Interim Consolidated Financial Statements of

PINETREE

(Unaudited - prepared in Canadian dollars)
March 31, 2011

Contents

Interim Consolidated Financial Statements

PINETREE CAPITAL LTD.
Consolidated Statements of Financial Position
As at March 31, 2011, December 31, 2010 and January 1, 2010
(Unaudited - in thousands of Canadian dollars)

	Notes	March 31, 2011	December 31, 2010 [1]	January 1, 2010 [1]
Assets				
Cash and cash equivalents	6	**$ 83**	$ 158	$ 404
Due from brokers	6	**14**	14	24
Prepaids and other receivables	6, 10(b)	**1,071**	1,084	312
Investments at fair value	3, 4, 5	**767,434**	799,022	371,261
Income taxes receivable		**-**	-	3,307
Property, plant and equipment	7	**692**	676	517
Deferred tax assets	9	**10,785**	21,167	23,306
		$ 780,079	$ 822,121	$ 399,131
Liabilities and Equity				
Liabilities				
Due to brokers	8(a)	**$ 71,166**	$ 85,570	$ 33,673
Accounts payable and accrued liabilities	8	**31,459**	34,094	6,824
Class C preferred share liabilities, at fair value	8(b)	**396**	529	373
Deferred tax liabilities	9	**40,853**	55,199	12,943
		143,874	175,392	53,813
Commitments	12			
Equity				
Share capital	11	**$ 276,979**	$ 276,616	$ 274,725
Warrants and broker warrants	11(d)	**66,524**	66,524	67,139
Contributed surplus	11(e)	**30,885**	30,559	28,045
Foreign currency translation reserve		**(35)**	(22)	-
Retained earnings (deficit)		**261,852**	273,052	(24,591)
		636,205	646,729	345,318
		$ 780,079	$ 822,121	$ 399,131

1. Refer to Note 20 for the effects of the adopton of IFRS.

See accompanying notes to the consolidated financial statements.

PINETREE CAPITAL LTD.
Consolidated Statements of Comprehensive Income (Loss)
Three Months Ended March 31,
(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

	Notes	2011	2010 [1]
Net investment gains (losses)			
Realized gains on disposal of investments, net		**$ 59,645**	$ 5,202
Net change in unrealized gains (losses) on investments		**(72,439)**	15,814
		(12,794)	21,016
Other income			
Interest and dividend income		**8**	215
Other income	10(a)(ii), 13	**292**	146
		(12,494)	21,377
Expenses			
Operating, general and administrative	8(b), 10, 14	**2,121**	3,630
Transaction costs		**984**	234
Foreign exchange gain		**(771)**	(66)
Amortization		**53**	33
Finance expenses	15	**284**	99
		2,671	3,930
Profit (loss) before income taxes		**(15,165)**	17,447
Income tax expense (benefit)	16	**(3,965)**	3,969
Profit (loss) for the period		**$ (11,200)**	$ 13,478
Other comprehensive income (loss)			
Exchange differences on translation of foreign operations		**(13)**	(3)
Total comprehensive income (loss) for the period		**$ (11,213)**	$ 13,475
Earnings (loss) per common share based on profit (loss) for the period			
Basic		**$ (0.08)**	$ 0.10
Diluted		**$ (0.08)**	$ 0.10
Weighted average number of common shares outstanding			
Basic		**136,389,000**	135,420,764
Diluted		**136,389,000**	136,851,914

1. Refer to Note 20 for the effects of the adopton of IFRS.

See accompanying notes to the consolidated financial statements.

PINETREE CAPITAL LTD.
Consolidated Statements of Changes in Equity
Three Months Ended March 31, 2011 and 2010
(In thousands of Canadian dollars)

	Attributable to the equity holders of the parent					
	Share capital	Warrants and broker warrants	Contributed surplus	Foreign currency translation reserve	Retained earnings (deficit)	Total equity
Balance at January 1, 2010	$ 274,725	$ 67,139	$ 28,045	$ -	$ (24,591)	$ 345,318
Profit for the period	-	-	-	-	13,478	13,478
Exchange differences on translation of foreign operations	-	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	(3)	13,478	13,475
Transaction with owners						
Stock-based compensation value of services	-	-	669	-	-	669
Issued pursuant to exercise of stock options	190	-	(70)	-	-	120
Total transaction with owners	190	-	599	-	-	789
Balance at March 31, 2010	$ 274,915	$ 67,139	$ 28,644	$ (3)	$ (11,113)	$ 359,582
Balance at January 1, 2011	$ 276,616	$ 66,524	$ 30,559	$ (22)	$ 273,052	$ 646,729
Loss for the period	-	-	-	-	(11,200)	(11,200)
Exchange differences on translation of foreign operations	-	-	-	(13)	-	(13)
Total comprehensive loss for the period	-	-	-	(13)	(11,200)	(11,213)
Transaction with owners						
Stock-based compensation value of services	**-**	**-**	**468**	**-**	**-**	**468**
Issued pursuant to exercise of stock options	**363**	**-**	**(142)**	**-**	**-**	**221**
Total transaction with owners	**363**	**-**	**326**	**-**	**-**	**689**
Balance at March 31, 2011	**$ 276,979**	**$ 66,524**	**$ 30,885**	**$ (35)**	**$ 261,852**	**$ 636,205**

See accompanying notes to the consolidated financial statements.

PINETREE CAPITAL LTD.
Consolidated Statements of Cash Flows
Three Months Ended March 31,
(In thousands of Canadian dollars)

	2011	2010 1
Cash flows from (used in) operating activities		
Profit (loss) for the period	$ (11,200)	$ 13,478
Items not affecting cash:		
Realzied gains on disposal of investments, net	(59,645)	(5,202)
Unrealized losses (gains) on investments, net	72,439	(15,814)
Unrealized gain on Class C preferred share liabilities	(81)	(54)
Amortization	53	33
Stock-based compensation expense	468	669
Decrease in deferred tax assets	10,382	2,351
Increase (decrease) in deferred tax liabilities	(14,346)	1,618
	(1,930)	(2,921)
Adjustments for:		
Due from brokers	-	2
Prepaids and other receivables	13	(199)
Advances to affiliated company	-	(228)
Income taxes receivable	-	3,307
Accounts payable and accrued liabilities	(2,656)	1,111
Net cash from (used in) operating activities	(4,573)	1,072
Cash flows used in financing activities		
Proceeds pursuant to exercise of stock options	221	120
Decrease in due to brokers	(14,404)	(2,227)
Redemption of Class C preferred share liabilities	(52)	-
Net cash used in financing activities	(14,235)	(2,107)
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(69)	(20)
Purchase of investments	(106,267)	(32,019)
Proceeds on disposal of investments	125,056	32,744
Net cash from investing activities	18,720	705
Net decrease in cash and cash equivalents during the period	(88)	(330)
Exchange differences on translation of foreign operations	13	(3)
Cash and cash equivalents, beginning of period	158	404
Cash and cash equivalents, end of period	$ 83	$ 71
Supplemental cash flow information		
Income taxes paid	$ -	$ -
Finance expense paid	284	99

See accompanying notes to the consolidated financial statements.

1. Nature of business:

Pinetree Capital Ltd. ("Pinetree" or the "Company") was incorporated in 1962 under the laws of the Province of Ontario and its shares are publicly traded on the Toronto Stock Exchange (the "TSX") under the symbol "PNP". The Company is domiciled in the Province of Ontario, Canada and its registered office address is at 130 King St. West, Suite 2500, Toronto, Ontario, Canada, M5X 1A9.

Pinetree is a diversified investment and merchant banking firm focused on the small-cap market. Pinetree's investments are primarily in the following resource sectors: Precious Metals, Base Metals, Oil and Gas, Potash, Lithium and Rare Earths, Uranium and Coal. Pinetree's investment approach is to develop a macro view of a sector, build a position consistent with the view by identifying micro-cap opportunities within that sector, and devise an exit strategy designed to maximize the Company's relative return in light of changing fundamentals and opportunities.

These interim consolidated financial statements were approved by the Board of Directors on May 12, 2011.

2. Significant accounting policies:

The significant accounting policies used in the presentation of these unaudited interim consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) Statement of compliance:

These consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with International Financial Reporting Standards ("IFRS") which the Company expects to adopt in its annual consolidated financial statements as at and for the year ended December 31, 2011.

These are the Company's first IFRS unaudited interim consolidated financial statements for part of the period covered by the Company's first IFRS consolidated annual financial statements for the year ending December 31, 2011. Previously, the Company prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP").

As these are the Company's first set of interim consolidated financial statements in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual consolidated financial statements prepared in accordance with CGAAP.

2. Significant accounting policies (continued):

In 2012 and beyond, the Company may not provide the same amount of disclosure in the Company's interim consolidated financial statements under IFRS as the reader will be able to rely on the annual consolidated financial statements which will be prepared in accordance with IFRS.

The disclosures that accompany these interim consolidated financial statements are limited to the significant accounting policies applied and the significant judgments and estimates applicable to the preparation of the consolidated financial statements, and the other disclosure requirements of IFRS 1, First-Time Adoption of International Financial Reporting Standards relevant to the consolidated financial statements (see note 20).

(b) Basis of presentation:

The interim consolidated financial statements have been prepared using the historical cost convention except for some financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$").

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2011.

(c) Basis of consolidation:

These unaudited interim consolidated financial statements include the accounts of Pinetree and its wholly-owned subsidiaries: Genevest Inc., Pinetree (Barbados) Inc., Pinebarb (Israel) Inc., Pinetree Capital Investment Corp. ("PCIC"), and Emerald Capital Corp., as well as Pinetree Resource Partnership and Pinetree Income Partnership, each a general partnership of which Pinetree indirectly owns a 100% interest. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All inter-company account balances and transactions have been eliminated upon consolidation.

(d) Adoption of IFRS 9 and IFRS 7:

The effective date of IFRS 9, *Financial Instruments: Classification and Measurement* is January 1, 2013. As permitted by the IASB, the Company has early adopted IFRS 9 in conjunction with the transition to IFRS on January 1, 2010. The Company's significant class of financial assets is investments (designated at fair value through profit and loss)

2. Significant accounting policies (continued):

and the difference in the accounting between IAS 39, *Financial Instruments: Recognition and Measurement* and IFRS 9 for these financial instruments do not have any material impact on the Company's consolidated financial statements.

The Company has also adopted IFRS 7, *Financial Instruments: Disclosures* in conjunction with the transition to IFRS on January 1, 2010. The amendment to IFRS 7 requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company's consolidated financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment becomes effective for annual periods beginning on or after July 1, 2011. The amendment affects disclosure only and has therefore no impact on the Company's financial position or performance.

(e) Significant accounting judgments, estimates and assumptions:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are:

(i) Going concern:

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

(ii) Fair value of investment in securities not quoted in an active market or private company investments:

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are

2. Significant accounting policies (continued):

derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

(iii) Fair value of financial derivatives:

Investments in options and warrants which are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value.

(iv) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

(v) Stock-based compensation expense:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense. The Black-Scholes model requires seven key inputs to determine a value for an option: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, forfeiture rate and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

(f) Foreign currency:

(i) Functional currency:

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange in

2. Significant accounting policies (continued):

effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All exchange differences are recorded in the foreign exchange gain or loss in the consolidated statement of comprehensive income (loss) under foreign exchange gain/loss.

(iii) Translation of foreign operations:

The results and financial position of Pinetree's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2. Share capital is translated using the exchange rate at the date of the transaction.

3. Revenue and expenses for each statement of comprehensive income (loss) are translated at average exchange rates; and

4. All resulting exchange differences are recognized as a separate component of equity and as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statement of comprehensive income (loss).

The Company treats specific inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment which is recorded as an exchange difference on translation of foreign operations in other comprehensive income (loss) in the consolidated statement of comprehensive income (loss). When a foreign entity is sold, such exchange differences are recognized in the statement of comprehensive as part of the gain or loss on sale.

(g) Financial instruments:

(i) Designation:

All investments are designated upon initial recognition at fair value through profit or loss, with changes in fair value reported in profits (loss).

2. Significant accounting policies (continued):

Class C preferred shares are liabilities designated at fair value through profit or loss, with changes in fair value reported in expenses in the consolidated statement of comprehensive income (loss).

(ii) Recognition, derecognition and measurement:

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statement of comprehensive income.

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, Financial Instruments.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statement of comprehensive income within unrealized gains or losses on investments in the period in which they arise.

The fair value of Class C preferred share liabilities is determined by reference to the underlying trading price of Pinetree's shares (note 8(b)). The fair value of the Class C preferred share liabilities also includes accrued dividends.

(iii) Reclassification of investments:

The Company would only reclassify any financial assets when the Company changes its business model for managing the financial asset.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

(iv) Determination of fair values:

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

2. Significant accounting policies (continued):

The Company is also required to disclose details of its investments (and other financial assets and liabilities reported at fair value) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (note 4).

1. Publicly-traded investments (i.e., securities of issuers that are public companies):

    a. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are presented at fair value based on quoted closing bid prices at the consolidated statement of financial position date or the closing bid price on the last day the security traded if there were no trades at the consolidated statement of financial position date. These are included in Level 1 in note 4.

    b. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Company considers the nature and length of the restriction. These are included in Level 2 in note 4.

    c. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price at the consolidated statement of financial position date of the underlying security less the exercise price of the warrant, and zero. These are included in Level 2 in note 4.

2. Private company investments (securities of issuers that are not public companies):

    All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in note 4. Options and warrants of private companies are carried at nil.

2. Significant accounting policies (continued):

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

The following circumstances are used to determine if the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to the events described below which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. Absent the occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted upward if:

a. there has been a significant subsequent equity financing provided by outside investors, at a valuation above the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place; or

b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.

   Such events include, without limitation:

   i. political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;

2. Significant accounting policies (continued):

ii. receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);

iii. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

iv. release by the investee company of positive exploration results, which either proves or expands their resource prospects; and

v. important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

In the circumstances described above under (i) through (v), or in circumstances where general market conditions so warrant it, an adjustment to the fair value of an investment will be based upon management's judgment and any value estimated may not be realized or realizable.

The fair value of a privately-held investment may be adjusted downward if:

a. there has been a significant subsequent equity financing provided by outside investors, at a valuation below the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

b. the investee company is placed into receivership or bankruptcy;

c. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; or

d. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable.

2. Significant accounting policies (continued):

Such events include, without limitation:

i. political changes in a country in which the investee company operates which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;

ii. denial of the investee company's application for environmental, mining, aboriginal or similar approvals which prohibit the investee company from proceeding with its projects;

iii. the investee company releases negative exploration results; and

iv. changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

In the circumstances described above under (i) through (iv), or in circumstances where general market conditions so warrant it, an adjustment to the fair value of an investment will be based upon management's judgment and any value estimated may not be realized or realizable.

The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

3. Other investment instruments:

Included in Pinetree's investments are certain instruments that are accounted for as follows:

a. Convertible debentures and convertible notes are carried as though converted to common shares.

b. Cumulative dividends expected to be received are included in the fair value of each investment.

2. Significant accounting policies (continued):

4. Investments in associates:

Investments in associates are those entities over which the Company has or is deemed to have significant influence but not control over, the financial and operating policies. Investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value even though the Company may have significant influence over the companies. This treatment is permitted by International Accounting Standards ("IAS") 28 *Investment in Associates*, which allows investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and subsequently they are accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments.

(h) Financial assets other than investments at fair value:

Financial assets which are managed to collect contractual cash flows made up of principal and interest are designated as at amortized cost. All other financial assets are designated as at fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets designated at amortized cost, directly attributable transaction costs. Financial assets at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

(i) Cash and cash equivalents:

Cash and cash equivalents consists of cash and short-term investments with original maturities of less than three months.

(j) Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation.

2. Significant accounting policies (continued):

Depreciation is provided at rates designed to depreciate the cost over their estimated useful lives as follows:

	Rate	Basis
Computer equipment	30% to 45%	Declining balance
Computer software	55%	Declining balance
Furniture and equipment	20%	Declining balance
Leasehold improvements	7 years	Over the initial term of the lease

(k) Revenue recognition:

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statement of comprehensive income and are calculated on an average cost basis.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the consolidated statement of comprehensive income as incurred. Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established. Interest income, other income and income from securities lending are recorded on an accrual basis.

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(m) Leases:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. It requires consideration as to whether the fulfillment of the arrangement is dependent on the use of a specific tangible asset or the arrangement conveys a right to use the tangible asset.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income (loss) on a straight line basis over the lease term.

2. Significant accounting policies (continued):

(n) Income taxes:

(i) Current income tax:

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

(ii) Deferred tax:

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the income statement.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company creates a valuation allowance to the extent that it considers deductible temporary differences, the carry forward of unused tax credits and unused tax losses cannot be utilized.

2. Significant accounting policies (continued):

(o) Stock-based compensation plans:

The Company has stock-based compensation plans which are described in note 11(b). Employees (including senior executives) of the Company receive remuneration in the form of stock options, whereby employees render services as consideration for equity instruments ("equity–settled transactions"). Any consideration received on the exercise of stock options or sale of stock is credited to share capital. The cost of equity–settled transactions is recognized, together with a corresponding increase in contributed surplus, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity–settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Company records compensation expense and credits contributed surplus for all stock options granted which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model.

Where the terms of an equity–settled award are modified, the minimum expense recognized in compensation expense is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share–based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity–settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non–vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (note 2(p)).

2. Significant accounting policies (continued):

(p) Earnings per common share:

Basic earnings per common share is determined by dividing net profit attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares securing employee share purchase loans and shares in escrow. Diluted earnings per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding.

(q) Provisions:

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(r) Cost of private placement financings:

Incremental costs incurred in respect of raising capital through private placements are charged against equity proceeds raised.

(s) Financial liabilities:

All financial liabilities are designated as at amortized cost except for financial derivatives and any financial liabilities from inception classified as at fair value through profit or loss. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs except for those designated at fair value through profit and loss. Financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive income (loss).

Financial liabilities at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

2. Significant accounting policies (continued):

(t) Due from and due to brokers:

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the consolidated statement of financial position date respectively. Due to brokers also consists of margin borrowings collateralized by the Company's investments held at the brokers.

(u) Securities lending:

Securities lent by the Company under a securities lending agreement is not derecognized as the Company retains all the risk and rewards of ownership. If the party to whom the security is lent to has the right by contract to sell or repledge the security, the Company classifies that financial asset in its consolidated statement of financial position separately and identifies the asset as pledged. Where the transferee does not have the right to sell or repledge, disclosure of the securities provided is made in the notes to the consolidated financial statements.

(v) Financial derivatives – options and warrants:

A financial derivative such as warrants and options which will be settled with the entity's own equity instruments will be designated as an equity instrument if the derivative is to acquire a fixed number of the entity's own equity instruments for a fixed amount of Canadian dollars. A financial derivative will be considered as a financial liability at fair value through profit or loss if it is to acquire either a variable number of equity instruments or consideration in a foreign currency and the options and warrants were not offered pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

(w) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting used by management and the Company's Board of Directors. The Company has a single reportable geographic segment, Canada, and all of the Company's property, plant and equipment are located in Canada.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value:

(a) Investments presented at fair value consist of the following as at March 31, 2011:

As at March 31, 2011: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals)					
Gold Canyon Resources Inc.	(i, ii, iii)	11,693,748 common shares 1,000,000 warrants expire Sep 29, 2011 1,000,000 warrants expire Feb 8, 2012 531,252 warrants expire Jun 17, 2012 475,000 warrants expire Sep 23, 2012 300,000 warrants expire Oct 29, 2012	$ 6,506	$ 47,993	13.8
Queenston Mining Inc.	(i, ii, iii)	5,700,000 common shares 50,000 warrants expire Nov 26, 2011	15,450	36,568	10.5
Continental Gold Ltd.	(i)	2,000,000 common shares	4,728	17,360	5.0
Levon Resources Ltd.	(i, iii)	6,960,000 common shares 250,000 warrants expire Jun 21, 2011 500,000 warrants expire Apr 8, 2012	7,759	13,062	3.8
African Gold Group Inc.	(i, ii, iii)	14,053,500 common shares 282,500 warrants expire Jun 16, 2011 650,000 warrants expire Dec 17, 2012	5,225	12,350	3.5
Mawson Resources Ltd.	(iii)	4,398,000 common shares 750,000 warrants expire May 6, 2011 375,000 warrants expire Oct 25, 2012	2,982	10,696	3.1
Auryx Gold Corp.	(ii, iii)	11,000,000 common shares	5,614	8,535	2.5
Colossus Minerals Inc.	(ii)	1,000,000 common shares	1,297	8,140	2.3
Cream Minerals Ltd.	(iii)	17,250,000 common shares 2,000,000 warrants expire Apr 13, 2011 5,000,000 warrants expire Dec 21, 2012	3,409	7,287	2.1
Caledonia Mining Corporation	(iii)	45,336,000 common shares	6,724	6,120	1.8
Azimuth Resources Limited	(iii)	20,000,524 common shares 10,000,000 warrants expire Dec 31, 2012	1,860	5,848	1.7
Mega Precious Metals Inc.	(ii, iii, 10(c))	10,130,600 common shares 600,000 warrants expire Feb 25, 2012	5,643	5,471	1.6
Latin American Minerals Inc.	(ii, iii, 10(c))	16,000,000 common shares 1,000,000 warrants expire Oct 5, 2011 1,000,000 warrants expire Sep 10, 2012	6,566	4,990	1.4
Nortec Ventures Corp.	(ii, iii)	16,750,000 common shares 1,500,000 warrants expire Jun 15, 2011	2,740	4,810	1.4
Apogee Silver Ltd. (formerly Apogee Minerals Ltd.)	(iii)	12,750,000 common shares 1,175,000 warrants expire Apr 30, 2011 500,000 warrants expire Dec 18, 2011 625,000 warrants expire May 12, 2012 2,500,000 warrants expire Dec 3, 2012	2,064	4,325	1.2

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Goldstone Resources Inc.	(iii)	5,000,000 common shares			
		441,667 warrants expire Dec 31, 2011	**3,576**	**3,800**	**1.1**
Temex Resources Corp.	(ii, iii)	10,935,000 common shares			
		440,000 warrants expire May 26, 2011			
		625,000 warrants expire Nov 19, 2012	**5,196**	**3,613**	**1.0**
Castillian Resources Corp.	(iii)	18,793,265 common shares			
		1,666,667 warrants expire Jul 16, 2012			
		1,500,000 warrants expire Dec 30, 2012	**5,111**	**3,401**	**1.0**
Niogold Mining Corp.	(ii, iii)	7,350,000 common shares			
		900,000 warrants expire Dec 22, 2011			
		750,000 warrants expire Dec 23, 2012	**2,590**	**3,148**	**0.9**
Redstar Gold Corp.	(ii, iii)	7,500,000 common shares	**1,609**	**2,850**	**0.8**
Expedition Mining Inc.	(ii, iii)	8,726,500 common shares			
		937,500 warrants expire Sep 10, 2012	**4,742**	**2,828**	**0.8**
Nuinsco Resources Ltd.	(iii)	13,852,000 common shares			
		5,000,000 warrants expire Oct 1, 2012	**1,240**	**2,799**	**0.8**
Soltoro Ltd.	(ii, iii)	2,900,000 common shares			
		500,000 warrants expire Jun 21, 2011			
		250,000 warrants expire Aug 12, 2011	**1,368**	**2,473**	**0.7**
AM Gold Inc. (formerly Acero-Martin Exploration Inc.)	(iii)	4,500,000 common shares			
		500,000 warrants expire Jul 14, 2011			
		250,000 warrants expire Apr 30, 2012	**2,327**	**2,411**	**0.7**
Lago Dourado Minerals Ltd.	(ii)	2,700,000 common shares	**785**	**2,403**	**0.7**
Pacific North West Capital Corp.	(ii, iii)	7,430,000 common shares			
		250,000 warrants expire Dec 30, 2011			
		500,000 warrants expire Mar 15, 2012	**2,950**	**2,166**	**0.6**
Tinka Resources Ltd.	(ii, iii)	3,400,000 common shares	**897**	**2,108**	**0.6**
Bear Gold Lake Ltd. (formerly NFX Gold Inc.)	(ii, iii)	12,750,000 common shares			
		750,000 warrants expire Jun 4, 2011			
		1,000,000 warrants expire Oct 23, 2011	**8,603**	**2,104**	**0.6**
Sanatana Diamonds Inc.	(iii)	6,000,000 common shares			
		500,000 warrants expire Jan 14, 2012	**4,094**	**2,071**	**0.6**
Dios Exploration Inc.	(ii, iii)	6,242,500 common shares	**3,371**	**2,060**	**0.6**
Southern Silver Exploration Corp.	(ii, iii)	7,449,500 common shares			
		1,500,000 warrants expire Oct 27, 2012	**1,865**	**1,937**	**0.6**
Pacific Ridge Exploration Ltd.	(ii, iii)	4,500,000 common shares			
		1,250,000 warrants expire Dec 22, 2011	**1,904**	**1,625**	**0.5**
ICN Resources Ltd.	(iii)	3,250,000 common shares			
		750,000 warrants expire Dec 2, 2011	**856**	**1,613**	**0.5**
Unigold Inc.	(ii, iii)	10,821,500 common shares			
		1,500,000 warrants expire Dec 1, 2011	**4,138**	**1,569**	**0.5**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
As at March 31, 2011:					
Sector: Resources (Precious Metals) (continued)					
Golden Tag Resources Ltd.	(iii)	3,000,000 common shares 2,000,000 warrants expire Nov 30, 2011	**1,511**	**1,560**	**0.4**
EMC Metals Corp.	(iii)	5,750,000 common shares 899,500 warrants expire Aug 15, 2011	**2,243**	**1,550**	**0.4**
Visible Gold Mines Inc.	(ii, iii)	3,750,000 common shares 1,000,000 warrants expire Oct 21, 2011	**1,149**	**1,538**	**0.4**
Colt Resources Inc.	(ii)	987,857 common shares 1,099,774 warrants expire Jun 29, 2011 271,429 warrants expire Feb 25, 2012	**267**	**1,451**	**0.4**
AMI Resources Inc.	(ii, iii)	11,888,000 common shares 1,500,000 warrants expire Apr 28, 2011 500,000 warrants expire Nov 22, 2011 500,000 warrants expire Dec 10, 2011	**1,600**	**1,426**	**0.4**
Valencia Ventures Inc.	(ii, iii)	14,884,000 common shares 4,700,000 warrants expire Nov 25, 2011	**4,580**	**1,414**	**0.4**
RJK Explorations Ltd.	(ii, iii)	9,000,000 common shares 5,000,000 warrants expire Dec 15, 2012	**861**	**1,410**	**0.4**
El Tigre Silver Corp.	(ii, iii)	2,000,000 common shares 2,000,000 warrants expire Dec 14, 2011	**500**	**1,383**	**0.4**
Golden Reign Resources Ltd.	(iii)	1,500,000 common shares 1,500,000 warrants expire Jan 18, 2013	**675**	**1,368**	**0.4**
Goldeye Explorations Limited	(ii, iii)	22,250,000 common shares 1,000,000 warrants expire Dec 16, 2011 2,000,000 warrants expire May 19, 2012 5,000,000 warrants expire Sep 29, 2012	**2,535**	**1,335**	**0.4**
Oroco Resource Corp.	(ii, iii)	4,000,000 common shares 500,000 warrants expire Jun 3, 2011 500,000 warrants expire Apr 14, 2012	**1,243**	**1,325**	**0.4**
Erin Ventures Inc.	(ii, iii)	10,125,000 common shares 1,875,000 warrants expire Apr 30, 2011 1,000,000 warrants expire Dec 2, 2011 1,000,000 warrants expire Jan 7, 2012	**1,198**	**1,306**	**0.4**
Valgold Resources Ltd.	(ii, iii)	4,000,000 common shares 1,000,000 warrants expire Nov 23, 2012 1,000,000 warrants expire Mar 3, 2015	**3,172**	**1,300**	**0.4**
Northern Lion Gold Corp.	(ii, iii)	4,500,000 common shares 500,000 warrants expire May 24, 2012	**1,765**	**1,260**	**0.4**
Creso Exploration Inc.	(iii)	3,500,000 common shares 2,000,000 warrants expire Jun 1, 2012 300,000 warrants expire Oct 8, 2012	**2,218**	**1,229**	**0.4**
Resinco Capital Partners Inc.	(ii, iii)	11,114,000 common shares 6,250,000 warrants expire Nov 17, 2011	**1,211**	**1,223**	**0.4**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Goldrush Resources Ltd.	(ii, iii)	8,000,000 common shares			
		1,000,000 warrants expire Mar 11, 2012	**1,609**	**1,200**	**0.3**
UC Resources Ltd.	(ii, iii)	16,000,000 common shares			
		500,000 warrants expire Feb 15, 2011			
		500,000 warrants expire Aug 26, 2011			
		750,000 warrants expire Sep 27, 2012			
		1,500,000 warrants expire Dec 21, 2012	**4,216**	**1,198**	**0.3**
Argentum Silver corp.	(iii)	4,545,455 common shares	**500**	**1,192**	**0.3**
Currie Rose Resources Inc.	(ii, iii)	8,500,000 common shares			
		1,250,000 warrants expire Mar 10, 2012	**1,555**	**1,191**	**0.3**
International Northair Mines Ltd.	(ii, iii)	2,000,000 common shares			
		1,000,000 warrants expire Mar 21, 2012	**600**	**1,184**	**0.3**
Metals Creek Resources Corp.	(ii, iii)	5,000,000 common shares			
		1,000,000 warrants expire Oct 2, 2011			
		500,000 warrants expire Feb 4, 2013	**775**	**1,039**	**0.3**
Salmon River Resources ltd.	(iii)	2,250,000 common shares	**449**	**1,006**	**0.3**
Total of 144 other investments – Resources (Precious Metals) sector (iv)			**103,191**	**77,268**	**22.2**
			275,412	**347,890**	**100.0**
Sector: Resources (Base Metals)					
Macarthur Minerals Ltd.	(i, ii, iii)	6,500,000 common shares			
		500,000 warrants expire Jan 3, 2013	**8,648**	**20,210**	**13.1**
Exploration Orbite V.S.P.A. Inc.	(i)	4,250,000 common shares			
		750,000 warrants expire Nov 5, 2012	**7,775**	**19,838**	**12.8**
Coro Mining Corp.	(i, iii)	11,350,000 common shares	**5,445**	**14,188**	**9.2**
Solitario Exploration & Royalty Corp.	(i, iii)	1,992,000 common shares	**4,061**	**6,833**	**4.4**
Creston Moly Corp.	(i)	13,500,900 common shares	**9,502**	**6,075**	**3.9**
Probe Mines Ltd.	(ii, iii)	3,630,500 common shares			
		500,000 warrants expire Feb 2, 2012	**2,402**	**5,366**	**3.5**
Woulfe Mining Corp.	(iii)	20,024,000 common shares			
		2,500,000 warrants expire Dec 17, 2011	**8,329**	**4,881**	**3.2**
Castle Resources Inc.	(iii)	4,000,000 common shares			
		500,000 warrants expire Apr 15, 2011			
		500,000 warrants expire Oct 7, 2012	**1,097**	**3,650**	**2.4**
Western Troy Capital Resources Inc.	(ii, iii)	6,639,166 common shares			
		500,000 warrants expire Nov 29, 2012	**3,391**	**3,585**	**2.3**
Duran Ventures Inc.	(iii)	10,000,000 common shares			
		1,000,000 warrants expire Apr 17, 2011			
		1,500,000 warrants expire Dec 23, 2012	**2,508**	**3,416**	**2.2**
Canadian Orebodies Inc.	(iii)	10,000,000 common shares			
		500,000 warrants expire Dec 18, 2011			
		500,000 warrants expire Nov 19, 2012			

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: **Issuer**	**Notes**	**Security Description**	**Cost**	**Fair Value**	**% of Sector (FV)**
Sector: Resources (Base Metals) (continued)					
		1,000,000 warrants expire Jan 11, 2013	**2,392**	**3,276**	**2.1**
MacDonald Mines Exploration Ltd.	(ii, iii)	16,000,000 common shares			
		3,075,000 warrants expire Oct 29, 2011	**7,268**	**2,640**	**1.7**
Terreno Resources Corp.	(ii, iii,	7,234,834 common shares			
(formerly Mega Moly Inc.)	10(c))	2,333,334 warrants expire Nov 1, 2012	**1,775**	**2,212**	**1.4**
MBMI Resources Inc.	(ii, iii)	12,716,074 common shares			
		1,000,000 warrants expire May 28, 2011			
		2,500,000 warrants expire Apr 19, 2013	**7,002**	**2,165**	**1.4**
Beaufield Resources Inc.	(iii)	5,232,000 common shares	**2,745**	**1,831**	**1.2**
Bridgeport Ventures Inc.	(ii, iii)	2,935,500 common shares			
		500,000 warrants expire Dec 1, 2012			
		250,000 warrants expire Dec 20, 2012	**1,821**	**1,820**	**1.2**
African Metals Corporation	(ii, iii)	5,032,000 common shares			
		1,250,000 warrants expire Oct 22, 2011			
		1,000,000 warrants expire Aug 27, 2012	**1,240**	**1,477**	**1.0**
Happy Creek Minerals Ltd.	(ii, iii)	6,000,000 common shares			
		500,000 warrants expire Dec 21, 2012	**2,373**	**1,436**	**0.9**
Halo Resources Ltd.	(ii, iii)	3,300,000 common shares			
		200,000 warrants expire May 26, 2011			
		200,000 warrants expire Jun 29, 2011			
		200,000 warrants expire Nov 4, 2011			
		500,000 warrants expire Dec 23, 2012			
		1,000,000 warrants expire Oct 4, 2012	**2,473**	**1,341**	**0.9**
Zenyatta Ventures Ltd.	(iii)	2,500,000 common shares			
		1,180,000 warrants expire Dec 23, 2012	**664**	**1,321**	**0.9**
Infrastructure Materials Corp.	(ii, iii)	8,177,174 common shares	**3,032**	**1,192**	**0.8**
Canadian Arrow Mines Ltd.	(ii, iii)	13,071,430 common shares			
		1,500,000 warrants expire Apr 29, 2011			
		3,571,430 warrants expire Oct 18, 2012	**2,290**	**1,111**	**0.7**
Virgin Metals Inc.	(ii, iii)	3,443,287 common shares			
		62,500 warrants expire May 15, 2011			
		300,000 warrants expire Oct 26, 2011			
		1,000,000 warrants expire Oct 18, 2012			
		382,587 warrants expire Dec 1, 2012	**3,566**	**1,030**	**0.7**
El Nino Ventures Inc.	(ii, iii)	11,000,000 common shares			
		1,000,000 warrants expire May 20, 2011			
		1,000,000 warrants expire Jan 22, 2012			
		1,250,000 warrants expire Sept 28, 2012			
		2,000,000 warrants expire Oct 5, 2013	**1,251**	**1,022**	**0.7**
Total of 73 other investments – Resources (Base Metals) sector (iv)			**74,205**	**42,579**	**27.4**
			167,255	**154,495**	**100.0**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Oil and Gas)					
Brownstone Ventures Inc.	(i, ii, iii, 10(c))	10,622,720 common shares 500,000 warrants expire May 28, 2011 1,369,110 warrants expire Apr 13, 2012 337,500 warrants expire Sep 11, 2012	**8,694**	**12,774**	**16.0**
Primary Petroleum Corp.	(i, ii, iii)	15,000,000 common shares	**4,482**	**10,050**	**12.6**
Talon Metals Corp.	(i)	3,500,000 common shares	**1,941**	**9,498**	**11.9**
Donnybrook Energy Inc.	(i, iii)	11,000,000 common shares	**3,824**	**8,140**	**10.2**
Canadian Spirit Resources Inc.	(i, ii)	3,000,000 common shares	**3,157**	**4,110**	**5.1**
Shoal Point Energy Ltd.	(iii)	6,750,500 common shares 1,125,000 warrants expire Jun 30, 2011 250,000 warrants expire Sep 3, 2012	**1,692**	**2,496**	**3.1**
Simba Energy Inc.	(iii)	10,500,000 common shares 5,000,000 warrants expire Jan 20, 2012	**897**	**2,059**	**2.6**
Vanoil Energy Ltd.	(iii)	2,400,000 common shares	**1,200**	**1,953**	**2.4**
Anglo Canadian Oil Corp.	(iii)	6,000,000 common shares 500,000 warrants expire May 16, 2011	**713**	**1,500**	**1.9**
Vulcan Minerals Inc.	(iii)	4,882,500 common shares 500,000 warrants expire Nov 3, 2011 100,000 warrants expire Nov 26, 2011	**2,915**	**1,465**	**1.8**
Drift Lake Resources Inc.	(ii, iii)	2,071,000 common shares	**821**	**1,240**	**1.6**
Greencastle Resources Inc.	(ii, iii)	5,000,000 common shares	**1,520**	**1,025**	**1.3**
Total of 42 other investments – Resources (Oil and Gas) sector (iv)			**33,766**	**23,510**	**29.5**
			65,622	**79,820**	**100.0**
Sector: Resources (Potash, Lithium and Rare Earths)					
Stans Energy Corp.	(i, iii)	8,500,000 common shares	**2,845**	**17,765**	**25.9**
Lithium Americas Corp.	(i, iii)	4,875,000 common shares 125,000 warrants expire May 13, 2012	**6,999**	**7,946**	**11.6**
IC Potash Corp. (formerly Trigon Uranium Corp.)	(i, ii)	4,500,000 common shares 500,000 warrants expire Sep 15, 2013	**3,707**	**6,325**	**9.2**
Western Potash Corp.	(i, ii, iii)	1,250,000 common shares 9,500,000 warrants expire Apr 15, 2011	**2,460**	**6,183**	**9.0**
Matamec Explorations Inc.	(i, iii)	11,400,001 common shares 750,000 warrants expire Jun 16, 2012	**3,750**	**4,779**	**7.0**
Mesa Exploration Corp.	(ii)	2,476,651 common shares 500,000 warrants expire Nov 20, 2011 750,000 warrants expire Dec 6, 2012 181,818 warrants expire Mar 3, 2013	**1,144**	**3,219**	**4.7**
Rare Earth Metals Inc.	(ii, iii)	8,010,500 common shares 250,000 warrants expire Nov 10, 2011 2,000,000 warrants expire Dec 16, 2011	**2,519**	**2,854**	**4.2**
Montero Mining and Exploration Ltd.	(iii)	3,318,668 common shares 188,500 warrants expire Feb 4, 2013	**966**	**2,498**	**3.6**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: **Issuer**	**Notes**	**Security Description**	**Cost**	**Fair Value**	**% of Sector (FV)**
Sector: Resources (Potash, Lithium and Rare Earths) (continued)					
Silver Spruce Resources Inc.	(ii, iii)	16,000,000 common shares			
		2,500,000 warrants expire Sep 7, 2012			
		1,000,000 warrants expire Dec 23, 2012	**4,540**	**2,245**	**3.3**
Sparton Resources Inc.	(ii, iii)	12,000,000 common shares	**2,953**	**2,040**	**3.0**
New World Resource Corp.	(ii, iii)	5,000,000 common shares	**2,221**	**1,900**	**2.8**
Strategic Resources Inc.	(ii, iii)	13,000,000 common shares			
		2,500,000 warrants expire Jan 7, 2012			
		2,000,000 warrants expire Feb 22, 2012			
		3,000,000 warrants expire Nov 17, 2012	**3,058**	**1,532**	**2.2**
Bolero Resources Corp.	(ii, iii)	4,019,500 common shares			
		1,000,000 warrants expire Oct 28, 2011			
		2,000,000 warrants expire Oct 4, 2012	**4,298**	**1,241**	**1.8**
Fieldex Exploration Inc.	(ii, iii)	8,360,778 common shares			
		1,388,889 warrants expire Oct 29, 2011	**1,435**	**1,171**	**1.7**
Total of 19 other investments – Resources (Potash, Lithium and Rare Earths) sector (iv)			**6,504**	**6,808**	**10.0**
			49,399	**68,506**	**100.0**
Sector: Resources (Uranium)					
Mega Uranium Ltd.	(i, ii, iii, 11(c))	12,000,000 common shares			
		165,000 warrants expire Feb 22, 2012			
		764,712 warrants expire Jun 6, 2012			
		1,500,000 warrants expire Oct 26, 2014	**35,106**	**7,456**	**12.1**
Rockgate Capital Corp.	(i,ii,iii,10(c)	5,000,000 common shares	**4,614**	**7,450**	**12.1**
U308 Corp.	(i, ii, iii, 10(c))	9,533,771 common shares			
		750,000 warrants expire Oct 14, 2012			
		441,250 warrants expire Feb 15, 2013	**5,078**	**4,879**	**7.9**
Southern Andes Energy Inc.	(i, ii, iii)	11,607,667 common shares			
		1,458,333 warrants expire Sep 12, 2011			
		2,000,000 warrants expire Dec 17, 2011	**7,318**	**4,400**	**7.2**
Pele Mountain Resources Inc.	(i, ii, iii)	13,750,000 common shares	**4,992**	**4,263**	**6.9**
Tournigan Energy Ltd.	(iii)	19,750,000 common shares			
		500,000 warrants expire Jul 14, 2012			
		1,250,000 warrants expire Dec 30, 2012	**5,502**	**3,753**	**6.1**
Energy Fuels Inc.	(iii)	6,999,400 common shares			
		500,000 warrants expire Mar 31, 2015	**5,007**	**3,570**	**5.8**
Macusani Yellowcake Inc.	(iii)	5,082,000 common shares			
		1,500,000 warrants expire Nov 04, 2012			
		500,000 warrants expire Mar 25, 2013	**2,775**	**2,571**	**4.2**
Virginia Energy Resources Inc.	(iii)	8,650,000 common shares			
		750,000 warrants expire Apr 21, 2012			
		100,000 warrants expire Jul 21, 2014	**6,365**	**2,201**	**3.6**
Uranium North Resources Corp.	(iii)	7,750,000 common shares			
		750,000 warrants expire Aug 8, 2012	**2,692**	**2,031**	**3.3**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at March 31, 2011: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Uranium) (continued)					
Powertech Uranium Corp.	(iii)	5,750,000 common shares 750,000 warrants expire Mar 15, 2013	**3,222**	**1,783**	**2.9**
Tigris Uranium Corp.	(iii)	4,750,000 common shares 750,000 warrants expire Jun 30, 2012 250,000 warrants expire Aug 22, 2012	**1,706**	**1,637**	**2.7**
Crossland Uranium Mines Ltd.	(iii)	8,000,000 common shares	**2,441**	**1,530**	**2.5**
Forum Uranium Corp.	(ii, iii)	8,500,000 common shares 3,000,000 warrants expire Apr 22, 2011	**2,027**	**1,488**	**2.4**
Calypso Uranium Corp.	(ii, iii)	6,000,000 common shares	**2,678**	**1,380**	**2.2**
Cue Resources Ltd.	(ii, iii)	12,999,300 common shares 2,500,000 warrants expire Jul 11, 2011 4,000,000 warrants expire Nov 10, 2012	**5,318**	**1,040**	**1.7**
Total of 15 other investments – Resources (Uranium) sector (iv)			**18,937**	**9,970**	**16.4**
			115,778	**61,402**	**100.0**
Sector: Resources (Coal)					
Cline Mining Corp.	(i, ii)	5,000,000 common shares	**5,187**	**17,400**	**62.1**
Erdene Resource Development Company	(i, iii)	5,000,000 common shares	**2,622**	**7,150**	**25.5**
Hodges Resources Limited	(i, iii)	5,824,294 common shares	**1,843**	**2,110**	**7.5**
Total of 3 other investments – Resources (Coal) sector (iv)			**1,282**	**1,367**	**4.9**
			10,934	**28,027**	**100.0**
Sector: Technology and Other					
Opel International Inc.	(i, ii, iii)	9,750,000 common shares 750,000 warrants expire Dec 13, 2011 500,000 warrants expire Jul 21, 2012	**7,529**	**8,873**	**32.5**
Titanium Corporation Inc.	(i)	1,775,000 common shares 250,000 warrants expire Jun 15, 2012	**2,038**	**3,731**	**13.7**
Landdrill International Inc.	(i, ii, iii)	10,000,000 common shares 750,000 warrants expire Jun 15, 2013	**2,888**	**3,715**	**13.6**
Marketvision Direct Inc.	(i, iii)	4,220,000 common shares	**1,983**	**1,688**	**6.2**
Diagnos Inc.	(i, ii, iii)	4,250,000 common shares 1,500,000 warrants expire Nov 11, 2011	**1,262**	**1,211**	**4.4**
Fiber Optic Systems Technology, Inc.	(ii, iii, 10(c))	12,252,112 common shares $100,000 12% convertible debenture 1,111,111 warrants expire May 7, 2011 3,000,000 warrants expire Sep 23, 2012 1,825,000 warrants expire Mar 5, 2013	**4,545**	**1,016**	**3.7**
Total of 26 other investments –Technology and Other sector (iv)			**28,659**	**7,060**	**25.9**
			48,904	**27,294**	**100.0**
Total investments (v)			**$ 733,304**	**$ 767,434**	

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

(i) These investments are in the top five of their respective sector, by fair value, are publicly traded and these investments have a fair value greater than $1,000 as at March 31, 2011.

(ii) The Company has filed an “early warning report” pursuant to applicable Canadian securities legislation for these investments and these investments have a fair value greater than $1,000 as at March 31, 2011.

(iii) The Company owns, on a partially diluted basis, at least a 5% interest in the publicly-traded company and these investments have a fair value greater than $1,000 as at March 31, 2011.

(iv) Total other investments in each sector include all equity investments, warrants, promissory notes, and convertible debentures which are not individually listed in their respective sector, held by the Company as at March 31, 2011.

(v) As at March 31, 2011, included in total investments were securities of private companies with a fair value totaling $26,688 (cost of $37,919) measured in accordance with the Company’s accounting policy for private company investments.

(vi) Certain investments are held as collateral. See note 8(a) and 10(a)(i).

(b) Investments presented for at fair value consist of the following as at December 31, 2010 by sector:

As at December 31, 2010:					**% of**
Issuer	**Notes**	**Security Description**	**Cost**	**Fair Value**	**Sector (FV)**
Sector: Resources (Precious Metals)					
Queenston Mining Inc.	(i, ii, iii)	5,650,000 common shares			
		50,000 warrants expire Nov 26, 2011	$ 15,159	$ 33,341	10.5
Gold Canyon Resources Inc.	(i, ii, iii)	11,543,748 common shares			
		1,000,000 warrants expire Sep 29, 2011			
		1,000,000 warrants expire Feb 8, 2012			
		531,252 warrants expire Jun 17, 2012			
		475,000 warrants expire Sep 23, 2012			
		300,000 warrants expire Oct 29, 2012	6,147	31,912	10.1
Continental Gold Ltd.	(i)	2,000,000 common shares	4,118	19,760	6.2
Colossus Minerals Inc.	(i, ii)	1,500,000 common shares	1,946	13,230	4.2
African Gold Group Inc.	(i, ii, iii)	14,702,500 common shares			
		282,500 warrants expire Jun 16, 2011			
		650,000 warrants expire Dec 17, 2012	5,466	12,837	4.1
Auryx Gold Corp.	(ii, iii)	10,500,000 common shares	5,250	9,600	3.0
Valley High Ventures Ltd.	(iii)	4,250,000 common shares			
		250,000 warrants expire Jun 21, 2011			
		500,000 warrants expire Apr 8, 2012	2,857	9,503	3.0

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010:

Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Mega Precious Metals Inc.	(ii, iii	10,130,600 common shares			
(formerly Mega Silver Inc.)	10(c))	600,000 warrants expire Feb 25, 2012	5,643	7,598	2.4
Caledonia Mining Corporation	(iii)	43,401,500 common shares	6,453	6,510	2.1
Goldstone Resources Inc.	(iii)	5,000,000 common shares			
		441,667 warrants expire Feb 24, 2011	3,576	5,200	1.6
Azimuth Resources Limited	(iii)	21,000,000 common shares			
		4,000,000 warrants expire Dec 31, 2012	1,953	5,054	1.6
Benton Resources Corp.	(iii)	4,000,000 common shares	2,526	4,760	1.5
Apogee Minerals Ltd.	(iii)	13,000,000 common shares			
		1,175,000 warrants expire Apr 30, 2011			
		500,000 warrants expire Dec 18, 2011			
		625,000 warrants expire May 12, 2012			
		2,500,000 warrants expire Dec 3, 2012	2,070	4,422	1.4
Temex Resources Corp.	(ii, iii)	12,510,000 common shares			
		440,000 warrants expire May 26, 2011			
		625,000 warrants expire Nov 19, 2012	5,945	4,363	1.4
Slam Exploration Ltd.	(ii, iii)	16,395,000 common shares			
		5,000,000 warrants expire Sep 22, 2011			
		1,000,000 warrants expire Mar 31, 2012			
		2,500,000 warrants expire Aug 18, 2012	1,727	4,348	1.4
Latin American Minerals Inc.	(ii, iii,	15,850,000 common shares			
	10(c))	500,000 warrants expire Feb 18, 2011			
		1,000,000 warrants expire Oct 5, 2011			
		1,000,000 warrants expire Sep 10, 2012	6,511	3,923	1.2
Cream Minerals Ltd.	(iii)	16,000,000 common shares			
		2,000,000 warrants expire Apr 13, 2011			
		5,000,000 warrants expire Dec 21, 2012	3,071	3,922	1.2
Bear Gold Lake Ltd. (formerly NFX	(ii, iii)	12,750,000 common shares			
Gold Inc.)		750,000 warrants expire Jun 4, 2011			
		1,000,000 warrants expire Oct 23, 2011	8,603	3,379	1.1
Nortec Ventures Corp.	(ii, iii)	16,000,000 common shares			
		1,500,000 warrants expire Jun 15, 2011	2,469	3,375	1.1
Currie Rose Resources Inc.	(ii, iii)	8,500,000 common shares			
		1,250,000 warrants expire Mar 10, 2012	1,555	3,228	1.0
Pele Mountain Resources Inc.	(ii, iii)	10,000,000 common shares	3,233	3,192	1.0
Niogold Mining Corp.	(ii, iii)	8,500,000 common shares			
		900,000 warrants expire Dec 22, 2011			
		750,000 warrants expire Dec 23, 2012	2,996	3,135	1.0
Nuinsco Resources Ltd.	(iii)	15,000,000 common shares			
		5,000,000 warrants expire Oct 1, 2012	1,285	2,747	0.9

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Goldrush Resources Ltd.	(ii, iii)	8,500,000 common shares			
		1,000,000 warrants expire Mar 11, 2012	1,710	2,414	0.8
Silver Quest Resources Ltd.	(iii)	4,085,615 common shares			
		415,307 warrants expire Aug 26, 2012	1,555	2,411	0.8
Soltoro Ltd.	(ii, iii)	3,751,000 common shares			
		500,000 warrants expire Jun 21, 2011			
		250,000 warrants expire Aug 12, 2011	1,770	2,406	0.8
AM Gold Inc. (formerly Acero-Martin Exploration Inc.)	(iii)	4,500,000 common shares			
		500,000 warrants expire Jul 14, 2011			
		250,000 warrants expire Apr 30, 2012	2,350	2,385	0.8
Creso Exploration Inc.	(iii)	3,500,000 common shares			
		2,000,000 warrants expire Jun 1, 2012			
		300,000 warrants expire Oct 8, 2012	2,218	2,170	0.7
ICN Resources Ltd.	(iii)	3,250,000 common shares			
		750,000 warrants expire Dec 2, 2011	856	2,134	0.7
Castillian Resources Corp.	(iii)	18,793,265 common shares			
		1,666,667 warrants expire Jul 16, 2012			
		1,500,000 warrants expire Dec 30, 2012	5,111	2,065	0.7
Visible Gold Mines Inc.	(ii, iii)	3,500,000 common shares			
		1,000,000 warrants expire Oct 21, 2011	1,046	1,997	0.6
EMC Metals Corp.	(iii)	5,000,000 common shares			
		250,000 warrants expire Feb 17, 2011			
		899,500 warrants expire Aug 15, 2011	1,977	1,924	0.6
Goldeye Explorations Limited	(ii, iii)	22,250,000 common shares			
		1,000,000 warrants expire Dec 16, 2011			
		2,000,000 warrants expire May 19, 2012			
		5,000,000 warrants expire Sep 29, 2012	2,535	1,881	0.6
Valencia Ventures Inc.	(ii, iii)	14,884,000 common shares			
		4,700,000 warrants expire Nov 25, 2011	4,580	1,880	0.6
AMI Resources Inc.	(ii, iii)	11,888,000 common shares			
		1,500,000 warrants expire Apr 28, 2011			
		500,000 warrants expire Nov 22, 2011			
		500,000 warrants expire Dec 10, 2011	1,600	1,820	0.6
Unigold Inc.	(ii, iii)	10,821,500 common shares			
		1,500,000 warrants expire Dec 1, 2011	4,138	1,786	0.6
Golden Tag Resources Ltd.	(iii)	2,820,500 common shares			
		2,000,000 warrants expire Nov 30, 2011	1,389	1,740	0.5
Redstar Gold Corp.	(ii, iii)	7,000,000 common shares	1,477	1,715	0.5
Resinco Capital Partners Inc.	(ii, iii)	11,114,000 common shares			
		6,250,000 warrants expire Nov 17, 2011	1,211	1,667	0.5

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
UC Resources Ltd.	(ii, iii)	16,000,000 common shares			
		500,000 warrants expire Feb 15, 2011			
		1,250,000 warrants expire Mar 9, 2011			
		500,000 warrants expire Aug 26, 2011			
		750,000 warrants expire Sep 27, 2012			
		1,500,000 warrants expire Dec 21, 2012	4,216	1,583	0.5
Caldera Resources Inc.	(ii, iii)	8,500,000 common shares			
		2,000,000 warrants expire Jan 6, 2012			
		1,500,000 warrants expire Apr 16, 2012	928	1,561	0.5
Lago Dourado Minerals Ltd.	(ii)	2,350,000 common shares	575	1,498	0.5
Erin Ventures Inc.	(ii, iii)	9,125,000 common shares			
		1,000,000 warrants expire Mar 9, 2011			
		1,875,000 warrants expire Apr 30, 2011			
		1,000,000 warrants expire Dec 2, 2011	1,098	1,449	0.5
Metals Creek Resources Corp.	(ii, iii)	4,000,000 common shares			
		1,000,000 warrants expire Oct 2, 2011	495	1,425	0.4
Colt Resources Inc.	(ii, iii)	1,392,857 common shares			
		1,099,774 warrants expire Jun 29, 2011			
		271,429 warrants expire Feb 25, 2012	377	1,406	0.4
Ginguro Exploration Inc.	(ii, iii)	4,888,000 common shares			
		1,250,000 warrants expire Jun 17, 2011			
		625,000 warrants expire Dec 11, 2011	1,349	1,347	0.4
Oroco Resource Corp.	(ii, iii)	4,000,000 common shares			
		500,000 warrants expire Jun 3, 2011			
		500,000 warrants expire Apr 14, 2012	1,220	1,337	0.4
Alexander Nubia International Inc.	(iii)	3,750,000 common shares			
		1,250,000 warrants expire Oct 1, 2011	582	1,313	0.4
RJK Explorations Ltd.	(ii, iii)	9,000,000 common shares			
		5,000,000 warrants expire Dec 15, 2012	861	1,242	0.4
African Queen Mines Ltd.	(iii)	2,000,000 common shares			
		500,000 warrants expire Apr 20, 2011			
		250,000 warrants expire Dec 23, 2011			
		250,000 warrants expire Nov 1, 2012	961	1,211	0.4
Shoreham Resources Ltd.	(ii)	3,250,000 common shares			
		250,000 warrants expire May 14, 2011	858	1,203	0.4
Pacific Ridge Exploration Ltd.	(ii, iii)	4,250,000 common shares			
		1,250,000 warrants expire Dec 22, 2011	1,804	1,145	0.4
Northern Lion Gold Corp.	(ii, iii)	4,523,500 common shares			
		500,000 warrants expire May 24, 2012	1,775	1,091	0.3

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Abcourt Mines Inc.	(iii)	6,750,000 common shares			
		4,000,000 warrants expire Dec 13, 2011			
		1,500,000 warrants expire Dec 23, 2011	926	1,013	0.3
Valgold Resources Ltd.	(ii, iii)	4,000,000 common shares			
		1,000,000 warrants expire Nov 23, 2012			
		1,000,000 warrants expire Mar 3, 2015	3,172	1,008	0.3
Commander Resources Ltd.	(iii)	5,000,000 common shares	1,901	1,000	0.3
Total of 121 other investments – Resources (Precious Metals) sector (iv)			83,984	63,101	19.8
			243,164	316,667	100.0
Sector: Resources (Uranium)					
Rockgate Capital Corp.	(i, ii, iii	6,927,500 common shares			
	10(c))	250,000 warrants expire Jul 28, 2011			
		322,500 warrants expire Sep 16, 2011	6,536	17,052	15.5
Mega Uranium Ltd.	(i, ii, iii,	12,500,000 common shares			
	10(c))	165,000 warrants expire Feb 22, 2012			
		764,712 warrants expire Jun 6, 2012			
		1,500,000 warrants expire Oct 26, 2014	36,087	14,218	13.0
Mawson Resources Ltd.	(i, iii)	4,398,000 common shares			
		750,000 warrants expire May 6, 2011			
		375,000 warrants expire Oct 25, 2012	2,982	11,208	10.2
U308 Corp.	(i, ii, iii,	8,251,271 common shares			
	10(c))	750,000 warrants expire Oct 14, 2012	3,946	8,770	8.0
Tournigan Energy Ltd.	(iii)	17,500,000 common shares			
		500,000 warrants expire Jul 14, 2012			
		1,250,000 warrants expire Dec 30, 2012	4,651	5,480	5.0
Energy Fuels Inc.	(iii)	6,000,000 common shares	4,170	5,280	4.8
Forum Uranium Corp.	(ii, iii)	10,000,000 common shares			
		3,000,000 warrants expire Apr 22, 2011	2,384	3,235	2.9
Silver Spruce Resources Inc.	(ii, iii)	15,000,000 common shares			
		2,500,000 warrants expire Sep 7, 2012	4,282	3,226	2.9
		1,000,000 warrants expire Dec 23, 2012			
Virginia Energy Resources Inc.	(iii)	6,100,000 common shares			
		750,000 warrants expire Apr 21, 2012			
		100,000 warrants expire Jul 21, 2014	4,696	2,964	2.7
Mesa Uranium Corp.	(ii, iii)	2,294,833 common shares			
		500,000 warrants expire Nov 20, 2011			
		750,000 warrants expire Dec 6, 2012	944	2,829	2.6
Southern Andes Energy Inc.	(ii, iii)	6,052,683 common shares			
		1,458,333 warrants expire Sep 12, 2011			
		2,000,000 warrants expire Dec 17, 2011	3,935	2,754	2.5

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: **Issuer**	**Notes**	**Security Description**	**Cost**	**Fair Value**	**% of Sector (FV)**
Sector: Resources (Uranium) (continued)					
Cue Resources Ltd.	(ii, iii)	12,999,300 common shares			
		2,500,000 warrants expire Jul 11, 2011			
		4,000,000 warrants expire Nov 10, 2012	5,318	2,505	2.3
Sparton Resources Inc.	(ii, iii)	12,000,000 common shares	2,953	2,280	2.1
Dios Exploration Inc.	(ii, iii)	5,942,500 common shares	3,252	1,902	1.7
Calypso Uranium Corp.	(ii, iii)	6,000,000 common shares	2,678	1,710	1.6
Crossland Uranium Mines Ltd.	(iii)	8,000,000 common shares	2,441	1,710	1.6
RPT Resources Ltd.	(iii)	6,000,000 common shares	1,808	1,260	1.1
Tigris Uranium Corp.	(iii)	2,000,000 common shares	200	1,260	1.1
Kirrin Resources Inc.	(ii, iii)	8,234,166 common shares			
		1,500,000 warrants expire Sep 12, 2011			
		250,000 warrants expire Oct 30, 2011			
		1,750,000 warrants expire Dec 20, 2011			
		1,000,000 warrants expire May 30, 2012	1,182	1,063	1.0
Pacific Bay Minerals Ltd.	(ii, iii)	7,900,000 common shares			
		2,500,000 warrants expire Nov 19, 2011			
		2,400,000 warrants expire Dec 3, 2011	1,290	1,020	0.9
Total of 29 other investments – Resources (Uranium) sector (iv)			27,698	17,994	16.5
			123,433	109,720	100.0
Sector: Resources (Coal)					
Cline Mining Corporation	(i, ii, iii)	15,000,000 common shares	15,562	60,450	98.5
Total of 3 other investments – Resources (Coal) sector (iv)			1,150	942	1.5
			16,712	61,392	100.0
Sector: Resources (Base Metals)					
Macarthur Minerals Ltd.	(i, ii, iii)	6,340,700 common shares			
		500,000 warrants expire Jan 3, 2013	8,175	19,933	13.0
Coro Mining Corp.	(i, iii)	10,000,000 common shares	3,498	11,700	7.6
Solitario Exploration & Royalty Corp.	(i, iii)	2,500,000 common shares	5,097	8,775	5.7
Erdene Resource Development Corp.	(i, iii)	7,000,000 common shares	3,428	8,680	5.7
Probe Mines Ltd.	(i, ii, iii)	4,387,400 common shares			
		500,000 warrants expire Feb 2, 2012	2,903	7,499	4.9
Woulfe Mining Corp.	(iii)	18,000,000 common shares			
		2,500,000 warrants expire Dec 17, 2011	7,665	5,440	3.6
Advanced Explorations Inc.	(iii)	5,585,000 common shares			
		1,500,000 warrants expire Sep 22, 2011	1,807	5,222	3.4
Terreno Resoruces Corp.	(ii, iii,	7,234,834 common shares			
(formerly Mega Moly Inc.)	10(c))	2,333,334 warrants expire Nov 1, 2012	1,775	5,158	3.4
Western Troy Capital Resources Inc	(ii, iii)	6,539,166 common shares			
		500,000 warrants expire Nov 29, 2012	3,326	4,668	3.0

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010:

Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Base Metals) (continued)					
MacDonald Mines Exploration Ltd.	(ii, iii)	16,000,000 common shares			
		3,075,000 warrants expire Oct 29, 2011	7,268	3,040	2.0
Bolero Resources Corp.	(ii, iii)	4,019,500 common shares			
		1,000,000 warrants expire Oct 28, 2011			
		2,000,000 warrants expire Oct 4, 2012	4,298	2,534	1.7
International PBX Ventures Ltd.	(iii)	4,500,000 common shares			
		500,000 warrants expire Nov 30, 2011	1,646	2,283	1.5
Duran Ventures Inc.	(iii)	8,500,000 common shares			
		1,000,000 warrants expire Apr 17, 2011			
		1,500,000 warrants expire Dec 23, 2012	2,002	2,226	1.5
MBMI Resources Inc.	(ii, iii)	11,826,574 common shares			
		1,000,000 warrants expire May 28, 2011			
		2,500,000 warrants expire Apr 19, 2013	6,821	2,151	1.4
Castle Resources Inc.	(iii)	4,400,000 common shares			
		500,000 warrants expire Apr 15, 2011			
		500,000 warrants expire Oct 7, 2012	1,206	2,139	1.4
Beaufield Resources Inc.	(iii)	5,000,000 common shares	2,630	2,125	1.4
Halo Resources Ltd.	(ii, iii)	3,300,000 common shares			
		200,000 warrants expire May 26, 2011			
		200,000 warrants expire Jun 29, 2011			
		200,000 warrants expire Nov 4, 2011			
		1,000,000 warrants expire Oct 4, 2012			
		500,000 warrants expire Dec 23, 2012	2,473	2,107	1.4
African Metals Corporation	(ii, iii)	4,282,000 common shares			
		1,250,000 warrants expire Oct 22, 2011			
		1,000,000 warrants expire Aug 27, 2012	993	2,060	1.3
Bridgeport Ventures Inc.	(ii, iii)	2,250,000 common shares			
		500,000 warrants expire Dec 1, 2012			
		250,000 warrants expire Dec 20, 2012	1,381	2,025	1.3
Happy Creek Minerals Ltd.	(ii, iii)	6,000,000 common shares			
		500,000 warrants expire Dec 21, 2012	2,373	1,891	1.2
Rio Cristal Resources Corp.	(iii)	4,805,000 common shares			
		1,750,000 warrants expire Aug 30, 2012	715	1,638	1.1
Southern Silver Exploration Corp.	(ii, iii)	4,500,000 common shares			
		1,500,000 warrants expire Oct 27, 2012	992	1,500	1.0
Zenyatta Ventures Ltd.	(iii)	2,580,000 common shares			
		1,180,000 warrants expire Dec 23, 2012	685	1,403	0.9
Infrastructure Materials Corp.	(ii, iii)	8,177,174 common shares	3,032	1,383	0.9
Sultan Minerals Inc.	(ii, iii)	13,000,000 common shares			
		4,000,000 warrants expire Nov 24, 2012	2,848	1,082	0.7

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Canadian Arrow Mines Ltd.	(ii, iii)	13,071,430 common shares			
		1,000,000 warrants expire Mar 17, 2011			
		1,500,000 warrants expire Apr 29, 2011			
		3,571,430 warrants expire Oct 18, 2012	2,290	1,034	0.7
Newport Exploration Ltd.	(ii, iii)	5,500,000 common shares	1,249	1,018	0.7
Total of 66 other investments – Resources (Base Metals) sector (iv)			82,877	42,507	27.6
			165,453	153,221	100.0
Sector: Resources (Oil and Gas)					
Primary Petroleum Corp.	(i, ii, iii)	14,681,800 common shares	4,228	13,507	18.7
Brownstone Energy Inc. (formerly	(i, ii, iii,	10,197,720 common shares			
Brownstone Ventures Inc.)	10(c))	500,000 warrants expire May 28, 2011			
		1,369,110 warrants expire Apr 13, 2012	8,189	10,544	14.6
Talon Metals Corp.	(i, iii)	4,000,500 common shares	2,219	6,561	9.1
Canadian Spirit Resources Inc.	(i, ii)	3,000,000 common shares	3,157	5,520	7.6
Centric Energy Corp.	(i, ii, iii)	7,500,000 common shares	2,321	4,425	6.1
Contact Exploration Inc.	(iii)	5,250,000 common shares			
		1,250,000 warrants expire May 10, 2012			
		500,000 warrants expire Oct 15, 2012	907	2,969	4.1
Donnybrook Energy Inc. (formerly	(iii)	6,403,000 common shares			
Coastport Capital Inc.)		1,250,000 warrants expire Feb 13, 2011			
		500,000 warrants expire Feb 25, 2011	1,599	2,861	4.0
Anglo Canadian Oil Corp.	(iii)	6,225,000 common shares			
		500,000 warrants expire May 16, 2011	739	2,397	3.3
Vulcan Minerals Inc.	(iii)	4,882,500 common shares			
		500,000 warrants expire Nov 3, 2011			
		100,000 warrants expire Nov 26, 2011	2,915	2,002	2.8
Greencastle Resources Inc.	(ii, iii)	5,000,000 common shares	1,520	1,675	2.3
Total of 38 other investments – Resources (Oil and Gas) sector (iv)			31,096	19,802	27.4
			58,890	72,263	100.0
Sector: Resources (Potash, Lithium and Rare Earths)					
Stans Energy Corp.	(i, iii)	9,500,000 common shares			
		500,000 warrants expire Aug 2, 2011	1,996	12,675	19.1
Canada Lithium Corp.	(i)	4,500,000 common shares			
		2,022,500 warrants expire Sep 30, 2011	5,176	11,297	17.0
IC Potash Corp. (formerly Trigon	(i, ii, iii)	6,562,500 common shares			
Uranium Corp.)		937,500 warrants expire Dec 2, 2011			
		500,000 warrants expire Sep 15, 2013	5,582	9,205	13.8
Lithium Americas Corp.	(i, iii)	4,600,000 common shares			
		125,000 warrants expire May 13, 2012	6,410	8,740	13.1
Matamec Explorations Inc.	(i, iii)	9,600,001 common shares			
		750,000 warrants expire Jun 16, 2012	2,847	6,054	9.1

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at December 31, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Potash, Lithium and Rare Earths) (continued)					
Western Potash Corp.	(ii, iii)	1,000,000 common shares			
		8,500,000 warrants expire Apr 15, 2011			
		500,000 warrants expire Jun 21, 2013	1,618	4,539	6.8
Rare Earth Metals Inc.	(ii, iii)	6,500,000 common shares			
		250,000 warrants expire Nov 10, 2011			
		2,000,000 warrants expire Dec 16, 2011	1,862	2,646	4.0
New World Resource Corp.	(ii, iii)	6,236,852 common shares			
		1,000,000 warrants expire Jun 26, 2011	3,074	2,464	3.7
Ucore Uranium Inc.	(ii)	2,431,250 common shares			
		1,250,000 warrants expire Jul 24, 2011			
		318,750 warrants expire Dec 9, 2012	1,103	2,092	3.1
Strategic Resources Inc.	(ii, iii)	11,000,000 common shares			
		2,500,000 warrants expire Jan 7, 2012			
		3,000,000 warrants expire Nov 17, 2012	2,838	2,020	3.0
Fieldex Exploration Inc.	(ii, iii)	7,610,778 common shares			
		1,388,889 warrants expire Oct 29, 2011	1,315	1,446	2.2
Total of 9 other investments – Resources (Potash, Lithium and Rare Earths) sector (iv)			3,503	3,346	5.1
			37,324	66,524	100.0
Sector: Technology and Other					
Titanium Corporation Inc.	(i)	1,775,000 common shares			
		250,000 warrants expire Jun 15, 2012	1,972	3,221	16.7
Opel Solar International Inc.	(i, ii, iii)	8,500,000 common shares			
		750,000 warrants expire Dec 13, 2011			
		500,000 warrants expire Jul 21, 2012	6,822	2,720	14.1
Landdrill International Inc.	(i, ii, iii)	8,057,000 common shares	2,296	2,296	11.9
Diagnos Inc.	(i, ii, iii)	4,988,500 common shares			
		1,500,000 warrants expire Nov 11, 2011	1,481	1,422	7.4
Fiber Optic Systems Technology, Inc.	(i, ii, iii, 10(c))	11,882,112 common shares			
		$100,000 12% convertible debenture			
		1,825,000 warrants expire Mar 5, 2011			
		1,111,111 warrants expire May 7, 2011			
		3,000,000 warrants expire Sep 23, 2012	4,494	1,164	6.1
REBgold Corporation	(ii, iii)	10,787,500 common shares			
		2,000,000 warrants expire May 10, 2011			
		1,000,000 warrants expire Aug 6, 2013			
		1,537,500 warrants expire Jun 17, 2015	1,287	1,025	5.3
Total of 32 other investments – Technology and Other sector (iv)			29,095	7,387	38.5
			47,447	19,235	100.0
Total investments (v)			$ 692,423	$ 799,022	

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

(i) These investments are in the top five of their respective sector, by fair value, are publicly traded and these investments have a fair value greater than $1,000 as at December 31, 2010.

(ii) The Company has filed an "early warning report" pursuant to applicable Canadian securities legislation for these investments and these investments have a fair value greater than $1,000 as at December 31, 2010.

(iii) The Company owns, on a partially diluted basis, at least a 5% interest in the publicly-traded company and these investments have a fair value greater than $1,000 as at December 31, 2010.

(iv) Total other investments in each sector include all equity investments, warrants, promissory notes, and convertible debentures which are not individually listed in their respective sector, held by the Company as at December 31, 2010.

(v) As at December 31, 2010, included in total investments were securities of private companies with a fair value totaling $23,428 (cost of $34,006) measured in accordance with the Company's accounting policy for private company investments.

(vi) Certain investments are held as collateral. See note 8(a) and 10(a)(i).

(c) Investments presented for at fair value consist of the following as at January 1, 2010 by sector:

As at January 1, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals)					
Queenston Mining Inc.	(i, ii, iii)	5,248,200 common shares	14,035	28,970	18.3
Colossus Minerals Inc.	(i, ii)	3,000,000 common shares	3,583	17,160	10.9
Evolving Gold Corp.	(i, ii, iii)	9,500,000 common shares			
		500,000 warrants expire Nov 24, 2011	4,572	10,374	6.6
African Gold Group Inc.	(i, ii, iii)	9,079,500 common shares			
		3,000,000 warrants expire Jan 23, 2011			
		282,500 warrants expire Jun 16, 2011	3,167	6,888	4.4
Solitario Exploration & Royalty Corp	(i, iii)	2,508,053 common shares	5,107	6,019	3.8
Latin American Minerals Inc.	(ii, iii, 11(c))	13,500,000 common shares			
		500,000 warrants expire Feb 19, 2010			
		1,000,000 warrants expire Oct 5, 2011	6,119	3,158	2.0
Mega Precious Metals Inc. (formerly Mega Silver Inc.)	(ii, iii, 11(c))	4,980,836 common shares			
		375,000 warrants expire Nov 2, 2010	2,847	2,957	1.9
Unigold Inc.	(ii, iii)	10,516,000 common shares			
		1,500,000 warrants expire Dec 1, 2011	4,049	2,778	1.8

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at January 1, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Precious Metals) (continued)					
Valencia Ventures Inc.	(ii, iii)	14,884,000 common shares			
		4,700,000 warrants expire Nov 25, 2011	4,580	2,686	1.7
Bear Gold Lake Ltd. (formerly NFX Gold Inc.)	(ii, iii)	10,327,000 common shares			
		1,000,000 warrants expire Oct 23, 2010			
		750,000 warrants expire Jun 4, 2011	$ 8,024	$ 2,582	1.6
Niogold Mining Corp.	(ii, iii)	7,171,500 common shares			
		900,000 warrants expire Dec 22, 2010	2,588	2,242	1.4
Silver Quest Resources Ltd.	(ii, iii)	4,250,000 common shares			
		1,250,000 warrants expire Sep 16, 2010			
		1,250,000 warrants expire Oct 6, 2010	877	2,163	1.4
Caledonia Mining Corporation	(iii)	35,910,000 common shares	5,740	2,155	1.4
Temex Resources Corp.	(ii, iii)	8,977,000 common shares			
		440,000 warrants expire May 26, 2011	4,818	2,020	1.3
TNR Gold Corp.	(iii)	6,575,000 common shares			
		500,000 warrants expire Apr 17, 2010	1,493	1,874	1.2
Commander Resources Ltd.	(iii)	5,000,000 common shares	1,934	1,700	1.1
Redstar Gold Corp.	(ii, iii)	6,750,000 common shares	1,433	1,688	1.1
Nortec Ventures Corp.	(ii)	16,080,000 common shares			
		540,000 warrants expire Feb 14, 2010			
		1,500,000 warrants expire Jun 15, 2011	2,482	1,675	1.1
Goldstone Resources Inc. (formerly Ontex Resources Limited)	(iii)	1,458,333 common shares			
		416,666 warrants expire Sept 5, 2010			
		833,333 warrants expire Nov 22, 2010			
		441,666 warrants expire Feb 24, 2011	1,404	1,240	0.8
AMI Resources Inc.	(ii, iii)	7,638,000 common shares			
		2,000,000 warrants expire May 4, 2010			
		1,500,000 warrants expire Apr 28, 2011	1,055	1,224	0.8
Shoreham Resources Ltd.	(ii, iii)	3,600,000 common shares			
		750,000 warrants expire May 14, 2010			
		250,000 warrants expire May 14, 2011	950	1,044	0.7
Gold Canyon Resources Inc.	(ii, iii)	5,550,000 common shares			
		1,000,000 warrants expire Sep 29, 2011	2,036	1,022	0.6
Treasury Metals Inc.	(iii)	2,186,055 common shares			
		500,000 warrants expire Nov 22, 2010	645	1,016	0.6
Pacific North West Capital Corp.	(ii, iii)	5,500,000 common shares			
		250,000 warrants expire Dec 30, 2010	2,498	1,008	0.6
Total of 120 other investments – Resources (Precious Metals) sector (iv)			91,636	52,384	32.9
			177,672	158,027	100.0

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at January 1, 2010:

Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Base Metals)					
Noront Resources Ltd.	(i, ii)	3,600,000 common shares	6,965	7,452	9.8
Macarthur Minerals Ltd.	(i, ii, iii)	4,465,200 common shares			
		500,000 warrants expire Jan 3, 2010	5,372	3,751	4.9
Bridgeport Ventures Inc.	(i, ii, iii)	1,602,600 common shares			
		500,000 warrants expire Dec 1, 2012	698	3,158	4.2
Coro Mining Corp.	(i, iii)	5,000,000 common shares	900	2,800	3.7
International Nickel Ventures Corp.	(i, ii)	2,800,000 common shares	3,615	2,464	3.2
Probe Mines Ltd.	(ii, iii)	4,500,000 common shares	3,080	2,430	3.2
Western Troy Capital Resources Inc.	(ii, iii)	5,639,166 common shares	2,524	2,199	2.9
MacDonald Mines Exploration Ltd.	(ii, iii)	14,916,000 common shares			
		3,075,000 warrants expire Oct 29, 2011	7,012	2,163	2.8
Creston Moly Corp.	(iii)	10,409,900 common shares			
		2,500,000 warrants expire May 9, 2010	8,370	2,147	2.8
Terreno Resources Corp. (formerly Mega Moly Inc.)	(ii, iii, 10(c))	4,901,500 common shares	1,425	2,138	2.8
MBMI Resources Inc.	(ii, iii)	7,617,074 common shares			
		1,000,000 warrants expire Dec 29, 2010			
		1,000,000 warrants expire May 28, 2011	6,266	1,809	2.4
Uranium Star Corp.	(iii)	3,000,000 common shares			
		1,500,000 warrants expire Jun 16, 2011	786	1,533	2.0
Infrastructure Materials Corporation	(ii, iii)	7,525,000 common shares	2,877	1,529	2.0
Tribute Minerals Inc.	(iii)	9,450,000 common shares			
		1,000,000 warrants expire Jun 24, 2011			
		2,500,000 warrants expire Dec 21, 2011	1,612	1,317	1.7
Bolero Resources Corp.	(ii, iii)	1,665,500 common shares			
		1,000,000 warrants expire Oct 28, 2011	3,637	1,050	1.4
Copper Mesa Mining Corporation	(ii, iii)	20,787,270 common shares	3,601	1,039	1.4
Total of 91 other investments – Resources (Base Metals) sector (iv)			100,785	37,069	48.8
			159,525	76,048	100.0
Sector: Resources (Uranium)					
Mega Uranium Ltd.	(i, ii, iii, 10(c))	13,400,000 common shares			
		914,712 warrants expire Feb 22, 2012			
		1,500,000 warrants expire Oct 26, 2014	39,747	10,356	24.6
Rockgate Capital Corp.	(i, ii, iii, 10(c))	8,500,000 common shares			
		500,000 warrants expire Mar 27, 2010			
		250,000 warrants expire Jul 28, 2011	8,296	5,550	13.2
Tournigan Energy Ltd.	(i, iii)	10,000,000 common shares	2,913	2,250	5.3
Continental Precious Minerals Inc.	(i, ii, iii)	2,000,000 common shares			
		1,000,000 warrants expire May 6, 2012	1,091	1,920	4.6

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at January 1, 2010:

Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Uranium) (continued)					
Sparton Resources Inc.	(ii, iii)	8,236,500 common shares			
		2,500,000 warrants expire Oct 5, 2010	2,323	1,542	3.7
Pele Mountain Resources Inc.	(ii, iii)	8,000,000 common shares			
		1,000,000 warrants expire Feb 22, 2010	2,823	1,520	3.6
Forum Uranium Corp.	(ii, iii)	10,496,500 common shares			
		3,000,000 warrants expire Apr 22, 2011	2,708	1,381	3.3
U308 Corp.	(ii, iii, 10(c)	2,550,100 common shares	996	1,224	2.9
Energy Fuels Inc.	(iii)	4,500,000 common shares	3,456	1,125	2.7
Total of 43 other investments – Resources (Uranium) sector (iv)			53,678	15,301	36.5
			118,031	42,169	100.0
Sector: Resources (Oil and Gas)					
Brownstone Ventures Inc.	(i, ii, iii,	7,647,000 common shares			
	10(c))	500,000 warrants expire May 28, 2011	6,797	6,143	17.8
Southern Pacific Resources Corp.	(i, ii)	5,488,500 common shares	4,724	5,300	15.3
Canadian Spirit Resources Inc.	(i, ii, iii)	2,121,300 common shares			
		500,000 warrants expire Feb 19, 2010	1,870	3,532	10.2
Vulcan Minerals Inc.	(i, iii)	3,782,500 common shares			
		100,000 warrants expire Nov 26, 2011	2,246	2,487	7.2
Red Maple Energy Inc.	(i)	5,400,000 common shares	750	1,557	4.5
	(ii, iii,				
Quetzal Energy Ltd.	10(c))	9,110,000 common shares			
		5,000,000 warrants expire Oct 26, 2011			
		600,000 warrants expire Apr 21, 2012	4,085	1,508	4.4
Changfeng Energy Inc.	(iii)	3,346,500 common shares	1,329	1,088	3.1
Talon Metals Corp.	(iii)	2,504,000 common shares	1,699	1,014	2.9
Total of 39 other investments – Resources (Oil and Gas) sector (iv)			29,568	11,975	34.6
			53,068	34,604	100.0
Sector: Resources (Potash, Lithium and Rare Earths)					
Ucore Uranium Inc.	(i, ii, iii)	10,000,000 common shares			
		1,250,000 warrants expire Jul 24, 2011	4,549	5,081	18.7
Stans Energy Corp.	(i, iii)	6,000,000 common shares			
		2,000,000 warrants expire Nov 30, 2010	934	2,767	10.2
Orocobre Ltd.	(i)	2,500,000 common shares	2,573	2,689	9.9
Rare Earth Metals Inc.	(i, iii)	4,000,000 common shares			
		2,000,000 warrants expire Dec 16, 2011	1,000	2,019	7.4
Lithium Americas Corp.	(i)	1,250,000 common shares	700	1,875	6.9
IC Potash Corp. (formerly Trigon	(iii)	4,285,500 common shares			
Uranium Corp.)		937,500 warrants expire Dec 2, 2011	4,701	1,564	5.8
49 North Resources Inc.	(ii, iii)	815,000 common shares			
		815,000 warrants expire Jun 18, 2011	2,241	1,557	5.7

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

As at January 1, 2010: Issuer	Notes	Security Description	Cost	Fair Value	% of Sector (FV)
Sector: Resources (Potash, Lithium and Rare Earths) (continued)					
Fieldex Exploration Inc.	(ii, iii)	6,879,278 common shares			
		1,388,889 warrants expire Oct 29, 2011	1,146	1,450	5.3
New World Resource Corp.	(ii, iii)	6,236,852 common shares			
		925,926 warrants expire Sep 25, 2010			
		1,000,000 warrants expire Jun 26, 2011	3,074	1,363	5.0
Total of 19 other investments – Resources (Potash, Lithium and Rare Earths) sector (iv)			9,318	6,738	25.1
			30,236	27,103	100.0
Sector: Resources (Coal)					
Cline Mining Corp.	(i, ii, iii)	13,500,000 common shares	10,409	4,725	68.5
Total of 7 other investments – Resources (Coal) sector (iv)			4,372	2,172	31.5
			14,781	6,897	100.0
Sector: Technology and Other					
Enghouse Systems Ltd.	(i)	750,000 common shares	5,217	6,450	24.4
Diagnos Inc.	(i, ii, iii)	5,767,500 common shares			
		1,500,000 warrants expire Nov 11, 2011	1,683	2,730	10.3
Antisense Therapeutics Limited	(i, iii)	37,500,000 common shares	2,055	1,938	7.3
Opel Solar International Inc.	(i, ii, iii)	6,150,000 common shares			
		1,000,000 warrants expire May 11, 2010			
		750,000 warrants expire Dec 13, 2011	6,037	1,476	5.6
Cyber Bay Corp.	(i)	100,000,000 common shares	1,165	1,266	4.8
Total of 41 other investments – Technology and Other sector (iv)			36,461	12,553	47.6
			52,618	26,413	100.0
Total investments (v)			$ 605,931	$ 371,261	

(i) These investments are in the top five of their respective sector, by fair value, are publicly traded and these investments have a fair value greater than $1,000 as at January 1, 2010.

(ii) The Company has filed an “early warning report” pursuant to applicable Canadian securities legislation for these investments and these investments have a fair value greater than $1,000 as at January 1, 2010.

(iii) The Company owns, on a partially diluted basis, at least a 5% interest in the publicly-traded company and these investments have a fair value greater than $1,000 as at January 1, 2010.

(iv) Total other investments in each sector include all equity investments, warrants, promissory notes, and convertible debentures which are not individually listed in their respective sector, held by the Company as at January 1, 2010.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

3. Investments at fair value (continued):

(v) As at January 1, 2010, included in total investments were securities of private companies with a fair value totaling $32,731 (cost of $41,346) measured in accordance with the Company's accounting policy for private company investments.

(vi) Certain investments are held as collateral. See note 8(a) and 10(a)(i).

4. Financial instruments hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The following table presents the Company's financial instruments, measured at fair value on the consolidated statements of financial position and categorized into levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	
	Quoted market price	Valuation technique – observable market inputs	Valuation technique – non-observable market inputs	Total
Assets				
Investments at fair value				
March 31, 2011	**$ 650,803**	**$ 89,943**	**$ 26,688**	**$ 767,434**
December 31, 2010	$ 665,299	$ 110,295	$ 23,428	$ 799,022
January 1, 2010	$ 285,894	$ 52,636	$ 32,731	$ 371,261

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

4. Financial instruments hierarchy (continued):

	Level 1 Quoted market price	Level 2 Valuation technique – observable market inputs	Level 3 Valuation technique – non-observable market inputs	Total
Liabilities				
Class C preferred share liabilities, at fair value				
March 31, 2011	**$ -**	**$ 396**	**$ -**	**$ 396**
December 31, 2010	$ -	$ 529	$ -	$ 529
January 1, 2010	$ -	$ 373	$ -	$ 373

There were no significant transfers from Level 1 to 2 during the periods ended March 31, 2011, December 31, 2010 and January 1, 2010. During the three months ended March 31, 2011, $49,536 of the investments which were held in Level 2 as at December 31, 2010, were transferred to Level 1. During the year ended December 31, 2010, $43,412 of the investments which were held in Level 2 as at January 1, 2010, were transferred to Level 1. The transfer out of Level 2 to Level 1 consists of restricted investments which became unrestricted during the period.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3. These financial instruments are measured at fair value utilizing non-observable market inputs. The realized gains/losses and net unrealized gains/losses are recognized in the consolidated statements of comprehensive income.

	Opening balance, January 1,	Net purchases	Realized losses	Net unrealized losses	Net transfer out of Level 3	Ending balance,
Investments at fair value						
March 31, 2011	**$ 23,428**	**$ 5,247**	**$ -**	**$ (150)**	**$ (1,837)**	**$ 26,688**
December 31, 2010	32,731	15,556	(2,804)	(1,963)	(20,092)	23,428

The net transfer out of Level 3 consists of investments in private companies at the start of the period and companies which were purchased during the period which became publicly-traded investments.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

5. Securities lending:

The Company has entered into security lending agreements ("SLA") in Canada in accordance with established market conventions. The majority of the Company's stock lending transactions occur in Canada, where securities in the portfolio are lent (including the transfer of title) to regulated, locally-domiciled counterparties and governed by agreements written under Canadian law.

The Company receives collateral in order to reduce the credit risk of these arrangements. Collateral must be in a readily realizable form, such as listed securities, and is held in segregated accounts. Transfer of title always occurs for collateral received, although no market risk or economic benefit is taken. The level of collateral held is monitored regularly, with further collateral obtained where this is considered necessary to manage the Company's risk exposure. The Company's appointed security lending managers obtains legal ownership of the collateral received and can repledge it as collateral elsewhere or sell it outright in the absence of default.

The details of the security lending arranging positions are:

	March 31, 2011	December 31, 2010	January 1, 2010
Investments at fair value lent under SLA – carrying amount	**$ 23,784**	$ 5,355	$ -
Fair value of collateral held for investments lent under SLA	**23,945**	4,012	-

6. Financial assets other than investments at fair value:

	March 31, 2011	**December 31, 2010**	**January 1, 2010**
Cash and cash equivalents	**$ 83**	$ 158	$ 404
Due from brokers	**14**	14	24
Other receivables	**471**	509	294

All amounts above are designated as financial assets at amortized cost. The carrying values approximate their fair values due to the short-term nature of these instruments.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

7. Property, plant and equipment:

	Computer equipment	Computer software	Leasehold improvements	Furniture and equipment	Totals
At January 1, 2010					
Cost	$ 76	$ 20	$ 347	$ 465	$ 908
Accumulated depreciation	55	1	133	202	391
Net book value	21	19	214	263	517
Year ended December 31, 2010					
Additions	21	2	599	11	633
Disposals	-	-	-	-	-
Depreciation for year	12	11	395	56	474
Net book value	$ 30	$ 10	$ 418	$ 218	$ 894
As at December 31, 2010					
Cost	97	22	946	476	1,541
Accumulated depreciation	67	12	528	258	865
Net book value	30	10	418	218	676
Three months ended March 31, 2011					
Additions	**4**	**-**	**47**	**18**	**69**
Disposals	**-**	**-**	**-**	**-**	**-**
Depreciation for period	**4**	**2**	**36**	**11**	**53**
Net book value	**$ 30**	**$ 8**	**$ 429**	**$ 225**	**$ 692**
As at March 31, 2011					
Cost	**101**	**22**	**993**	**495**	**1,611**
Accumulated depreciation	**71**	**14**	**564**	**270**	**919**
Net book value	**$ 30**	**$ 8**	**$ 429**	**$ 225**	**$ 692**

8. Financial liabilities:

	March 31, 2011	December 31, 2010	January 1, 2010
Due to brokers (a)	**$ 71,166**	$ 85,570	$ 33,673
Accounts payable and accrued liabilities	**31,459**	34,094	6,824
Class C preferred share liabilities (b)	**396**	529	373
	$ 103,021	$ 120,193	$ 40,870

8. Financial liabilities (continued):

The carrying values of due to brokers and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

(a) Due to brokers consists of margin borrowings collateralized by the Company's investments held at the brokers. In the normal course of business, the Company utilizes the margin borrowings to finance its investment activities. Interest is charged on the daily outstanding balance at a tiered rate equal to the brokers' overnight rate plus 0.40%.

(b) During the year ended December 31, 2009, Pinetree's wholly owned subsidiary, PCIC, completed brokered and non-brokered private placements of an aggregate of 31,900 Class C preferred shares ("Class C Shares") of PCIC at a price of $10 per Class C Share for gross proceeds of $319. PCIC paid commissions and other expenses totaling $58 related to the private placements which were recorded in the consolidated statements of comprehensive income (loss). PCIC is authorized to issue an unlimited number of Class A preferred shares, Class B preferred shares, Class C Shares, and common shares. Pinetree owns directly and indirectly all Class A preferred shares, Class B preferred shares, and common shares of PCIC.

During the three months ended March 31, 2011, 2,700 Class C Shares were cancelled by PCIC following their retraction by the holders at prices of between $19.48 per share and $21.22 per share plus accrued and unpaid dividends. As at March 31, 2011, 24,800 Class C Shares (December 31, 2010 – 27,500 Class C Shares; January 1, 2010 – 31,900 Class C Shares) were issued and outstanding. The Class C Shares are non-voting, redeemable and retractable at any time, and entitle the holders thereof to receive cumulative dividends at a rate of 5% per annum until December 31, 2010 and at a rate of 8% per annum thereafter. During the three months ended March 31, 2011 and 2010, no dividends were declared.

The Class C Shares' redemption and retraction prices are linked to the market price of the Company's common shares, subject to a minimum redemption price (at any time) and minimum retraction price (until the first anniversary of issue) of $10 per share. As at March 31, 2011, both the redemption price and the retraction price in effect was $15.95 per share (December 31, 2010 - $19.25 per share; January 1, 2010 - $11.69 per share). Accordingly, as at March 31, 2011, the Company recorded a decrease in the fair value of the Class C Shares of $81 (three months ended March 31, 2010 - $54) which was recognized in operating, general and administrative expenses in the consolidated statements of comprehensive income (loss). As at March 31, 2011, the Company had Class C preferred share liabilities of $396 (December 31, 2010 - $529; January 1, 2010 - $373).

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

9. Deferred tax:

	March 31, 2011	December 31, 2010	January 1, 2010
Deferred tax assets	**$ 10,785**	$ 21,167	$ 23,306
Deferred tax liabilities	**$ 40,853**	$ 55,199	$ 12,943

(a) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are presented below:

	March 31, 2011	December 31, 2010	January 1, 2010
Deferred tax assets			
Non-capital losses	**$ 4**	$ 10,347	$ 10,874
Corporate minimum tax credit	**4,103**	4,103	4,103
Ontario transitional tax credits	**2,489**	2,593	2,619
Share issuance costs	**676**	897	1,867
Investments – differences in carrying value and tax cost	**3,389**	3,106	3,624
Property, plant and equipment – differences in amortized and unamortized cost	**124**	121	219
Total deferred tax assets	**10,785**	21,167	23,306
Deferred tax liabilities			
Investments – differences in carrying value and tax cost	**40,853**	55,199	12,943
Total deferred tax liabilities	**$ 40,853**	$ 55,199	$ 12,943

(b) At March 31, 2011, the Company has approximately $37,900 (December 31, 2010 - $78,200; January 1, 2010 - $49,000) of Canadian non-capital losses available to reduce future years' profits for tax purposes, the tax effect of which has been recorded in the accounts. The non-capital losses will expire as follows:

2028	$ 24,900
2030	13,000
	37,900

10. Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

10. Related party transactions (continued):

(a) Related party transactions were as follows during the three months ended March 31:

Type of service	Nature of relationship	2011	2010
Salaries	Director and officer	**$ 259**	$ 1,894
Consulting fees	Officers	**116**	100
Director fees	Directors	**38**	48
Stock-based compensation expense	Directors and officers	**439**	596
Interest expense (i)	Director, shareholder, and officer	**31**	15
Other income (ii)	Affiliated companies	**146**	146

(i) From time to time, the Company's Chairman and Chief Executive Officer ("CEO") advances funds to Pinetree. On December 15, 2008, the Company entered into a $25,000 credit facility (the "Credit Facility") with the CEO. The Credit Facility is secured under a General Security Agreement (the "GSA"). The GSA covers all present and future tangible and intangible property of the Company subject to any security interests ranking in priority thereto, including the security interest for the Company's bank line of credit and subordinate of the Company's brokers in respect of its margin borrowings (note 8(a)). The Credit Facility matures on December 31, 2011, bears interest at a rate of 1% per month on the outstanding principal amount and has a standby fee of 0.25% per annum on the undrawn portion of the Credit Facility calculated daily and payable monthly in arrears. Included in the consolidated statements of comprehensive income (loss) is $31 (three months ended March 31, 2010 - $15) of standby fee expense relating to the Credit Facility. As at March 31, 2011, December 31, 2010 and January 1, 2010, there was nil outstanding under the Credit Facility.

(ii) Other income relates to sublease and services agreements of approximately $146 (three months ended March 31, 2010 - $146) from companies in which Pinetree has a common director and common officers. The Company has a cost sharing arrangement with certain of its affiliated companies covering specific operating, general and administrative expenses, including lease commitments and salaries.

(b) Advances to related parties:

Related parties:	March 31, 2011	December 31, 2010	January 1, 2010
Starting balance (i)	**$ -**	$ 75	$ 75
Advances	**-**	282	-
Repayments	**-**	(75)	-
Interest charged	**-**	10	-
Reclassification (ii)	**-**	(292)	-
Ending balance	**-**	-	75

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

10. Related party transactions (continued):

(i) As at January 1, 2010, the Company had a loan receivable from an officer of the Company totaling $75 which was repaid in full on January 29, 2010. The loan bore interest at RBC's prime rate plus 1% per annum, compounded monthly. The loan was used by the officer to purchase investments and was collateralized by those investments.

(ii) On March 10, 2010, the Company entered into an agreement with AlphaNorth 2010 Flow-Through Limited Partnership (the "Fund"), a limited partnership established under the laws of Ontario, pursuant to which the Company agreed to provide funds to the Fund from time to time, of up to $500 principal amount in the form of a revolving term loan. Funds provided by Pinetree under the loan bear interest at a rate equal to prime plus 2% and are secured by a general security agreement over the Fund's assets. During the year ended December 31, 2010, the Company advanced $282 and accrued interest of $10 to the Fund. At the time of the agreement, the Company had a common director and owned a 20% interest in the Fund's general partner, AlphaNorth General Partner Inc. ("AGP"). As at December 31, 2010, the Company no longer has a common director with AGP and as result, reclassified its loan to the Fund as an accounts receivable.

No provision for impairment has been made on any of the loans.

(c) The Company has investments in companies with a common director and/or common officers of the Company. See note 3.

(d) During the three months ended March 31, 2011, the Company granted to directors and officers the following options:

Date Granted	Options Granted	Exercise Price	Expiry
March 31, 2011	1,170,000	$ 3.17	March 30, 2016
Total granted	1,170,000		

11. Share capital:

Authorized: Unlimited number of common shares, no par value

Issued and outstanding common shares:

	# of Shares	Amount
Balance, January 1, 2010	135,229,653	$ 274,725
Issued pursuant to exercise of stock options (a) (note 20)	1,146,020	1,891
Balance, December 31, 2010	136,375,673	$ 276,616
Issued pursuant to exercise of stock options (a)	**164,920**	**363**
Balance, March 31, 2011	**136,540,593**	**$ 276,979**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

11. Share capital (continued):

(a) During the three months ended March 31, 2011, 164,920 options were exercised at prices between $1.29 per share and $1.46 per share for total proceeds of $221. Pursuant to the exercise of stock options, amounts of $142 in contributed surplus were reallocated to share capital.

During the year ended December 31, 2010, 1,146,020 options were exercised at prices between $0.53 per share and $1.75 per share for total proceeds of $1,190. Pursuant to the exercise of stock options, amounts of $701 in contributed surplus were reallocated to share capital.

(b) Stock option plans:

The Company grants stock options to eligible directors, officers, employees and consultants pursuant to its 2007 Stock Option Plan (the “2007 Plan”). The 2007 Plan was established during the Company’s fiscal year ended December 31, 2007 and replaced all other stock option plans of the Company (which were concurrently terminated). Options granted under these other plans which remain outstanding are now governed by the 2007 Plan.

Under the terms of the 2007 Plan, the number of common shares which may be issued pursuant to the exercise of options granted under or otherwise governed by the 2007 Plan may not exceed 10% of the number of common shares outstanding at the time of grant; however, the number of options that have been cancelled or expired unexercised (whether in full or in part) will once again be issuable under the 2007 Plan.

The exercise price of an option granted under the 2007 Plan is determined by the Board of Directors but cannot be less than the closing price of the common shares on the TSX on the last day on which the common shares trade prior to the grant date of the option.

The Board of Directors has the discretion to determine the term and vesting provisions (if any) of options granted under the 2007 Plan, provided that the option terms may not exceed 10 years. The Company has established a fixed schedule of option grant dates. Options may be granted on a quarterly basis, on four designated dates during each year.

(c) Stock options:

The following table summarizes stock options granted during the three months ended March 31, 2011:

Date Granted	Options Granted	Exercise Price	Expiry
March 31, 2011	1,705,000	$ 3.17	March 30, 2016
Total granted	1,705,500		

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

11. Share capital (continued):

Stock options granted during the three months ended March 31, 2011 vest at the rate of 1/6th of the grant at the end of each three-month period over an 18-month period. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense over the vesting period and credits contributed surplus for all options granted.

The fair value of the options granted during the three months ended March 31, 2011 was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Black-Scholes assumptions used	
Expected volatility	**100.6%**
Expected forfeiture rate	**9.3%**
Expected dividend yield	**0.0%**
Risk-free interest rate	**2.2%**
Expected option life in years	**3.0**
Fair value per stock option granted on March 31, 2011	**$ 1.98**

The fair value of the options granted during the year ended December 31, 2010 was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Black-Scholes assumptions used	
Expected volatility	**102.6% - 109.7%**
Expected forfeiture rate	**3.3% - 10.2%**
Expected dividend yield	**0.0%**
Risk-free interest rate	**2.25% - 3.0%**
Expected option life in years	**3.5**
Fair value per stock option granted on April 1, 2010	**$ 1.24**
Fair value per stock option granted on June 1, 2010	**$ 0.99**
Fair value per stock option granted on September 1, 2010	**$ 0.96**
Fair value per stock option granted on December 1, 2010	**$ 2.30**

For the three months ended March 31, 2011, included in operating, general and administrative expenses is stock-based compensation of $468 (three months ended March 31, 2010 - $669) relating to the stock options granted to directors, officers, employees, and consultants of the Company.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

11. Share capital (continued):

A summary of the status of the Company's stock options as at March 31, 2011, December 31, 2010, and January 1, 2010 and changes during the periods then ended is presented below:

	March 31, 2011		December 31, 2010		January 1, 2010	
Stock Options	**# of Options**	**Weighted Average Exercise Price**	# of Options	Weighted Average Exercise Price	# of Options	Weighted Average Exercise Price
Outstanding, at beginning of period	**9,877,420**	**$ 3.19**	10,312,740	$ 3.79	6,182,208	$ 5.38
Granted	**1,705,000**	**3.17**	2,017,500	1.72	n/a	n/a
Exercised	**(164,920)**	**1.34**	(1,146,020)	1.04	n/a	n/a
Cancelled	**-**	**-**	(500,000)	13.02	n/a	n/a
Terminated	**-**	**-**	(806,800)	4.09	n/a	n/a
Outstanding, at end of period	**11,417,500**	**$ 3.22**	9,877,420	$ 3.19	10,312,740	$ 3.79
Exercisable, at end of period	**8,637,266**	**$ 3.40**	8,074,204	$ 3.51	7,038,852	$ 4.89

The following table summarizes information about stock options outstanding and exercisable as at March 31, 2011:

Number of Options Outstanding	**Number of Options Exercisable**	**Exercise Price**	**Expiry Date**
34,340	34,340	$ 3.99	June 20, 2011
50,000	50,000	5.25	October 15, 2011
100,000	100,000	9.74	February 4, 2012
312,500	312,500	13.02	April 26, 2012
50,000	50,000	9.50	July 2, 2012
25,000	25,000	4.08	September 3, 2012
2,347,000	2,347,000	5.45	September 16, 2012
1,307,500	1,307,500	3.14	April 10, 2013
1,155,000	1,155,000	1.29	March 31, 2014
50,000	50,000	1.73	June 29, 2014
2,338,570	2,338,570	1.46	August 31, 2014
85,000	70,620	2.07	November 30, 2014
265,000	132,300	1.83	March 31, 2015
1,092,590	539,570	1.46	May 31, 2015
250,000	83,200	1.41	August 31, 2015
250,000	41,666	3.23	November 30, 2015
1,705,000	-	3.17	March 30, 2016
11,417,500	**8,637,266**		

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

11. Share capital (continued):

(d) Warrants and broker warrants:

A summary of the status of the Company's warrants and broker warrants as at March 31, 2011, December 31, 2010 and January 1, 2010 and the changes during the periods then ended is presented below:

Warrants and Broker Warrants	**March 31, 2011** # of Warrants and Broker Warrants	**March 31, 2011** Weighted Average Exercise Price	December 31, 2010 # of Warrants and Broker Warrants	December 31, 2010 Weighted Average Exercise Price	January 1, 2010 # of Warrants and Broker Warrants	January 1, 2010 Weighted Average Exercise Price
Outstanding, at beginning of period	**20,513,650**	**$ 7.31**	21,236,421	$ 7.15	22,542,671	$ 7.21
Expired	**-**	**-**	(722,771)	2.72	n/a	n/a
Outstanding, at end of period	**20,513,650**	**$ 7.31**	20,513,650	$ 7.31	21,236,421	$ 7.15

The following table summarizes the warrants and broker warrants outstanding as at March 31, 2011:

Number of Warrants and Broker Warrants	Exercise Price	Expiry Date	Warrants/Broker Warrants Value
5,000,000	**$ 15.00**	**April 16, 2012**	**$ 37,100**
6,875,000	**6.50**	**October 23, 2012**	**19,662**
8,638,650	**3.50**	**July 11, 2013**	**9,762**
20,513,650			**$ 66,524**

(e) Contributed surplus transactions for the respective years are as follows:

	Amount
Balance, January 1, 2010	$ 28,045
Stock-based compensation	2,600
Exercise of stock options	(701)
Reallocation of expired broker warrants	615
Balance, December 31, 2010	30,559
Stock-based compensation (note 11(c))	**468**
Exercise of stock options (note 11(a))	**(142)**
Balance, March 31, 2011	**$ 30,885**

As at March 31, 2011, December 31, 2010 and January 1, 2010, contributed surplus is comprised of the following:

	March 31, 2010	December 31, 2010	January 1, 2010
Fair value of stock-based compensation	**$ 25,141**	$ 24,815	$ 22,916
Fair value of expired broker warrants	**5,744**	5,744	5,129
	$ 30,885	$ 30,559	$ 28,045

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

11. Share capital (continued):

(f) Normal course issuer bid:

During the year ended December 31, 2010, the Company instituted a normal course issuer bid in respect of its common shares (the "NCIB"). Pursuant to the terms of the NCIB, and in accordance with the policies of the TSX, during the period commencing September 1, 2010 and ending on August 31, 2011, the Company may purchase up to 5,000,000 common shares, representing approximately 3.7% of the common shares outstanding as at August 27, 2010. Purchases will be made in open market transactions through the facilities of the TSX and on other published markets at market prices prevailing at the time of acquisition. All common shares purchased under the NCIB will be cancelled. During the three months ended March 31, 2011, no common shares of the Company were purchased under the NCIB.

12. Commitments:

As at March 31, 2011, future minimum annual lease payments under operating leases for equipment and premises are approximately as follows:

2011	**$**	**689**
2012		**684**
2013		**511**
	$	**1,884**

As at March 31, 2011, the Company had commitments to purchase investments totaling $4,052 (December 31, 2010 - $4,917; January 1, 2010 - $2,621).

13. Other income:

Other income is comprised of the following for the three months ended March 31:

		2011		2010
Income from sublease and services agreements (note 10(a)(ii))	**$**	**146**	$	146
Income from securities lending (note 5)		**146**		-
	$	**292**	$	146

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

14. Expenses by nature:

Included in general, administrative and operating expenses for the three months ended March 31 are:

	2011	2010
Employee and consulting benefit costs (a)	**$ 1,222**	$ 2,923
Professional fees	**181**	347
Advertising, transfer agent and filing fees	**291**	132
Travel and promotion	**104**	134
Operating lease payments, net	**115**	111
Other office and general	**289**	37
Change in fair value of Class C preferred shares	**(81)**	(54)
	$ 2,121	$ 3,630

(a) Included in employee and consulting benefit costs for the three months ended March 31 are:

	2011	2010
Salaries	**$ 541**	$ 471
Bonus accrual	**-**	1,613
Consulting fees	**170**	123
Stock options granted to directors, officers, employees and consultants	**468**	669
Other employment benefits	**43**	47
	$ 1,222	$ 2,923

15. Finance expenses:

Finance expenses for the three months ended March 31 are:

	2011	2010
Interest on margin borrowings	**$ 253**	$ 84
Other interest (note 10(a)(i))	**31**	15
	$ 284	$ 99

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

16. Income tax expense (benefit):

(a) The income tax expense (benefit) attributable to profit or loss before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 28.25% (three months ended March 31, 2010 – 31%) of pre-tax profits as a result of the following for the three months ended March 31,:

	2011	2010
Profit (loss) before income taxes	**$ (15,164)**	$ 17,447
Computed expected income tax expense (benefit)	**(4,284)**	5,409
Non-taxable portion of capital losses (gains)	**(16,809)**	(1,507)
Non-taxable portion of unrealized gains	**10,211**	(2,642)
Non-taxable stock-based compensation expense	**132**	201
Taxable capital gains dividend	**10,621**	2,342
Tax rate differential	**(3,212)**	441
Permanent and other differences	**(624)**	(275)
Income tax expense (benefit)	**$ (3,965)**	$ 3,969

(b) Significant components of the income tax expense (benefit) for the three months ended March 31 are as follows:

	2011	2010
Current tax expense	**$ -**	$ -
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	**(3,965)**	3,969
	$ (3,965)	$ 3,969

17. Management of capital:

The Company includes the following items in its managed capital as at the following periods:

	March 31, 2011	December 31, 2010	January 1, 2010
Due to brokers	**$ 71,166**	$ 85,570	$ 33,673
Class C preferred share liabilities, at fair value	**396**	529	373
Shareholders' equity comprised of:			
Share capital	**276,979**	276,616	274,725
Warrants and broker warrants	**66,524**	66,524	67,139
Contributed surplus	**30,885**	30,559	28,045
Foreign currency translation reserve	**(35)**	(22)	-
Retained earnings (deficit)	**261,852**	273,052	(24,591)
	$ 707,767	$ 732,858	$ 379,364

17. Management of capital (continued):

The Company's objectives when managing capital are:

(a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its brokers and bank;

(b) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;

(c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and

(d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. There were no changes to the Company's objectives in managing and maintaining capital during the three months ended March 31, 2011. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

(a) realizing proceeds from the disposition of its investments;

(b) utilizing leverage in the form of margin (due to brokers) and the Company's bank credit line (bank indebtedness);

(c) raising capital through equity financings; and

(d) utilizing a Credit Facility from the CEO.

The Company is not subject to any capital requirements imposed by a regulator. When using margin for its investing activities, however, Pinetree is subject to the margin requirements applicable thereto, which can require, at any time and from time to time, that the Company provide additional funds to its brokers depending upon the then-value of its investments purchased on margin.

In August 2010, the Company's operating line of credit with RBC was reduced to $250 from $1,000. The operating line of credit bears interest at RBC's prime rate plus 0.75%, collateralized by the Company's assets, and is due on demand. As at March 31, 2011, December 31, 2010 and January 1, 2010, the Company had nil outstanding on the line of credit.

The payment of cash dividends does not form part of Pinetree's current capital management program and, to date, the Company has not declared any cash dividends on its common shares.

17. Management of capital (continued):

However, the holders of the Class C Shares issued by PCIC are entitled to receive cumulative dividends at a rate of 5% per annum until December 31, 2010 and at a rate of 8% per annum thereafter. During the three months March 31, 2011 and 2010, no dividends were declared by PCIC to Class C shareholders. The Company's management is responsible for the management of capital and monitors the Company's use of various forms of leverage on a daily basis. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at March 31, 2011.

18. Risk management:

Financial instrument risks:

The investment operations of Pinetree's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets and liabilities are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest rate, currency and credit risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in lesser proceeds from disposition and losses upon disposition. The Company generates cash flow primarily from its financing activities and proceeds from the disposition of its investments, in addition to interest and dividend income earned on its investments. Pinetree invests significantly in securities of "junior" issuers, which can at times be relatively illiquid, and if the Company decides to dispose of securities of a particular issuer it may not be able to do so at the time at favourable prices, or at all. Overall, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions, such that absent overall market disruptions or extreme circumstances, liquidity risk can be minimized.

The Company uses varying levels of financial leverage (or "margin") when purchasing investments. Trading on margin allows the Company to borrow part of the purchase price of the investments (using marginable investments as collateral), rather than pay for them in full. Buying on margin allows the Company to increase its portfolio size by increasing the number and amount of investments through the use of leverage.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

However, if the market moves against the Company's positions and the Company's investments decline in value, the Company may be required to provide additional funds to its brokers, which could be substantial. Given the nature of the Company's business, the Company may not have sufficient cash on hand to meet margin calls and may be required to liquidate investments prematurely and/or at a loss, in order to generate funds needed to satisfy the Company's obligations. Furthermore, if the Company is unable to provide the necessary funds within the time required, the Company's marginable investments may be involuntarily liquidated at a loss by its brokers to meet the obligations (and the Company may still be required to make up any additional shortfall in funds thereafter).

The Company has at times borrowed funds from other sources to meet its obligations, but there can be no assurances that such funds will be available in the future, or available on reasonable terms, and the absence of available funding and/or the sale of the Company's investments in order to meet margin calls could have a materially adverse impact on the Company's operating results.

There were no changes to the way the Company manages liquidity risk since December 31, 2010. The Company manages liquidity risk by reviewing the amount of margin available on a daily basis, and managing its cash flow given its daily margin availability. The Company holds investments which can be converted into cash when required.

As at March 31, 2011, the Company had used margin of $71,166 and had additional margin available of $27,010. The following table shows the estimated sensitivity of the Company's available margin from a change in the closing bid price of the Company's investments with all other variables held constant as at March 31, 2011.

Percentage of change in closing bid price	**Margin available with a % increase in closing bid price**	**Margin available with a % decrease in closing bid price**
2%	**$ 27,739**	**$ 26,242**
4%	**28,468**	**24,806**
6%	**29,197**	**21,739**
8%	**29,926**	**19,799**
10%	**30,461**	**17,859**

As at December 31, 2010, the Company had used margin of $85,570 and had additional margin available of $7,214. As at December 31, 2010, there would be no change to the Company's available margin from a change in the closing bid price of the Company's investments by -10% to 10% with all other variables held constant as at December 31, 2010.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

As at January 1, 2010, the Company had used margin of $33,673 and had additional margin available of $1,831. The following table shows the estimated sensitivity of the Company's available margin from a change in the closing bid price of the Company's investments with all other variables held constant as at January 1, 2010:

Percentage of change in closing bid price	Margin available with a % increase in closing bid price	Margin available with a % decrease in closing bid price
2%	$ 2,017	$ 1,645
4%	2,204	1,459
6%	2,390	1,272
8%	2,576	897
10%	2,762	101

As at March 31, 2011, the Company also had Class C preferred share liabilities of $396 (December 31, 2010 - $529; January 1, 2010 - $373) related to the potential redemption and/or retraction of Class C Shares. The prices at which redemption/retraction rights may be exercised are based on the volume weighted average trading ("VWAT") price per share of the Company's common shares on the TSX for the applicable 20-day trading period (note 8(b)), subject to a minimum redemption price of $10 per Class C Share. The redemption/retraction price in effect as at March 31, 2011 was $15.95 per share (December 31, 2010 - $19.25 per share; January 1, 2010 - $11.69 per share).

The following table shows the estimated sensitivity of the Company's Class C preferred share liability amounts based on different 20-day VWAT prices of the Company's common shares as at March 31, 2011:

Pinetree's 20-day VWAT trading price	Redemption/ retraction value per Class C Share	Total Class C preferred share liabilities related to the redemption/retraction of Class C Shares	Increase in Class C preferred share liabilities
$ 1.87	**$ 10.00**	**$ 248**	**$ -**
2.00	**10.71**	**266**	**18**
2.25	**12.05**	**299**	**51**
2.50	**13.39**	**332**	**84**
2.75	**14.73**	**365**	**117**
3.00	**16.06**	**398**	**150**
3.25	**17.40**	**432**	**184**
3.50	**18.74**	**465**	**217**
3.75	**20.08**	**498**	**250**
4.00	**21.42**	**531**	**283**
4.25	**22.76**	**564**	**316**
4.50	**24.10**	**598**	**350**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the estimated sensitivity of the Company's Class C preferred share liability amounts based on different 20-day VWAT prices of the Company's common shares as at December 31, 2010:

Pinetree's 20-day VWAT trading price	Redemption/ retraction value per Class C Share	Total Class C preferred share liabilities related to the redemption/retraction of Class C Shares	Increase in Class C preferred share liabilities
$ 1.87	$ 10.00	$ 275	$ -
2.00	10.71	295	20
2.25	12.05	331	56
2.50	13.39	368	93
2.75	14.73	405	130
3.00	16.06	442	167
3.25	17.40	479	204
3.50	18.74	515	240
3.75	20.08	552	277
4.00	21.42	589	314
4.25	22.76	626	351
4.50	24.10	663	388

The following table shows the estimated sensitivity of the Company's Class C preferred share liability amounts based on different 20-day VWAT prices of the Company's common shares as at January 1, 2010:

Pinetree's 20-day VWAT trading price	Redemption/ retraction value per Class C Share	Total Class C preferred share liabilities related to the redemption/retraction of Class C Shares	Increase in Class C preferred share liabilities
$ 1.87	$ 10.00	$ 319	$ -
2.00	10.71	342	23
2.25	12.05	384	65
2.50	13.39	427	108
2.75	14.73	470	151
3.00	16.06	512	193
3.25	17.40	555	236
3.50	18.74	598	279
3.75	20.08	641	322
4.00	21.42	683	364

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at March 31, 2011:

	Payments due by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Due to brokers	**$ 71,166**	**$ 71,166**	**$ -**	**$ -**	**$ -**
Accounts payable and accrued liabilities	**31,459**	**31,459**	**-**	**-**	**-**
Class C preferred share liabilities	**396**	**396**	**-**	**-**	**-**
Deferred tax liabilities	**40,853**	**-**	**40,853**	**-**	**-**
	$ 143,874	**$ 103,021**	**$ 40,853**	**$ -**	**$ -**

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2010:

	Payments due by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Due to brokers	$ 85,570	$ 85,570	$ -	$ -	$ -
Accounts payable and accrued liabilities	34,094	34,094	-	-	-
Class C preferred share liabilities	529	529	-	-	-
Deferred tax liabilities	55,199	-	55,199	-	-
	$ 175,392	$ 120,193	$ 55,199	$ -	$ -

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at January 1, 2010:

	Payments due by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 – 3 year**	**4 – 5 years**	**After 5 years**
Due to brokers	$ 33,673	$ 33,673	$ -	$ -	$ -
Accounts payable and accrued liabilities	6,824	6,824	-	-	-
Class C preferred share liabilities	373	373	-	-	-
Deferred tax liabilities	12,943	-	12,943	-	-
	$ 53,813	$ 40,870	$ 12,943	$ -	$ -

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the Company's source of liquidity by assets as at March 31, 2011:

		Liquidity by period			
Assets	**Total**	**Less than 1 year**	**1 – 3 years**	**After 4 years**	**Non-liquid assets**
Cash and cash equivalents	**$ 83**	**$ 83**	**$ -**	**$ -**	**$ -**
Due from brokers	**14**	**14**	**-**	**-**	**-**
Prepaids and other receivables	**1,071**	**776**	**295**	**-**	**-**
Investments at fair value	**767,434**	**740,746**	**26,688**	**-**	**-**
Property, plant and equipment	**692**	**-**	**-**	**-**	**692**
Deferred tax assets	**10,785**	**-**	**-**	**-**	**11,477**
	$ 780,079	**$ 741,619**	**$ 26,983**	**$ -**	**$ 11,477**

The following table shows the Company's source of liquidity by assets as at December 31, 2010:

		Liquidity by period			
Assets	**Total**	**Less than 1 year**	**1 – 3 years**	**After 4 years**	**Non-liquid assets**
Cash and cash equivalents	$ 158	$ 158	$ -	$ -	$ -
Due from brokers	14	14	-	-	-
Prepaids and other receivables	1,084	792	292	-	-
Investments at fair value	799,022	775,594	23,428	-	-
Property, plant and equipment	676	-	-	-	676
Deferred tax assets	21,167	-	-	-	21,167
	$ 822,121	$ 776,558	$ 23,720	$ -	$ 21,843

The following table shows the Company's source of liquidity by assets as at January 1, 2010:

		Liquidity by period			
Assets	**Total**	**Less than 1 year**	**1 – 3 years**	**After 4 years**	**Non-liquid assets**
Cash and cash equivalents	$ 404	$ 404	$ -	$ -	$ -
Due from brokers	24	24	-	-	-
Prepaids and other receivables	312	312	-	-	-
Investments at fair value	371,261	338,530	32,731	-	-
Income taxes receivable	3,307	3,307	-	-	-
Property, plant and equipment	517	-	-	-	517
Deferred tax assets	23,306	-	-	-	23,306
	$ 399,131	$ 342,577	$ 32,731	$ -	$ 23,823

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

(b) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, in accordance with IFRS 9 , Pinetree is required to mark-to-market its held-for-trading investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on Pinetree's financial position.

There were no changes to the way the Company manages market risk since December 31, 2010. The Company manages market risk by having a portfolio which is not singularly exposed to any one issuer or class of issuers, although Pinetree's investment activities are currently concentrated primarily across several sectors in the natural resource industry: precious metals, base metals, oil and gas, potash, lithium and rare earths, uranium, and coal.

The Company also has set thresholds on purchases of investments over which the approval of the Board of Directors is required.

During periods of significantly broader market volatility or volatility experienced by the resource/commodity markets, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations.

The following table shows the estimated sensitivity of the Company's after-tax profit (loss) for the three months ended March 31, 2011 from a change in the closing bid price of the Company's investments with all other variables held constant as at March 31, 2011:

Percentage of change in closing bid price	**Change in net after-tax profit from % increase in closing bid price**	**Change in net after-tax profit from % decrease in closing bid price**
2%	**$ 13,257**	**$ (13,257)**
4%	**26,515**	**(26,515)**
6%	**39,772**	**(39,772)**
8%	**53,030**	**(53,030)**
10%	**66,287**	**(66,287)**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the estimated sensitivity of the Company's after-tax profit (loss) for the year ended December 31, 2010 from a change in the closing bid price of the Company's investments with all other variables held constant as at December 31, 2010:

Percentage of change in closing bid price	Change in net after-tax profit from % increase in closing bid price	Change in net after-tax profit from % decrease in closing bid price
2%	$ 13,703	$ (13,703)
4%	27,406	(27,406)
6%	41,110	(41,110)
8%	54,813	(54,813)
10%	68,516	(68,516)

The following table shows the estimated sensitivity of the Company's after-tax profit (loss) for the year ended January 1, 2010 from a change in the closing bid price of the Company's investments with all other variables held constant as at January 1, 2010:

Percentage of change in closing bid price	Change in net after-tax profit from % increase in closing bid price	Change in net after-tax profit from % decrease in closing bid price
2%	$ 6,325	$ (6,325)
4%	12,651	(12,651)
6%	18,976	(18,976)
8%	25,301	(25,301)
10%	31,627	(31,627)

(c) Interest rate risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and liabilities. As at March 31, 2011, the Company had due to brokers (margin) which bears interest at rates fluctuating with the prime rate or overnight lending rate. The Company's obligations under the Credit Facility bear interest at a fixed rate.

All of the interest risk liabilities can be repaid by the Company at any time, without notice or penalty, which provides the Company with some ability to manage and mitigate its interest rate risk. There were no changes to the way the Company manages interest rate risk since December 31, 2010. Pinetree does not hedge against any interest rate risk.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the estimated sensitivity of the Company's net after-tax profit (loss) for the three months ended March 31, 2011 from a change in the interest rate on the average interest risk liabilities with all other variables held constant as at March 31, 2011:

Change in interest rate	Change in net after-tax profit from an increase in interest rate	Change in net after-tax profit from a decrease in interest rate
0.25%	$ (35)	$ 35
0.50%	(69)	69
0.75%	(104)	104
1.00%	(139)	139

The following table shows the estimated sensitivity of the Company's net after-tax profit (loss) for the three months ended March 31, 2010 from a change in the interest rate on the average interest risk liabilities with all other variables held constant as at March 31, 2010:

Change in interest rate	Change in net after-tax profit (loss) from an increase in interest rate	Change in net after-tax profit (loss) from a decrease in interest rate
0.25%	$ (14)	$ 14
0.50%	(28)	28
0.75%	(42)	42
1.00%	(55)	55

(d) Currency risk:

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its consolidated results of operations from time to time.

The Company may have margin borrowings or financial instruments denominated in U.S. dollars, Australian dollars, and British pounds. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the Company's obligations due to brokers and increase or decrease the value of its financial instruments.

There were no changes to the way the Company manages currency risk since December 31, 2010. The Company believes it is not significantly exposed to foreign exchange risk and does not actively hedge its foreign currency exposure, although Pinetree's foreign exchange risk is, to a certain extent, mitigated by the Company's foreign exchange denominated investments.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following assets and liabilities were denominated in foreign currencies:

	March 31, 2011	December 31, 2010	January 1, 2010
Denominated in U.S. dollars:			
Investments	**$ 7,902**	$ 8,364	$ 11,885
Cash and cash equivalents	**16**	9	11
Due from brokers	**14**	14	24
Prepaids and other receivables	**645**	591	129
Due to brokers	**(66,233)**	(2,632)	(139)
Accounts payable and accrued liabilities	**(32)**	(14)	(22)
Net assets denominated in U.S. dollars	**(57,688)**	6,332	11,888
Denominated in Australian dollars:			
Investments	**17,451**	14,533	11,335
Due from (to) brokers	**2,136**	2,004	(443)
Net assets denominated in Australian dollars	**19,587**	16,537	10,892
Denominated in British pounds:			
Investments	**3,239**	2,942	86
Due from (to) brokers	**1,615**	(1,091)	-
Net assets denominated in British pounds	**4,854**	1,851	86

The following table shows the estimated sensitivity of the Company's net after-tax profit (loss) for the three months ended March 31, 2011 from a change in the U.S. dollar exchange rate in which the Company has exposure with all other variables held constant as at March 31, 2011:

Percentage of change in U.S. dollar	**Change in net after-tax profit from an increase in % in the U.S. dollar exchange rate**	**Change in net after-tax profit from a decrease in % in the U.S. dollar exchange rate**
2%	$ (828)	$ 828
4%	(1,656)	1,656
6%	(2,483)	2,483
8%	(3,311)	3,311
10%	(4,139)	4,139

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the estimated sensitivity of the Company's net after-tax profit (loss) for the three months ended March 31, 2011 from a change in the Australian dollar exchange rate in which the Company has exposure with all other variables held constant as at March 31, 2011:

Percentage of change in Australian dollar	Change in net after-tax profit (loss) from an increase in % in the Australian dollar exchange rate	Change in net after-tax profit (loss) from a decrease in % in the Australian dollar exchange rate
2%	$ 281	$ (281)
4%	562	(562)
6%	843	(843)
8%	1,124	(1,124)
10%	1,405	(1,405)

The following table shows the estimated sensitivity of the Company's net after-tax profit for the three months ended March 31, 2010 from a change in the U.S. dollar exchange rate in which the Company has exposure with all other variables held constant as at March 31, 2010:

Percentage change in U.S. dollar	Change in net after-tax profit from an increase in % in the U.S. dollar exchange rate	Change in net after-tax profit from a decrease in % in the U.S. dollar exchange rate
2%	**$ 165**	**$ (165)**
4%	**330**	**(330)**
6%	**494**	**(494)**
8%	**659**	**(659)**
10%	**824**	**(824)**

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

18. Risk management (continued):

The following table shows the estimated sensitivity of the Company's net after-tax profit (loss) for the three months ended March 31, 2010 from a change in the Australian dollar exchange rate in which the Company has exposure with all other variables held constant as at March 31, 2010:

Percentage change in Australian dollar	Change in net after-tax profit from an increase in % in the Australian dollar exchange rate	Change in net after - tax profit from a decrease in % in the Australian dollar exchange rate
2%	$ 187	$ (187)
4%	374	(374)
6%	561	(561)
8%	748	(748)
10%	935	(935)

(e) Credit risk:

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities (in connection with securities lending and convertible or debt securities, for example) will not perform their underlying obligations. There were no changes to the way the Company manages credit risk since December 31, 2010.

The Company's investments in convertible debentures, convertible notes, and promissory notes are carried as though converted to common shares. As at March 31, 2011, the total fair value of these investments was $478 (December 31, 2010 - $506; January 1, 2010 - $1,498). The Company believes it is not significantly exposed to credit risk as these investments comprise 0.1% (December 31, 2010 – 0.1%; January 1, 2010 – 0.4%) of the Company's total investments.

The Company entered into a securities lending agreement with its prime brokers in order to earn additional revenue, which is included in other income in the consolidated statements of comprehensive income (loss) (note 8). The Company receives collateral in an amount equal to the percentage of the market value of the loaned securities as agreed upon with the prime broker. The securities on loan continue to be included in investments on the consolidated statements of financial position. The Company believes it is not significantly exposed to credit risk since the prime broker is required to pay the Company the fair value of the securities loaned if the securities are not returned upon the Company's request. As at March 31, 2011, the total fair value of investments loaned to third parties was $23,784 (December 31, 2010 - $5,355; January 1, 2010 – nil) which comprise 3.1% (December 31, 2010 – 0.7%; January 1, 2010 – nil) of the Company's total investments.

19. Operating segment information:

The management of the Company is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The management's investment decisions are based on a single, integrated investment strategy, and the performance is evaluated on an overall basis.

The internal reporting provided to the management of the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the three months ended March 31, 2011.

As at March 31, 2011, the Company has a diversified portfolio of investments where no single investment accounts for more than 10% of the portfolio. The Company also has a diversified base of investors. There were no shareholders who each held more than 10% of the Company's common shares.

20. Transition to IFRS:

For all periods up to and including the year ended December 31 2010, the Company prepared its financial statements in accordance with CGAAP. The unaudited interim consolidated financial statements as at and for the three months ended March 31, 2011 are the first the Company has prepared in accordance with IFRS.

In preparing these interim consolidated financial statements, the opening consolidated statement of financial position was prepared as at January 1 2010, the Company's date of transition to IFRS. This note explains the principal adjustments made in restating the previous CGAAP consolidated balance sheet as at January 1, 2010 and its previously published CGAAP consolidated financial statements for the three months ended March 31, 2010 and as at December 31, 2010.

(a) Exemptions applied:

IFRS 1, *First-Time Adoption of International Financial Reporting Standards* allows first-time adopters certain exemptions from the retrospective application of IFRSs.

The Company has elected to apply the following exemptions:

(i) IFRS 2 *Share-based Payment* has not been applied to the options issued under the Stock Option Plans that were vested prior to January 1, 2010.

(ii) IFRS 1 offers the first-time adopter of IFRS the option to reset the foreign currency translation reserve that existed at the date of transition to IFRS to zero as an alternative to establishing a foreign currency translation reserve as if the accounting

20. Transition to IFRS (continued):

and translation principles in IAS 21 *The Effects of Changes in Foreign Exchange Rates* had always been used and the measurement of assets and liabilities had been as required by currently implemented IFRS. The Company has elected to utilize this option, and has reset the foreign currency translation reserve for all foreign operations to zero as of January 1, 2010. Future gains or losses on a subsequent disposal of any foreign operation will therefore exclude translation differences that arose before January 1, 2010.

(iii) Designation of previously recognized financial instruments - IFRS 1 provides an exemption that permits a first-time adopter to designate financial assets and liabilities as at fair value through profit or loss or as available-for-sale at the date of transition to IFRS. The Company has elected to use this option and has designated all its investments and Class C preferred shares liability as carried at fair value through profit and loss.

(b) Reconciliations:

The reconciliations between the previously reported financial results under CGAAP and the current reported financial results under IFRS are provided as follows:

(i) reconciliation of the consolidated statement of financial position and equity as at January 1, 2010;

(ii) reconciliation of the consolidated statement of financial position and equity as at March 31, 2010;

(iii) reconciliation of the consolidated statement of financial position and equity as at December 31, 2010;

(iv) reconciliation of the consolidated statement of comprehensive income for the three months ended March 31, 2010; and

(v) reconciliation of the consolidated statement of comprehensive income for the year ended December 31, 2010.

No reconciliation is required for the consolidated statement of cash flows as there are no significant differences.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

(i) The following is a reconciliation of the consolidated statement of financial position as at January 1, 2010:

	Notes	CGAAP	IFRS adjust.	IFRS
Assets				
Cash and cash equivalents		$ 404	-	$ 404
Due from brokers		24	-	24
Prepaids and other receivables		312	-	312
Investments at fair value	1.	366,724	$ 4,537	371,261
Equity accounted investments	1.	1,911	(1,911)	-
Income tax receivable		3,307	-	3,307
Property, plant and equipment		517	-	517
Deferred tax assets	4.	10,363	12,943	23,306
		$ 382,822	$ 15,569	$ 399,131
Liabilities and Equity				
Liabilities				
Due to brokers		$ 33,673	$ -	$ 33,673
Accounts payable and accrued liabilities		6,824	-	6,824
Class C preferred share liabilities, at fair value		373	-	373
Deferred tax liabilities	4.	-	12,943	12,943
		40,870	12,943	53,813
Equity				
Share capital		$ 274,725	-	274,725
Warrants and broker warrants		67,139	-	67,139
Contributed surplus	2.	27,008	1,037	28,045
Foreign currency translation reserve	3.	-	-	-
Deficit	1., 2.	(26,180)	1,589	(24,591)
		342,692	2,626	345,318
		$ 383,562	$ 15,569	$ 399,131

1. Adjustment required to apply the fair value of investments in associates as permitted under IAS 28, *Investment in Associates*. Under CGAAP, the Company accounted its investments in associates under the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of profits or losses of such investments is included in the consolidated statements of operations.

20. Transition to IFRS (continued):

Under IAS 28, the Company's investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments in the period of the change.

The adjustment was to decrease equity accounted investments by $1,911 and the corresponding entry to increase investments at fair value. To fair value the investments in associates, the Company also increased investments at fair value by $2,626 with a corresponding entry to increase retained earnings.

2. Adjustment required to retrospectively apply the valuation methods under IFRS 2 for outstanding and non-vested options under the stock option plan. Under CGAAP, the Company was permitted to elect to treat the stock options issued as a pool and determine fair value using the average life of the instruments, provided that compensation was then recognized on a straight-line basis and the Company was not required to use estimated future forfeitures of the options. Under IFRS 2, the Company is required to use the graded method in valuing stock options and use an estimated forfeiture rate, resulting in an accelerated compensation expense for these awards under IFRS.

   The adjustment was to increase contributed surplus by $1,037 and the corresponding entry to decrease retained earnings.

3. Under CGAAP, the Company translates one subsidiary using the temporal method. This method is not permitted under IAS 21 and at transition date exchange differences previously recognized in retained earnings must be reclassified to exchange differences on translation of foreign operations in other comprehensive income (loss). The translation of foreign subsidiaries and the exchange differences on long-term monetary balances between the Company and the foreign subsidiary under IAS 21 must be shown under exchange differences on translation of foreign operations in other comprehensive income (loss), meaning that such exchange differences previously recognized must now be reclassified from retained earnings. The Company has elected under the option available in IFRS 1 to deem the foreign currency translation reserve at the transition date to be zero.

4. Under CGAAP, the Company offsets its future tax assets and liabilities among its subsidiaries taking into account consolidated tax-planning strategies that

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

would change the particular future years in which temporary differences result in taxable or deductible amounts. Under IAS – 12, *Income taxes*, the Company is not permitted to offset its deferred tax assets and liabilities among its subsidiaries unless a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The adjustment on transition to IFRS was to reclassify $12,943 from deferred tax assets to deferred tax liabilities.

(ii) The following is a reconciliation of the consolidated statement of financial position as at March 31, 2010:

	Notes	CGAAP	IFRS adjust.	IFRS
Assets				
Cash and cash equivalents		$ 71	-	$ 71
Due from brokers		22	-	22
Prepaids and other receivables		511	-	511
Advances to affiliated company		228	-	228
Investments at fair value	1.	388,059	$ 3,493	391,552
Equity accounted investments	1.	1,700	(1,700)	-
Property, plant and equipment		504	-	504
Deferred tax assets	4.	6,394	14,561	20,955
		$ 397,489	$ 16,354	$ 413,843
Liabilities and Equity				
Liabilities				
Due to brokers		$ 31,446	$ -	$ 31,446
Accounts payable and accrued liabilities		7,935	-	7,935
Class C preferred share liabilities, at fair value		319	-	319
Deferred tax liabilities	4.	-	14,561	14,561
		39,700	14,561	54,261
Equity				
Share capital		$ 274,915	-	274,915
Warrants and broker warrants		67,139	-	67,139
Contributed surplus	2.	27,587	1,057	28,644
Foreign currency translation reserve	3.	-	(3)	(3)
Retained earnings	1., 2., 3.	(11,852)	739	(11,113)
		357,789	1,793	359,582
		$ 397,489	$ 16,354	$ 413,843

20. Transition to IFRS (continued):

1. Adjustment required to apply the fair value of investments in associates as permitted under IAS 28 and its tax effect. Under CGAAP, the Company accounted its investments in associates under the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of profits or losses of such investments is included in the consolidated statements of operations.

   Under IAS 28, the Company's investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments in the period of the change.

   The adjustment was to decrease equity accounted investments by $1,700 and the corresponding entry to increase investments at fair value. To fair value the investments in associates, the Company also increased investments at fair value by $1,793 with a corresponding entry to increase retained earnings.

2. Adjustment required to retrospectively apply the valuation methods under IFRS 2 for outstanding and non-vested options under the stock option plan. Under CGAAP, the Company was permitted to elect to treat the stock options issued as a pool and determine fair value using the average life of the instruments, provided that compensation was then recognized on a straight-line basis and the Company was not required to use estimated future forfeitures of the options. Under IFRS 2, the Company is required to use the graded method in valuing stock options and use an estimated forfeiture rate, resulting in accelerated compensation expense for these awards under IFRS.

   The adjustment was to increase contributed surplus by $1,057 and the corresponding entry to decrease retained earnings.

3. Under CGAAP, the Company translates one subsidiary using the temporal method which is not permitted under IAS 21. The translation of foreign subsidiaries and the exchange differences on long-term monetary balances between the Company and the foreign subsidiary under IAS 21 must be shown under exchange differences on translation of foreign operations in other comprehensive income (loss).

20. Transition to IFRS (continued):

The summary of the movement during the three months ended March 31, 2010 is as follows:

Exchange losses transferred from retained earnings due to change from temporal method	$ 963
Exchange gains on long-term monetary assets considered as part of a net investment in a foreign operation	(960)
Net increase to retained earnings	3

4. Under CGAAP, the Company offsets its future tax assets and liabilities among its subsidiaries taking into account consolidated tax-planning strategies that would change the particular future years in which temporary differences result in taxable or deductible amounts.

   Under IAS – 12, *Income taxes*, the Company is not permitted to offset its deferred tax assets and liabilities among its subsidiaries unless a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

   The adjustment under IFRS was to reclassify $14,561 from deferred tax assets to deferred tax liabilities.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

(iii) The following is a reconciliation of the consolidated statement of financial position as at December 31, 2010:

	Notes	CGAAP	IFRS adjust.	IFRS
Assets				
Cash and cash equivalents		$ 158	-	$ 158
Due from brokers		14	-	14
Prepaids and other receivables		1,084	-	1,084
Investments at fair value	1.	793,864	$ 5,158	799,022
Equity accounted investments	1.	899	(899)	-
Property, plant and equipment		676	-	676
Deferred tax assets	4.	-	21,167	21,167
		$ 796,695	$ 25,426	$ 822,121
Liabilities and Equity				
Liabilities				
Due to brokers		$ 85,570	$ -	$ 85,570
Accounts payable and accrued liabilities		34,094	-	34,094
Class C preferred share liabilities, at fair value		529	-	529
Deferred tax liabilities	1., 4.	33,921	21,278	55,199
		154,114	21,278	175,392
Equity				
Share capital	2.	$ 276,629	(13)	276,616
Warrants and broker warrants		66,524	-	66,524
Contributed surplus	2.	29,830	729	30,559
Foreign currency translation reserve	3.	-	(22)	(22)
Retained earnings	1., 2., 3.	269,598	3,454	273,052
		642,581	4,148	646,729
		$ 796,695	$ 25,426	$ 822,121

1. Adjustment required to apply the fair value of investments in associates as permitted under IAS 28 and its tax effect. Under CGAAP, the Company accounted its investments in associates under the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of profits or losses of such investments is included in the consolidated statements of operations.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

Under IAS 28, the Company's investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments in the period of the change.

The adjustment was to decrease equity accounted investments by $899 and the corresponding entry to increase investments at fair value. To fair value the investments in associates, the Company also increased investments at fair value by $4,259 with a corresponding entry to increase retained earnings. The tax effect of the fair value of the investments was to increased deferred tax liabilities by $111 with a corresponding entry to decrease retained earnings.

2. Adjustment required to retrospectively apply the valuation methods under IFRS 2 for outstanding and non-vested options under the stock option plan. Under CGAAP, the Company was permitted to elect to treat the stock options issued as a pool and determine fair value using the average life of the instruments, provided that compensation was then recognized on a straight-line basis and the Company was not required to use estimated future forfeitures of the options. Under IFRS 2, the Company is required to use the graded method in valuing stock options and use an estimated forfeiture rate, resulting in accelerated compensation expense for these awards under IFRS.

   The adjustment was to increase contributed surplus by $716 and the corresponding entry to decrease retained earnings. As a result of the exercise of stock options (note 11(a)), there was adjustment to increase contributed surplus by $13 and a corresponding entry to decrease share capital.

3. Under CGAAP, the Company translates one subsidiary using the temporal method which is not permitted under IAS 21. The translation of foreign subsidiaries and the exchange differences on long-term monetary balances between the Company and the foreign subsidiary under IAS 21 must be shown under exchange differences on translation of foreign operations in other comprehensive income (loss). The summary of the movement in 2010 is as follows:

Exchange losses transferred from retained earnings due to change from temporal method	$ 1,621
Exchange gains on long-term monetary assets considered as part of a net investment in a foreign operation	(1,599)
Net increase to retained earnings	22

20. Transition to IFRS (continued):

4. Under CGAAP, the Company offsets its future tax assets and liabilities among its subsidiaries taking into account consolidated tax-planning strategies that would change the particular future years in which temporary differences result in taxable or deductible amounts.

   Under IAS – 12, *Income taxes*, the Company is not permitted to offset its deferred tax assets and liabilities among its subsidiaries unless a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

   The adjustment under IFRS was to reclassify $21,167 from deferred tax liabilities to deferred tax assets.

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

(iv) The following is a reconciliation of the consolidated statement of comprehensive income for the three months ended March 31, 2010:

	Notes	CGAAP	IFRS adjust.	IFRS
Net investment gains				
Realized gains on disposal of investments, net		$ 5,202	$ -	$ 5,202
Net change in unrealized gains (losses) on investments	1.	16,858	(1,044)	15,814
Losses from equity accounted investments	1.	(211)	211	-
		21,849	(833)	21,016
Other income				
Interest and dividend income		215	-	215
Other income		146	-	146
		22,210	(833)	21,377
Expenses				
Operating, general and administrative	2.	3,610	20	3,630
Transaction costs		234	-	234
Foreign exchange gain	3.	(63)	(3)	(66)
Amortization		33	-	33
Finance expenses		99	-	99
		3,913	17	3,930
Profit before income taxes		18,297	(850)	17,447
Income tax expense		3,969	-	3,969
Profit for the period		$ 14,328	$ (850)	$ 13,478
Other comprehensive income				
Exchange differences on translation of foreign operations	3.	-	(3)	(3)
Total comprehensive income for the period		$ 14,328	$ (853)	$ 13,475
Earnings per common share				
Basic		$ 0.11		$ 0.10
Diluted		$ 0.10		$ 0.10
Weighted average number of common shares outstanding				
Basic		135,420,764		135,420,764
Diluted		136,851,914		136,851,914

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

1. Adjustment required to apply the fair value of investments in associates as permitted under IAS 28. Under CGAAP, the Company accounted its investments in associates under the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of profits or losses of such investments is included in the consolidated statements of operations. Under IAS 28, the Company's investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments in the period of the change.

   The adjustment was to reverse the losses from equity accounted investments of $211 and decrease the net change in unrealized gains by $1,044.

2. Adjustment required to retrospectively apply the valuation methods under IFRS 2 for outstanding and non-vested options under the stock option plan. Under CGAAP, the Company was permitted to elect to treat the stock options issued as a pool and determine fair value using the average life of the instruments, provided that compensation was then recognized on a straight-line basis and the Company was not required to use estimated future forfeitures of the options. Under IFRS 2, the Company is required to use the graded method in valuing stock options and use an estimated forfeiture rate, resulting in accelerated compensation expense for these awards under IFRS.

   The adjustment was to increase the stock-based compensation expense by $20.

3. Under CGAAP, the Company translates one subsidiary using the temporal method which is not permitted under IAS 21. The translation of foreign subsidiaries and the exchange differences on long-term monetary balances between the Company and the foreign subsidiary under IAS 21 must be shown under exchange differences on translation of foreign operations in other comprehensive income (loss). The summary of the amounts for the three months ended March 31, 2010 is as follows:

Exchange losses due to change from temporal method	$ (963)
Exchange gains on long-term monetary assets considered as part of a net investment in a foreign operation	960
Net adjustment to foreign exchange differences on translation of foreign operations	(3)

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

(v) The following is a reconciliation of the consolidated statement of comprehensive income for the year ended December 31, 2010:

	Notes	CGAAP	IFRS adjust.	IFRS
Net investment gains				
Realized gains on disposal of investments, net		$ 43,091	$ -	$ 43,091
Net change in unrealized gains on investments	1.	340,563	3,194	343,757
Losses from equity accounted investments	1.	(774)	774	-
		382,880	3,968	386,848
Other income				
Interest and dividend income		1,054	-	1,054
Other income		585	-	585
		384,519	3,968	388,487
Expenses				
Operating, general and administrative	2.	42,021	(321)	41,700
Transaction costs		1,532	-	1,532
Foreign exchange loss	3.	70	(22)	48
Amortization		134	-	134
Finance expenses		662	-	662
		44,419	(343)	44,076
Profit before income taxes		340,100	4,311	344,411
Income tax expense	1.	44,322	111	44,433
Profit for the year		$ 295,778	$ 4,311	$ 299,978
Other comprehensive income				
Exchange differences on translation of foreign operations	3.	-	(22)	(22)
Total comprehensive income for the year		$ 295,778	$ 4,289	$ 299,956
Earnings per common share				
Basic		$ 2.18		$ 2.21
Diluted		$ 2.15		$ 2.18
Weighted average number of common shares outstanding				
Basic		135,664,918		135,664,918
Diluted		137,544,401		137,544,401

20. Transition to IFRS (continued):

1. Adjustment required to apply the fair value of investments in associates as permitted under IAS 28. Under CGAAP, the Company accounted its investments in associates under the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of income or loss of the equity accounted investment and any dividends received from the investment. The Company's share of profits or losses of such investments is included in the consolidated statements of operations.

   Under IAS 28, the Company's investments in associates are held as part of the Company's investments portfolio and carried in the consolidated statement of financial position at fair value. IAS 28 permits investments held by venture capital or similar organizations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognized in the consolidated statement of comprehensive income (loss) within unrealized gains or losses on investments in the period of the change.

   The adjustment was to reverse the losses from equity accounted investments of $774 and increase the net change in unrealized gains by $3,194 and the related income tax expense by $111.

2. Adjustment required to retrospectively apply the valuation methods under IFRS 2 for outstanding and non-vested options under the stock option plan. Under CGAAP, the Company was permitted to elect to treat the stock options issued as a pool and determine fair value using the average life of the instruments, provided that compensation was then recognized on a straight-line basis and the Company was not required to use estimated future forfeitures of the options. Under IFRS 2, the Company is required to use the graded method in valuing stock options and use an estimated forfeiture rate, resulting in accelerated compensation expense for these awards under IFRS.

   The adjustment was to decrease the stock-based compensation expense by $321.

3. Under CGAAP, the Company translates one subsidiary using the temporal method which is not permitted under IAS 21. The translation of foreign subsidiaries and the exchange differences on long-term monetary balances between the Company and the foreign subsidiary under IAS 21 must be shown under exchange differences on translation of foreign operations in other comprehensive income (loss).

(Unaudited - in thousands of Canadian dollars, except for securities and per share amounts)

20. Transition to IFRS (continued):

The summary of the amounts for the year ended December 31, 2010 is as follows:

Exchange losses due to change from temporal method	$	(1,621)
Exchange gains on long-term monetary assets considered as part of a net investment in a foreign operation		1,599
Net adjustment to foreign exchange differences on translation of foreign operations		(22)

21. Subsequent events:

Subsequent to March 31, 2011, the Company announced a proposed private placement financing to issue and sell approximately $75,000 aggregate principal amount of convertible unsecured subordinated debentures (the Convertible Debentures"). Completion of the private placement is subject to certain conditions, including the approval of the TSX. If completed, the Convertible Debentures will be unsecured, bear interest at a rate of 8.0% per annum (payable semi-annually) and mature on May 31, 2016. The Convertible Debentures will be convertible, at any time, at the option of the holder, into common shares of the Company at a conversion rate of $4.25 per common share ("Conversion Price"). The Convertible Debentures will be redeemable, in whole or in part, by Pinetree after May 31, 2014 and prior to maturity, at par plus accrued and unpaid interest, provided that the weighted average closing price of the Company's common shares on the TSX during the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is not less than 125% of the Conversion Price.