



PINETREE CAPITAL LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**THREE MONTHS ENDED MARCH 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)**

(UNAUDITED)

Notice To Reader

Under National Instrument 51-102 – Continuous Disclosure Obligations, if an auditor has not performed a review of a reporting issuer's interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Pinetree Capital Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

PINETREE CAPITAL LTD.**Consolidated Statements of Financial Position****As at March 31, 2019 and December 31, 2018****(Unaudited - In thousands of Canadian dollars)**

	<u>Notes</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Assets			
Cash and cash equivalents	4	\$ 7,182	\$ 7,250
Due from brokers	4	443	76
Investments at fair value	3	9,801	8,969
Prepays and other receivables		25	61
Income taxes receivable		19	19
Total assets		\$ 17,470	\$ 16,375
Liabilities and Equity			
Liabilities			
Accounts payable and accrued liabilities	4, 11(c)	\$ 364	\$ 395
Total liabilities		364	395
Equity			
Share capital	6(a)	324,410	324,410
Contributed surplus		108,177	108,177
Deficit		(415,481)	(416,607)
Total equity		17,106	15,980
Total liabilities and equity		\$ 17,470	\$ 16,375
Nature of business	1		
Commitment	13		

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

"Peter Tolnai" _____ Director

"Howard Riback" _____ Director

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

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
Net investment gains	7	\$ 1,241	\$ 366
Other income	7	32	52
		<u>1,273</u>	<u>418</u>
Expenses			
Operating, general and administrative	5, 8	147	80
Finance expenses	9	-	4
		<u>147</u>	<u>84</u>
Net income and comprehensive income for the period		<u>\$ 1,126</u>	<u>\$ 334</u>
Earnings per common share based on net income for the period			
Basic and diluted		<u>\$ 0.12</u>	<u>\$ 0.04</u>
Weighted average number of common shares outstanding			
Basic and diluted		9,045,198	9,045,198

See accompanying notes to the consolidated financial statements.

PINETREE CAPITAL LTD.
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2019 and 2018
(In thousands of Canadian dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities		
Net income for the period	\$ 1,126	\$ 334
Items not affecting cash:		
Net investment gains	(1,241)	(366)
	<u>(115)</u>	<u>(32)</u>
Adjustments for:		
Proceeds on disposal of investments	462	1,147
Purchase of investments	(53)	(395)
Increase in due from brokers	(367)	(1,539)
Decrease (increase) in prepaids and other receivables	36	(18)
Increase (decrease) in accounts payable and accrued liabilities	(31)	29
Net cash used in operating activities	<u>(68)</u>	<u>(808)</u>
Net decrease in cash and cash equivalents during the period	(68)	(808)
Cash and cash equivalents, beginning of period	<u>7,250</u>	<u>7,510</u>
Cash and cash equivalents, end of period	\$ 7,182	\$ 6,702
Supplemental cash flow information		
Income taxes paid	\$ -	\$ -
Finance expenses paid	-	-

See accompanying notes to the consolidated financial statements.

PINETREE CAPITAL LTD.**Consolidated Statements of Changes in Equity****Three Months Ended March 31, 2019 and 2018****(Unaudited - In thousands of Canadian dollars, except for number of shares)**

	Number of shares	Share capital	Contributed surplus	Foreign currency translation reserve	Deficit	Total equity
Balance as at December 31, 2017	9,045,198	\$ 324,410	\$ 108,177	\$ (35)	\$ (414,247)	\$ 18,305
Net income and comprehensive income for the period	-	-	-	-	334	334
Balance as at March 31, 2018	9,045,198	\$ 324,410	\$ 108,177	\$ (35)	\$ (413,913)	\$ 18,639
Balance as at December 31, 2018	9,045,198	\$ 324,410	\$ 108,177	\$ -	\$ (416,607)	\$ 15,980
Net income and comprehensive income for the period	-	-	-	-	1,126	1,126
Balance as at March 31, 2019	9,045,198	\$ 324,410	\$ 108,177	\$ -	\$ (415,481)	\$ 17,106

See accompanying notes to the consolidated financial statements.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

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 Unit 200, 1965 Queen Street East, Toronto, ON, M4L 1H9.

Pinetree is a value-oriented investment and merchant banking company focused on the technology sector.

These unaudited condensed consolidated interim financial statements were approved by the Company's board of directors on May 8, 2019.

2. Basis of preparation

a) Statement of compliance

These unaudited condensed consolidated interim statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards ("IFRS").

The same accounting policies and methods of computation were followed in the preparation of these unaudited condensed consolidated interim statements as were followed in the preparation and described in note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2018, except for those described in Note 2(d). Accordingly, these unaudited condensed consolidated interim statements as at and for the three months ended March 31, 2019 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2018.

These unaudited condensed consolidated interim statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts.

b) Basis of consolidation

These unaudited condensed consolidated interim statements include the accounts of Pinetree and its wholly-owned subsidiaries: Genevest Inc., Pinetree (Barbados) 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.

c) Critical accounting judgments, estimates, and assumptions:

The preparation of the unaudited condensed consolidated interim 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 unaudited condensed consolidated interim statements and the reported amounts of revenue 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

2. Basis of preparation (continued)

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the unaudited condensed consolidated interim statements were the same as those in the preparation of the annual financial statements as at and for the year ended December 31, 2018.

d) New accounting standards adopted:

Effective January 1, 2019, the Company has adopted IFRS 16, *Leases* and International Financial Reporting Interpretations Committee ("IFRIC") 23, *Uncertainty over Income Tax Treatments*. These changes were made in accordance with the applicable transitional provisions for which there was no impact on the consolidated financial statements for the three months ended March 31, 2019. Under IFRS 16, the presentation on the statements of loss and comprehensive loss required by the new standard will result in most lease expenses being presented as amortization of lease assets and financing costs arising from lease liabilities rather than as being a part of goods and services purchased. The Company's office lease has a duration of 12 months which is exempted from the new presentation.

3. Financial instruments hierarchy and investments at fair value

(a) Financial hierarchy:

Investments consist of the following as at March 31, 2019:

Investments	Cost	Level 1 Quoted market price	Level 2 valuation technique - observable market inputs	Level 3 Valuation technique - non- observable market inputs	Total fair value
Equities	\$ 32,468	\$ 6,571	\$ 6	\$ 519	\$ 7,096
Debentures	2,495	2,705	-	-	2,705
Total investments	\$ 34,963	\$ 9,276	\$ -	\$ 519	\$ 9,801
Investments denominated in foreign currencies		\$ 5,064	\$ -	\$ -	\$ 5,064
% of investments denominated in foreign currencies		55%	0%	0%	52%

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

3. Financial instruments hierarchy and investments at fair value (continued)

Investments consist of the following as at December 31, 2018:

Investments	Cost	Level 1 Quoted market price	Level 2 valuation technique - observable market inputs	Level 3 Valuation technique - non- observable market inputs	Total fair value
Equities	\$ 45,387	\$ 5,688	\$ -	\$ 714	\$ 6,402
Debentures	2,495	2,567	-	-	2,567
Total investments	\$ 47,882	\$ 8,255	\$ -	\$ 714	\$ 8,969
Investments denominated in foreign currencies		\$ 4,094	\$ -	\$ 45	\$ 4,139
% of investments denominated in foreign currencies		50%	0%	6%	46%

(1) As at March 31, 2019, included in total investments were securities of private companies with a fair value totaling \$519 (cost of \$17,302) (December 31, 2018 – fair value of \$714 (cost of \$18,611) measured in accordance with the Company's accounting policy for private company investments.

(2) During the three months ended March 31, 2019 and year ended December 31, 2018, there were no transfers from Level 2 to Level 1. Generally, the transfer out of level 2 to level 1 consists of restricted investments that became unrestricted during the year.

(b) Level 3 hierarchy:

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 net realized losses and net change in unrealized losses are recognized in the consolidated statements of comprehensive loss.

	Opening balance at January 1,	Proceeds on dispositions	Net realized losses on dispositions	Net unrealized gains (losses)	Transfer out to Level 1	Ending balance
March 31, 2019	\$ 714	\$ -	\$ (1,099)	\$ 1,114	\$ (210)	\$ 519
December 31, 2018	2,661	(130)	(3,040)	1,623	(400)	714

Transfers between levels of fair value hierarchy are deemed to have occurred at the date of event.

Within Level 3, the Company includes private company investments and other investment instruments such as loans to investees and convertible debentures which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the share performance of comparable publicly-traded companies and a strategic review.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

3. Financial instruments hierarchy and investments at fair value (continued)

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

Valuation technique	March 31, 2019		December 31, 2018	
	Fair Value	Unobservable inputs	Fair Value	Unobservable inputs
Trends in comparable publicly traded companies and general market conditions and strategic review	\$ 519	Adjustment range (-80% to -12.5%)	\$ 714	Adjustment range (-80% to -12.5%)
	\$ 519		\$ 714	

For these Level 3 investments, the inputs used can be highly judgmental. A +/- 25% change on the fair value of these investments will result in a corresponding +/- \$130 (December 31, 2018 +/- \$178) change to the total fair value of the investments.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

4. Financial assets (liabilities) other than investments at fair value

Financial assets and liabilities other than investments at fair value are as follows as at March 31, 2019 and December 31, 2018:

	March 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 7,182	\$ 7,250
Due from brokers	443	76
Income taxes receivable	19	19
Accounts payable and accrued liabilities (a)	(364)	(395)
	\$ 7,280	\$ 6,950

The carrying values of cash and cash equivalents, due from brokers, and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity for these instruments.

- (a) As at March 31, 2019, included in accounts payable and accrued liabilities are Class C preferred share liabilities of \$212 (December 31, 2018 - \$213). The Class C preferred shares ("Class C Shares") were issued in 2009 by Pinetree's wholly-owned subsidiary, PCIC, are non-voting, redeemable and retractable at any time, and entitle the holders thereof to receive cumulative dividends at a rate of 8% per annum.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

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4. Financial assets (liabilities) other than investments at fair value (continued)

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 of \$10 per share. As at March 31, 2019, the redemption price was \$10 per share and the retraction price in effect was \$0.08 per share (December 31, 2018 - \$0.07 per share). During the three months ended March 31, 2019, 100 of the Class C shares were cancelled by PCIC following their retraction by the holder at approximately \$0.07 per share plus accrued and unpaid dividends. During the year ended December 31, 2018, none of the Class C shares were cancelled by PCIC. As at March 31, 2019, 21,200 Class C Shares (December 31, 2018 - 21,300 Class C Shares) were issued and outstanding.

5. Related party transactions

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

(a) Related party transactions included in the condensed consolidated interim statements of comprehensive income (loss) were as follows during the three months ended March 31:

Type of expense	2019	2018
Salaries, consulting fees and other benefits	\$ 4	\$ 24
Director fees (i)	9	9
	\$ 13	\$ 33

(i) Non-management directors of the Company are entitled to remuneration for their services at rates approved by the board of directors. In addition, directors are reimbursed for reasonable travelling, hotel and other incidental expenses in respect of attending meetings of the directors.

6. Equity

(a) Authorized: unlimited number of common shares, no par value.

As at March 31, 2019, the Company had 9,045,198 (December 31, 2018 – 9,045,198) common shares issued and outstanding.

(b) Stock options

No stock options were granted during the three months ended March 31, 2019 or year ended December 31, 2018. A summary of the status of the Company's stock options as at March 31, 2019 and December 31, 2018 and changes during the periods then ended is presented below:

Stock options	March 31, 2019		December 31, 2018	
	# of options	Weighted average exercise price	# of options	Weighted average exercise price
Outstanding and exercisable, at beginning of period	126,650	\$ 16.93	151,050	\$ 22.03
Expired	(14,300)	50.00	(24,400)	48.52
Outstanding and exercisable, at end of period	112,350	\$ 12.72	126,650	\$ 16.93

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

7. Income

Net investment gains (losses) comprises of the following for the three months ended March 31:

	2019	2018
Net realized losses on disposal of investments	\$ (12,510)	\$ (3,695)
Net change in unrealized gains on investments	13,751	4,061
	\$ 1,241	\$ 366

Other income comprises of interest and dividend income.

8. Expense by nature

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

	2019	2018
Professional fees	\$ 6	\$ 20
Office and general	48	18
Transfer agent, filing fees and other info systems	39	68
Consulting and directors' fees	23	33
Transaction costs	3	-
Foreign exchange loss (gain)	28	(59)
	\$ 147	\$ 80

9. Finance expense

Finance expense is comprised of interest and dividend expense for the three months ended March 31, 2019 and 2018.

10. Management of capital

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 and liabilities. There were no changes to the Company's objectives in managing and maintaining capital during the three months ended March 31, 2019. The Company is not subject to any capital requirements imposed by a regulator.

The Company's objectives when managing capital are:

- to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
- to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

10. Management of capital (continued)

The Company is meeting its objective of managing capital through detailed review and performance of due diligence on all potential investments and acquisitions. Management reviews its capital management approach on an on-going basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no changes in its approach to capital management during the three months ended March 31, 2019.

11. 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 currently comprised of financial instruments. The use of financial instruments can expose the Company to the following risks.

(a) 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, Financial Instruments ("IFRS 9") Pinetree is required to fair value its 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 that the Company manages market risk since December 31, 2018. The Company manages market risk by having a portfolio that 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 junior resource industry, early stage technology sector and biotechnology sector.

The Company also has set a (cost) threshold 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 loss for the three months ended March 31, 2019 from a change in the closing trade price of the Company's investments with all other variables held constant as at March 31, 2019:

Percentage change in closing trade price	Increase in total comprehensive income from an % increase in closing trade price	Decrease in total comprehensive income from an % decrease in closing trade price
2%	\$ 161	\$ (161)
4%	322	(322)
6%	483	(483)
8%	644	(644)
10%	805	(805)

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

11. Risk management (continued)

The following table shows the estimated sensitivity of the Company's after-tax loss for the year ended December 31, 2018 from a change in the closing trade price of the Company's investments with all other variables held constant as at December 31, 2018:

Percentage change in closing trade price	Decrease in total comprehensive loss from an % increase in closing trade price	Increase in total comprehensive loss from an % decrease in closing trade price
2%	\$ 143	\$ (143)
4%	286	(286)
6%	430	(430)
8%	573	(573)
10%	716	(716)

(b) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company. As at March 31, 2019, the Company's top five investments had a fair value of \$7,349 in the technology and resources sectors, representing 75% and 3% of the fair value of the Company's total portfolio, of which all are public companies. As at December 31, 2018, the Company's top five investments had a fair value of \$6,191 in the technology and resources sectors, representing 69%, and 8% of the fair value of the Company's total portfolio, of which four were public companies and one was private company.

(c) 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 management is responsible for reviewing liquidity resources to ensure funds are readily available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

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. In addition, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments.

There were no changes to the way that the Company manages liquidity risk since December 31, 2018. The Company's liquidity risk is limited to exposure to accounts payable and accrued liabilities.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

11. Risk management (continued)

The following table shows the Company's contractual undiscounted cash flows which are payable under financial liabilities on the consolidated statement of financial position as at March 31, 2019.

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable and accrued liabilities (i)	\$ 364	\$ 364	\$ -	\$ -	\$ -

The following table shows the Company's contractual undiscounted cash flows which are payable under financial liabilities on the consolidated statement of financial position as at December 31, 2018.

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable and accrued liabilities (i)	\$ 395	\$ 395	\$ -	\$ -	\$ -

- (i) Included in accounts payable and accrued liabilities are Class C preferred share liabilities of \$212 (December 31, 2018 - \$213) which are non-voting, redeemable and retractable at any time, and entitle the holders thereof to receive cumulative dividends at a rate of 8% per annum.

The following table shows the Company's source of liquidity by assets as at March 31, 2019:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	After 4 years	Non-liquid assets
Cash and cash equivalents	\$ 7,182	\$ 7,182	\$ -	\$ -	\$ -
Due from brokers	443	443	-	-	-
Investments, at fair value	9,801	9,276	525	-	-
Prepays and receivables	25	25	-	-	-
Income taxes receivable	19	19	-	-	-
	\$ 17,470	\$ 16,945	\$ 525	\$ -	\$ -

The following table shows the Company's source of liquidity by assets as at December 31, 2018:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	After 4 years	Non-liquid assets
Cash and cash equivalents	\$ 7,250	\$ 7,250	\$ -	\$ -	\$ -
Due from brokers	76	76	-	-	-
Investments, at fair value	8,969	8,255	714	-	-
Prepays and receivables	61	61	-	-	-
Income taxes receivable	19	19	-	-	-
	\$ 16,375	\$ 15,661	\$ 714	\$ -	\$ -

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

11. Risk management (continued)

(d) Currency risk:

Currency risk is the risk that the fair value or future cash flows of 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 financial instruments denominated in foreign currencies such as U.S. dollars, Euros, Great British pounds, Swedish krona, and Australian dollars. 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 that the Company manages currency risk since December 31, 2018. The Company believes that it is exposed to foreign exchange risk (U.S. dollar) but 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. A 1% change in the US dollar exchange rate impacts net income by \$53 at March 31, 2019 (December 31, 2018 - \$46).

The following assets and liabilities were denominated in foreign currencies as at the following dates:

	March 31, 2019	December 31, 2018
Net assets denominated in U.S. dollars	\$ 5,337	\$ 4,594
Net assets denominated in GBP	700	529
Net assets denominated in Australian dollars	123	139
Net assets denominated in Swedish krona	226	204
	\$ 6,386	\$ 5,466

(e) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash at variable rates. The fair value of the Company's cash and investments affected by changes in short term interest rates will be minimal. A 1% change in interest rates impacts net income by \$72 based upon balances at March 31, 2019 (December 31, 2018 - \$73). There were no changes to the way that the Company manages interest rate risk since December 31, 2018. Pinetree does not hedge against any interest rate risk.

12. 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 Company has a single reportable geographic segment, Canada, and all of the Company's equipment is located in Canada. The internal reporting provided to 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, 2019.

Pinetree Capital Ltd.

Notes to Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2019

(In thousands of Canadian dollars except for securities and per share amounts)

Unaudited

13. Commitment

Under the terms of commercial occupancy leases the Company is committed to pay \$21 in 2019 which can be renewed annually.