Perry, C.A.  | <b>Principal, Briolijor Corporation, Montreal, Canada</b>   |