PINETREE

Management's Discussion and Analysis

For the Quarter Ended: **September 30, 2015**

Date of Report: **November 13, 2015**

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Pinetree Capital Ltd. ("Pinetree" or the "Company") should be read in conjunction with Pinetree's unaudited condensed consolidated interim financial statements and notes thereto as at and for the three and nine months ended September 30, 2015. The same accounting policies and method of computation were followed in the preparation of the unaudited condensed consolidated interim financial 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, 2014.

Except as otherwise indicated (see "Use of Non-GAAP Financial Measures" elsewhere in this MD&A), all financial data in this MD&A has been prepared, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in thousands of Canadian dollars except per share amounts.

Cautionary Note Regarding Forward-Looking Information:

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or courses of action or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in this MD&A include, but are not limited to, statements regarding our ability to continue as a going concern, to repay amounts that may become due and payable on our convertible debentures at or prior to maturity and to otherwise generate cash flow through investment dispositions. We have made certain assumptions in preparing the forward-looking statements in this MD&A, including the assumptions that: during the relevant periods, we will be in compliance with the terms of the forbearance agreement and indenture governing our convertible debentures; our existing cash and investments are sufficient to fund our operating activities for the 12-month period ended September 30, 2016; and the current fair values of our investments are indicative of realizable proceeds from future dispositions.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The assumptions that we have made in support of the forward-looking statements in this MD&A, while considered reasonable by management at the time in light of its experiences and perceptions of conditions at the time, are inherently subject to uncertainties and no assurance can be given that these assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements contained in this MD&A.

Some of the risks, uncertainties and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this MD&A include future capital market conditions and investee-specific conditions, all of which are unpredictable and outside of the Company's control, and which will affect the future value of the Company's investment portfolio and the prices at which investments may be disposed of. Adverse changes in these conditions, whether as a result of economic, political, industry, investee management or other factors, will negatively impact the Company's ability to remain in compliance with its contractual obligations and generate working capital to fund its ongoing requirements.

Readers are cautioned that the foregoing lists of factors are not exhaustive and other risks are discussed elsewhere in this MD&A under the heading "Risk Factors" and in the Company's current annual information form and other public disclosure documents filed with certain Canadian securities regulatory authorities and available under Pinetree's profile at **www.sedar.com**. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking statements, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking statements contained in this MD&A are provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking statements contained in this MD&A is expressly qualified by this cautionary statement.

About Pinetree:

Pinetree 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 2A2.

Pinetree is a diversified investment and merchant banking firm focused on the small-cap market, with early-stage investments in resource, biotechnology and technology companies.

Overall Performance:

During the nine-month period ended September 30, 2015, the Company took a disciplined approach to capital management, disposing of certain underperforming assets and taking profits in respect of other investments in order to deploy the capital toward the Company's debt reduction initiatives. The Company reduced its outstanding debt, which is comprised solely of its 10% Convertible Secured Debentures due May 31, 2016, from $54,822 principal amount to $14,726 principal amount during the period.

As at September 30, 2015, the Company held investments at fair value totalling $38,714 as compared to $106,760 as at December 31, 2014, a 64% decrease primarily attributable to the dispositions of investments which generated cash proceeds of $54,297 for the Company during the first three quarters of fiscal 2015 and enabled it to reduce its total outstanding debt by approximately 73% to $14,726, with a further reduction to $9,726 during October 2015.

Basic net loss per share for the three months ended September 30, 2015 was $0.07 as compared to basic net loss per share of $0.13 for the three months ended September 30, 2014.

Basic net loss per share for the nine months ended September 30, 2015 was $0.13 as compared to basic net income per share of $0.04 for the nine months ended September 30, 2014.

As at September 30, 2015, net asset value per share ("NAV per share") was $0.13 as compared to $0.25 as at December 31, 2014, a 48% decrease. See "Use of Non-GAAP Financial Measures" elsewhere in this MD&A.

The following is Pinetree's NAV per share for the eight most recently completed interim financial periods:

	NAV per share* $
September 30, 2015	**0.13**
June 30, 2015	0.20
March 31, 2015	0.22
December 31, 2014	0.25
September 30, 2014	0.63
June 30, 2014	0.78
March 31, 2014	0.85
December 31, 2013	0.65

*See "Use of Non-GAAP Financial Measures".

On January 23, 2015, the Company's existing default of one of its debt covenants became an "Event of Default" under the indenture (the "Debenture Indenture") governing its 10.0% Convertible Secured Debentures due May 31, 2016 (the "Debentures"). On February 13, 2015, the Company entered into a forbearance agreement with the debenture trustee, on behalf of the holders of the Debentures ("Debentureholders"), whereby the trustee and the Debentureholders agreed to refrain from exercising their rights in respect of the Event of Default, and subsequent defaults of the debt covenant, including the right to accelerate payment of the principal amount of the Debentures, until October 31, 2015, subject to certain conditions, including those noted below.

Among other things, the forbearance agreement required that the Company reduce the aggregate principal amount of the outstanding Debentures by $20,000 no later than July 31, 2015 and comply with a monthly debt-to-assets ratio of no more than 50% from July through September 2015, all of which requirements were satisfied.

The Company redeemed an aggregate of $40,000 principal amount of Debentures during the three and nine months ended September 30, 2015 (including at least $20,000 prior to July 31st in compliance with the forbearance agreement), at par plus accrued interest, representing a total redemption cost of $40,797. The costs of the redemptions were funded from available cash.

During the three and nine months ended September 30, 2015, the Company also purchased an aggregate of $96 principal amount of the Debentures under its normal course issuer bid ("NCIB") at an average cost of 0.97181 of the par value for a total cash payment of $93. Included in other income for the three and nine months ended September 30, 2015 is a gain of $4 on the purchase of the Debentures under the NCIB.

As a result of the redemptions and NCIB purchases, an aggregate of $14,726 principal amount of Debentures were outstanding as at September 30, 2015, representing a 73% reduction in the Company's outstanding debt since since April 1, 2015.

The Company redeemed an additional $5,000 principal amount of the Debentures on October 29, 2015, on a pro rata basis, at par, together with all accrued and unpaid interest thereon up to but excluding the redemption date, for a total redemption amount equal to $5,207. An aggregate of $9,726 principal amount of the Debentures were outstanding following the redemption.

In accordance with the forbearance agreement, the Debentureholders' agreement to refrain from exercising their rights in respect of the existing Event of Default under the Debenture Indenture until October 31, 2015, and as of that date the Company once again became subject to the 33% debt-to-assets ratio covenant in the Debenture Indenture. The Company was in compliance with the covenant as at October 31st, which cured the Event of Default.

As a result of the cure of the Event of Default, the Debentureholder nominees to the Company's board of directors resigned effective November 9, 2015 in accordance with the terms of the forbearance agreement. The Investment Oversight Committee of the board was also dissolved in accordance with its mandate.

See the "Going Concern Uncertainty" and "Liabilities" sections elsewhere in this MD&A for additional information concerning the Debentures and the Company's agreement with the Debentureholders.

Going Concern Uncertainty

Commencing October 31, 2014, the Company was in default of a restrictive debt covenant contained in the Debenture Indenture, which prohibits Pinetree's debt-to-assets ratio from exceeding 33% as at the end of each month (the "Debenture Covenant"). On January 23, 2015, the default became an "Event of Default" under the Debenture Indenture when it was neither cured nor waived by that date. Following the occurrence of an Event of Default under the Debenture Indenture, the trustee and the Debentureholders have certain rights, including the right to declare the principal amount of the Debentures and accrued interest thereon immediately due and payable. However, on February 13, 2015, the Company entered into a forbearance agreement with Equity Financial Trust Company, as trustee on behalf of the Debentureholders, whereby the trustee and the Debentureholders agreed to refrain from exercising their rights under the Debenture Indenture or otherwise in respect of the existing Event of Default or a subsequent default of the Debenture Covenant until October 31, 2015, unless the Company breaches the forbearance agreement. The Company satisfied all of its obligations during the term of the forbearance agreement and cured the Event of Default effective October 31, 2015 by complying with the Debenture Covenant.

Under the terms of the forbearance agreement, among other things, the Company was required, by July 31, 2015, to reduce the outstanding principal amount of the Debentures by $20,000 and was subject to a covenant that limited its debt-to-assets ratio to 50% (as at month-end) for the three-month period of July through to September 2015 (the "Forbearance Covenant"). The Company also granted security over its consolidated assets to the Debentureholders to secure its obligations under the Debentures.

The Company satisfied its $20,000 debt reduction obligation in June 2015 and the Forbearance Covenant during the period of July to September 2015. The Company's ability to comply with the terms and conditions of the Debenture Indenture is dependent primarily upon its ability to manage its debt-to-assets ratio at or below the 33% ratio permitted in the Debenture Covenant during the period of October 2015 to maturity of the Debentures in May 2016. The Company's debt-to-assets ratio was 36.7% as at September 30, 2015 (December 31, 2014 – 50.8%) and 27.7% as at October 31, 2015.

To a certain extent, Pinetree's ability to manage its debt-to-assets ratio, beyond managing its debt level, remains outside of the Company's control given the nature of Pinetree's assets, which can experience sudden and significant changes in value, and the variables associated with the Company's ability to access external sources of capital to expand the portfolio or to otherwise increase its asset base. Accordingly, there is no certainty that the Company will be able to continue to comply with the Debenture Covenant throughout the remaining term of the Debentures, the effect of which creates significant doubt about the Company's ability to continue as a going concern.

During the remainder of the year, the Company may reduce the principal amount of the Debentures outstanding and may look to expanding its asset base through portfolio investments or other forms of acquisitions, depending on the availability of funds and of alternative uses of the funds existing at the applicable time, and the opportunities that may present themselves. The Company's access to capital will be dependent upon the performance of its investments over time and its ability to raise funds through equity-based transactions, factors which are outside of Pinetree's control.

If the Company defaults under the Debenture Indenture again, the trustee or the Debentureholders may declare the principal amount of the Debentures (and accrued interest) immediately due and payable by the Company. It is uncertain whether the Company could generate sufficient funds from proceeds of dispositions of its investments, or otherwise, to repay the total amount owing to Debentureholders, if and when required to do so. Furthermore, because the Debentures are secured by all of the Company's assets, including its investments, if the Debentureholders realize on their security, the Company may not have sufficient assets, or any assets remaining following repayment of its Debenture obligations to enable it to continue as a going concern. If the proceeds of realization are insufficient to pay off all of the Company's obligations to the Debentureholders, the Company would remain liable for the balance owing and would not be able to continue as a going concern.

The unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2015 and this MD&A, do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not used, the liquidation value of the Company's investment portfolio could be significantly less than its carrying value as at September 30, 2015. Such an adjustment could have a material impact on the Company's reported total assets and net loss for the period.

Summary of Investment Portfolio:

Investments consist of the following as at September 30, 2015:

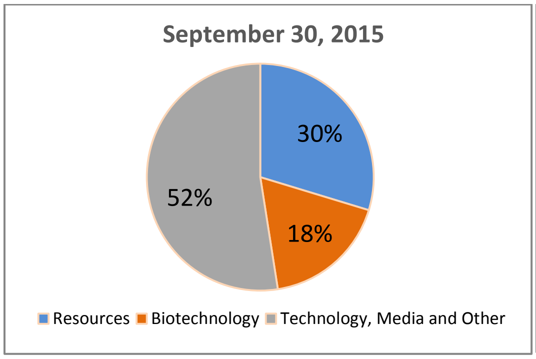
Investments by Security Type	Cost	Total fair value
Equities	$ 106,276	$ 33,942
Warrants	-	46
Promissory notes and convertible debentures	4,836	4,726
Total investments	$ 111,112	$ 38,714
Investments denominated in foreign currencies		$ 12,639
% of investments denominated in foreign currencies		33%

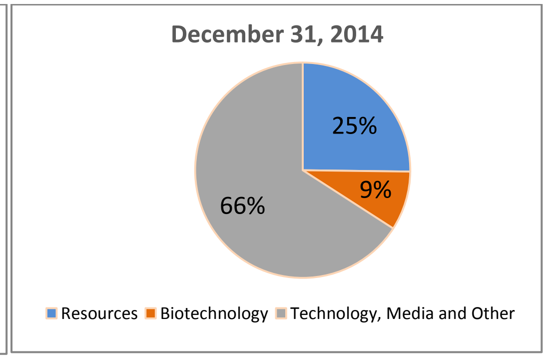
Investments consist of the following as at December 31, 2014:

Investments by Security Type	Cost	Total fair value
Equities	$ 196,722	$ 95,273
Warrants	-	7,213
Promissory notes and convertible debentures	4,675	4,274
Total investments	$ 201,397	$ 106,760
Investments denominated in foreign currencies		$ 28,940
% of investments denominated in foreign currencies		27.1%

The following information regarding our portfolio is historical as at the dates indicated and may change due to the ongoing investment activities of the Company, in addition to fluctuations in the fair values of investments.

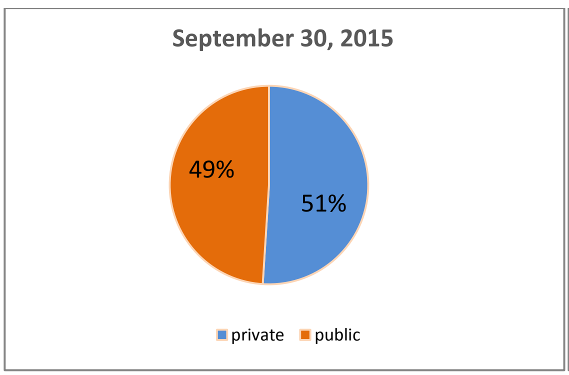
Industry Allocation*

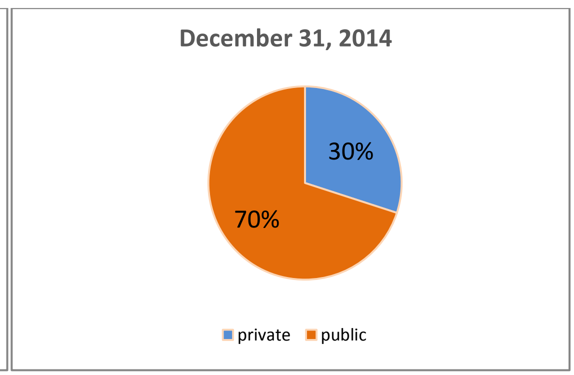




*As a percentage of the aggregate fair value of our investment portfolio

Public/Private Company Allocation*





*As a percentage of the aggregate fair value of our investment portfolio

The fair value of Pinetree's publicly-traded investments is determined in accordance with the Company's accounting policy. The amounts at which the Company's publicly-traded investments could be disposed of currently may differ from their carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity, and current market prices may differ significantly from the historical prices used to calculate fair value for the purposes of the Company's unaudited condensed consolidated interim financial statements.

As at September 30, 2015, total investments included securities of private companies with a fair value totalling $19,748 (51% of total fair value of the Company's investments; cost of $33,688). As at December 31, 2014, total investments included securities of private companies with a fair value totalling $19,944 (19% of total fair value of the Company's investments; cost of $36,245). The fair value of the private company securities decreased by $196 mainly due to securities dispositions for cash proceeds of $971 offset by unrealized gains. The fair value was determined in accordance with the Company's accounting policy for private company investments. 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.

Refer to note 3 of the Notes to the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2015 for other details about the Company's investments.

Results of Operations:

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows.

	Quarter ended (unaudited)			
	September 30, 2015	June 30, 2015	March 31, 2014	December 31, 2014
Net investment gains (losses)	**$ (12,337)**	$ (2,108)	$ (3,549)	$ (52,626)
Net profit (loss) for the period	**(14,419)**	(4,719)	(7,155)	(77,073)
Total comprehensive income (loss) for the period	**(14,419)**	(4,730)	(7,144)	(77,072)
Earnings (loss) per share based on net profit (loss) for the period – basic	**(0.07)**	(0.02)	(0.04)	(0.38)
Earnings (loss) per share based on net profit (loss) for the period – diluted	**(0.07)**	(0.02)	(0.04)	(0.38)

	Quarter ended (unaudited)			
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Net investment gains (losses)	$ (22,499)	$ 6,775	$ 34,720	$ (11,883)
Net profit (loss) for the period	(26,501)	2,708	30,276	(26,280)
Total comprehensive income (loss) for the period	(26,501)	2,708	30,276	(26,279)
Earnings (loss) per share based on net profit (loss) for the period – basic	(0.13)	0.02	0.20	(0.18)
Earnings (loss) per share based on net profit (loss) for the period – diluted	(0.13)	0.02	0.16	(0.18)

Three Months Ended September 30, 2015 and 2014

The net investment losses for the three months ended September 30, 2015 was $12,337 (three months ended September 30, 2014 – net investment losses of $22,499) as a result of net realized losses plus a net change in unrealized losses on investments as described below.

For the three months ended September 30, 2015, the Company generated net realized losses on disposal of investments of $120, as compared to $15,607 for the three months ended September 30, 2014.

For the three months ended September 30, 2015, the Company had a net change in unrealized losses on investments of $12,217 as compared to a net change in unrealized losses of $6,892 for the three months ended September 30, 2014. Net change in unrealized losses for the three months ended September 30, 2015 was mainly related to the unrealized loss on certain of the Company's investments offset by the foreign exchange gain on securities of private companies denominated in the US dollars. Of the net change in unrealized losses for the three months ended September 30, 2014, $14,655 was from the reversal of previously recognized net unrealized losses on the disposal of investments and $21,547 was from the write-down to market on the Company's investments.

For the three months ended September 30, 2015, other income totalled $111 as compared to $311 for the three months ended September 30, 2014. Other income is comprised of interest and dividend income of $92 (three months ended September 30, 2014 - $214), $15 (three months ended September 30, 2014 – $81) from consulting fees, rental income, and other fees, $4 from gain on NCIB (three months ended September 30, 2014 – $nil) and $nil from securities lending revenue (three months ended September 30, 2014 - $16).

Operating, general and administrative expenses for the three months ended September 30, 2015 increased to $2,534 from $1,883 for the three months ended September 30, 2014. A breakdown of operating, general and administrative expenses for the indicated three month periods ended September 30 is set out below. Details of the changes between periods follow the table:

	2015	2014
Salaries (a)	**$ 33**	$ 551
Professional fees (b)	**10**	39
Transaction costs (c)	**101**	254
Stock-based compensation expense (d)	**108**	201
Operating lease payments	**146**	148
Consulting and directors' fees (e)	**183**	147
Transfer agent, filing fees and other information systems	**35**	83
Travel and other (f)	**1**	150
Charge for assignment of lease (g)	**1,549**	-
Impairment of fixed assets (h)	**211**	-
Employee benefits	**20**	42
Other office and general	**280**	113
Amortization	**-**	26
Foreign exchange loss (gain)	**(143)**	129
	$ 2,534	$ 1,883

(a) Salaries decreased by $518 as compared to the three months ended September 30, 2014 primarily due to a reduction in the number of employees.

(b) Professional fees decreased by $29 as compared to the three months ended September 30, 2014 primarily due to reduced use of external legal and other professional services.

(c) Transaction costs decreased by $153 as compared to the three months ended September 30, 2014, due to a decrease in the volume of trading conducted by the Company. Transaction costs arise from purchases and dispositions of investments through brokers, which are expensed immediately in accordance with the Company's accounting policy for investments. The Company evaluates its commission structure with its brokers on an on-going basis to minimize its transaction costs.

(d) Stock-based compensation expense decreased by $93 as compared to the three months ended September 30, 2014. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

(e) Consulting and directors' fees increased by $36 as compared to the three months ended September 30, 2014, due to the payments for renegotiated service contracts and higher director fees during the three months ended September 30, 2015.

(f) Travel and other decreased by $149 as compared to the three months ended September 30, 2014, due to cost reduction initiatives undertaken by management.

(g) During the three months ended September 30, 2015, the Company entered into an agreement to assign the lease in respect of its head office (the "Lease Assignment") to an arm's length party (the "Assignee") effective as of February 1, 2016. In accordance with the Lease Assignment, the Company is required to pay an aggregate of $1,549 to the Assignee, $1,000 of which was paid subsequent to the end of the period and the remainder of which is payable on February 1, 2016.

(h) During the three months ended September 30, 2015, the Company wrote off all of its property, plant and equipment for an amount of $211 as they were determined to be not recoverable.

Finance expense decreased to $682 in the three months ended September 30, 2015 as compared to $2,427 in the three months ended September 30, 2014. The decrease was primarily attributable to a decrease in the accretion of discount on the outstanding Debentures.

The Company recorded an income tax recovery of $1,023 during the three months ended September 30, 2015 due to the reduction of income tax payable as per the assessment of tax authority. The Company recorded an income tax expense in the three months ended September 30, 2014 of $3. The income tax expense was due to an accrual of income tax payable in one of the Company's wholly owned subsidiaries which might differ from the actual amount due for the year ended December 31, 2014 when the Company filed its tax returns.

Net loss for the three months ended September 30, 2015 was $14,419 ($0.07 basic loss per share) as compared to net loss of $26,501 ($0.13 basic loss per share) for the three months ended September 30, 2014.

Nine Months Ended September 30, 2015 and 2014

The net investment losses for the nine months ended September 30, 2015 were $17,994 (nine months ended September 30, 2014 – net investment gains of $18,996) as a result of net realized losses offset by a net change in unrealized gains on investments as described below.

For the nine months ended September 30, 2015, the Company generated net realized losses on disposal of investments of $40,233, as compared to $334,412 for the nine months ended September 30, 2014.

For the nine months ended September 30, 2015, the Company had a net change in unrealized gains on investments of $22,239 as compared to $353,408 for the nine months ended September 30, 2014. Net change in unrealized gains for the nine months ended September 30, 2015 was mainly related to the unrealized gain of certain of the Company's investments and the foreign exchange gain on private companies denominated in the US dollar. Of the net change in unrealized gains for the nine months ended September 30, 2014, $325,821 was from the reversal of previously recognized net unrealized losses on the disposal of investments and $27,587 from the write-up to market on the Company's investments.

For the nine months ended September 30, 2015, other income totalled $514 as compared to $732 for the nine months ended September 30, 2014. Other income is comprised of interest and dividend income of $389 (nine months ended September 30, 2014 - $461), $121 (nine months ended September 30, 2014 – $243) from consulting fees, rental income, and other fees, $4 (nine months ended September 30, 2014 – $nil) from gain on NCIB and $nil from securities lending revenue (nine months ended September 30, 2014 - $28).

Operating, general and administrative expenses for the nine months ended September 30, 2015 marginally decreased to $6,028 from $6,072 for the nine months ended September 30, 2014. A breakdown of operating, general and administrative expenses for the indicated nine month periods ended September 30 is set out below. Details of the changes between periods follow the table:

	2015	2014
Salaries (a)	**$ 320**	$ 1,612
Professional fees (b)	**678**	182
Transaction costs (c)	**428**	1,212
Stock-based compensation expense (d)	**507**	647
Operating lease payments	**439**	448
Consulting and directors' fees (e)	**1,056**	433
Transfer agent, filing fees and other information systems	**279**	289
Travel and other (f)	**20**	424
Loss on the repurchase of convertible debentures	**-**	130
Charge for assignment of lease (g)	**1,549**	-
Impairment of fixed assets (h)	**211**	-
Employee benefits	**109**	138
Other office and general	**550**	518
Amortization	**16**	76
Foreign exchange gain	**(134)**	(37)
	$ 6,028	$ 6,072

(a) Salaries decreased by $1,292 as compared to the nine months ended September 30, 2014, primarily due to a reduction in the number of employees.

(b) Professional fees increased by $496 as compared to the nine months ended September 30, 2014 primarily due to external legal fees incurred in connection with the forbearance agreement and fees for valuation services.

(c) Transaction costs decreased by $784 as compared to the nine months ended September 30, 2014, due to a decrease in the volume of trading conducted by the Company. Transaction costs arise from purchases and dispositions of investments through brokers, which are expensed immediately in accordance with the Company's accounting policy for investments. The Company evaluates its commission structure with its brokers on an on-going basis to minimize its transaction costs.

(d) Stock-based compensation expense decreased by $140 as compared to the nine months ended September 30, 2014. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

(e) Consulting and directors' fees increased by $623 as compared to the nine months ended September 30, 2014, due to the payment of retention bonuses, payments for renegotiated service contracts and higher director fees during the nine months ended September 30, 2015.

(f) Travel and other decreased by $404 as compared to the nine months ended September 30, 2014, due to cost reduction initiatives undertaken by management.

(g) During the nine months ended September 30, 2015, the Company entered into the Lease Assignment with the Assignee effective as of February 1, 2016. In accordance with the Lease Assignment, the Company is required to pay an aggregate of $1,549 to the Assignee, $1,000 of which was paid subsequent to the end of the period and the remainder of which is payable on February 1, 2016.

(h) During the nine months ended September 30, 2015, the Company wrote off all of its property, plant and equipment for an amount of $211 as they were determined to be not recoverable.

Finance expense decreased to $3,808 in the nine months ended September 30, 2015 as compared to $7,547 in the nine months ended September 30, 2014. The decrease was primarily attributable to a decrease in the accretion of discount on the outstanding Debentures.

The Company recorded an income tax recovery of $1,023 during the three months ended September 30, 2015 due to the reduction of income tax payable as per the assessment of tax authority. The Company recorded an income tax recovery in the nine months ended September 30, 2014 of $374. The income tax recovery was due to a reversal of corporate minimum tax payable that was previously accrued in the prior year but adjusted when the Company filed its 2013 tax return.

Net loss for the nine months ended September 30, 2015 was $26,293 ($0.13 basic loss per share) as compared to net income of $6,483 ($0.04 basic income per share) for the nine months ended September 30, 2014.

Cash Flow:

Net cash from operating activities was $40,771 during the nine months ended September 30, 2015 as compared to net cash used in operating activities of $8,768 during the nine months ended September 30, 2014. During the nine months ended September 30, 2015, the Company had proceeds from disposition of investments of $54,297, a decrease of $58,728, when compared to $113,025 of proceeds from dispositions during the nine months ended September 30, 2014. During the nine months ended September 30, 2015, the Company purchased $4,242 of investments, a decrease of $108,639 as compared to $112,881 of investments purchased during the nine months ended September 30, 2014.

During the nine months ended September 30, 2015, net cash used in investing activities was $nil as compared to $18 during the nine months ended September 30, 2014. During the nine months ended September 30, 2014, the investing activities related to the purchases of property, plant and equipment.

During the nine months ended September 30, 2015, net cash used in financing activities was $40,645 as compared to $8,726 cash generated from financing activities during the nine months ended September 30, 2014. During the nine months ended September 30, 2015, the financing activities related to the transaction costs for convertible debentures of $551, $40,000 for the partial redemption of its Debentures, $93 used to purchase $96 principal of its Debentures under its 2015 normal course issuer bid and $1 paid for retraction of Class C shares. During the nine months ended September 30, 2014, the Company had net proceeds of $13,915 from private placement financings (net of share issuance costs) and used cash of $5,152 to purchase $6,042 principal amount of its Debentures under its 2014 normal course issuer bid.

For the nine months ended September 30, 2015, the Company had a net increase in cash and cash equivalents of $126 as compared to a net decrease in cash and cash equivalents of $60 for the nine months ended September 30, 2014.

Liquidity and Capital Resources:

Consolidated Statements of Financial Position Highlights	**September 30, 2015**	December 31, 2014
Investments at fair value	**$ 38,714**	$ 106,760
Total assets	**41,427**	108,748
Total liabilities	**16,052**	57,587
Share capital, warrants, contributed surplus, equity component of convertible debentures and foreign currency translation reserve	**416,859**	416,352
Deficit	**(391,484)**	(365,191)
NAV per share – Basic (i)	**$ 0.13**	$ 0.25
NAV per share – Diluted (i)	**$ 0.11**	$ 0.21

(i) See Use of Non-GAAP Financial Measures elsewhere in this MD&A

Pinetree relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments, consulting fees, and capital raising activities such as equity financings.

Following the Company's default of the Debenture Covenant, it became subject to the terms and conditions of the forbearance agreement, which required, among other things, that by July 31, 2015, the Company reduce the outstanding principal amount of the Debentures by $20,000 (see "Going Concern Uncertainty" and "Liabilities" section) and limited its debt-to-asset ratio to 50% (as at month-end) for the three-month period of July through to September 2015 – all of which terms and conditions were satisfied. The Company's ability to comply with the Debenture Covenant commencing October 31, 2015 will depend on the fair value of its assets during the periods and may require further debt reduction (which will also depend on the fair value of the Company's assets or other means of accessing capital).

The Company's obligations in respect of the Debentures are secured by all of its assets, including its investment portfolio, and if Pinetree fails to satisfy its obligations in full in respect of the Debentures when required to do so, the Debentureholders could exercise their rights and enforce their security, which would include taking control over all of the Company's investments.

Liabilities:

As at September 30, 2015, the carrying value of total liabilities was $16,052 as compared to $57,587 as at December 31, 2014, a 72% decrease attributable to redemptions and NCIB purchases of the outstanding Debentures under the Company's debt reduction initiatives.

As at September 30, 2015, accounts payable and accrued liabilities include Class C preferred share liabilities of $217 (December 31, 2014 - $239). The Class C preferred shares ("Class C Shares") which are part of the share capital of Pinetree Capital Investment Corp. ("PCIC"), one of the Company's subsidiaries, 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, payable semi-annually. During the nine months ended September 30, 2015, $9 (nine months ended September 30, 2014 - $9) in dividends were declared and paid on the Class C Shares.

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 September 30, 2015, the redemption price was $10 per share and the retraction price in effect was $0.40 per share (December 31, 2014 - $0.62 per share). During the nine months ended September 30, 2015, 2,200 Class C Shares were cancelled by PCIC following their retraction by the holders at $0.62 per share plus accrued and unpaid dividends. As at September 30, 2015, 21,700 Class C Shares (December 31, 2014 - 23,900 Class C Shares) were issued and outstanding.

As at September 30, 2015, the Company had recorded an estimated income tax payable (including interest) of $nil (December 31, 2014 - $1,700) relating to corporate taxes payable. The income tax payable recorded as at September 30, 2015 may differ from the actual amount due for the year ended December 31, 2015 when the Company files its tax returns.

As at September 30, 2015, included in accounts payable and accrued liabilities was $486 (December 31, 2014 - $466) of accrued interest in respect of the Debentures. The Debentures bear interest at a rate of 10% per annum, payable semi-annually, and are convertible, at the option of the holders, into common shares of the Company on the basis of a conversion price of $4.25 per share, subject to adjustment under certain circumstances. As previously discussed, the Debentures are subject to debt incurrence and maintenance covenants, among other covenants.

As at September 30, 2015, the fair value of the Debentures was $14,688 (December 31, 2014 - $42,761) based on the closing trade price of the Debentures, which are listed on the TSX under the symbol "PNP.DB".

Commencing October 31, 2014, the Company was not in compliance with the Debenture Covenant, which prohibits Pinetree's debt-to-assets ratio from exceeding 33% as at the end of each month. On January 23, 2015, the default of the Debenture Covenant became an "Event of Default" under the Debenture Indenture when the default was neither cured nor waived by that date, as required pursuant to the notice of default received by the Company from the Equity Financial Trust Company, as trustee on behalf of the Debentureholders. On February 13, 2015, the Company entered into a forbearance agreement with the trustee on behalf of the Debentureholders, in connection with the Event of Default. Pursuant to the terms of the forbearance agreement, until October 31, 2015, the trustee and the Debentureholders agreed to refrain from exercising any rights or remedies that they may have under the Debenture Indenture or otherwise in respect of the Event of Default and any subsequent default of the Debenture Covenant, unless a breach of the forbearance agreement occurs. As a result of the agreement reached with Debentureholders:

- The Company's obligations in respect of the Debentures are now secured by its consolidated assets. By July 31, 2015, the Company was required to reduce the aggregate principal amount of the outstanding Debentures by at least $20,000, an obligation that was satisfied during the nine months ended September 30, 2015.
- For the three month period of July through September 2015, the Company was subject to the Forbearance Covenant that limited its debt-to-assets ratio (as at month-end) to 50%, instead of the 33% ratio under the Debenture Covenant (which the Company is once again required to comply with commencing October 2015). The Company successfully managed its debt-to-assets ratio below the 50% ratio during the period of July to September 2015.
- The Company can redeem the Debentures at par plus accrued interest, regardless of the trading price of the Company's common shares.

For accounting purposes, the Company determined that the amended terms of the Debentures were not substantially modified due to the forbearance agreement. In accordance with the terms of the forbearance agreement, the effective interest rate was revised to reflect cash flow assumptions.

If the Company breaches the Debenture Indenture again, the principal amount of the Debentures (and accrued interest) could become due and payable by Pinetree prior to the maturity date of the Debentures. The Company's management does not believe it could generate sufficient proceeds from the disposal of its investments to repay principal and interest on Debentures if required to do so immediately, however, over a period of time, subject to market volatilities and demand for its investments, the Company believes that it could generate sufficient funds to settle the full amount of the Debentures from dispositions of its investments.

In these circumstances, the liquidation value of the Company's portfolio may be significantly less than its carrying value as at September 30, 2015. The accelerated repayment of the Debentures under the forbearance agreement would significantly reduce the Company's investments and the reduction of these assets would be material.

The Company satisfied its obligations during the term of the forbearance agreement and subsequently cured the Event of Default when it complied with the Debenture Covenant effective October 31, 2015.

Commitments:

As at September 30, 2015, the Company had material commitments for cash resources of $17,062 (December 31, 2014 - $67,735), a decrease of $50,673, which are detailed below. The disposition of the Company's investments in the normal course would be sufficient to pay these material commitments.

A breakdown of the Company's liabilities and obligations as at September 30, 2015 is as follows:

	Payments due by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Accounts payable and accrued liabilities	**$ 960**	**$ 960**	**$ -**	**$ -**	**$ -**
Debentures (principal amount)	**14,726**	**14,726**	**-**	**-**	**-**
Interest on Debentures (a)	**1,179**	**1,179**	**-**	**-**	**-**
Lease commitments	**197**	**197**	**-**	**-**	**-**
	$ 17,062	**$ 17,062**	**$ -**	**$ -**	**$ -**

(a) Composed of $207 interest paid on the $5,000 principal amount redeemed on October 29, 2015 (see "Subsequent Events" section below) and $972 interest on the remaining $9,726 pricipal amount.

A breakdown of the Company's liabilities and obligations as at December 31, 2014 is as follows:

	Payments due by period				
Liabilities and obligations	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable and accrued liabilities	$ 901	$ 901	$ -	$ -	$ -
Income taxes payable	1,700	1,700	-	-	-
Debentures (principal amount) (a)	54,822	54,822	-	-	-
Interest on Debentures (a)	4,857	4,857	-	-	-
Lease commitments	5,455	590	1,800	1,226	1,839
	$ 67,735	$ 62,870	$ 1,800	$ 1,226	$ 1,839

(a) Assumes the Debentures will be repaid in full prior to maturity and within one year.

As at September 30, 2015, included in accounts payable and accrued liabilities are $217 of Class C Shares (December 31, 2014 - $239). The Class C Shares are redeemable and retractable at any time. PCIC does not intend to redeem the Class C Shares in the foreseeable future.

During the year ended December 31, 2011, the Company renewed its lease commitment for its premises starting August 1, 2011 for annual payments of approximately $583 ($49 monthly) until July 31, 2017 and approximately $613 ($51 monthly) until December 31, 2023. During the nine months ended September 30, 2015, the Company entered into the Lease Assignment whereby the Company assigned its lease of office to an external party effective from February 2016. The Company also has consulting agreements with officers representing fees payable of approximately $34 per month.

Related Party Transactions:

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

(a) Related party transactions included in the statement of comprehensive loss were as follows during the three months ended September 30:

Type of service	Nature of relationship	2015	2014
Salaries, consulting fees and other benefits	Officers	**$ 89**	$ 330
Director fees (i)	Directors	**71**	32
Stock-based compensation expense	Directors and officers	**37**	145

Related party transactions included in the statement of comprehensive loss were as follows during the nine months ended September 30:

Type of service	Nature of relationship	2015	2014
Salaries, consulting fees and other benefits	Officers	**$ 722**	$ 1,000
Director fees (i)	Directors	**217**	87
Stock-based compensation expense	Directors and officers	**352**	463

(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.

(b) During the nine months ended September 30, 2015, the Company granted to directors and officers the following options:

Date Granted	Options Granted	Exercise Price	Expiry
March 31, 2015	1,650,000	$ 0.16	March 30, 2020
May 29, 2015	550,000	$ 0.08	May 28, 2020
August 31, 2015	150,000	$ 0.08	August 30, 2020

During the nine months ended September 30, 2014, the Company granted to directors and officers the following options:

Date Granted	Options Granted	Exercise Price	Expiry
March 31, 2014	1,250,000	$ 0.50	March 30, 2019
May 30, 2014	500,000	$ 0.42	May 29, 2019
August 29, 2014	250,000	$ 0.33	August 28, 2019

(c) Investments in associates:

The Company's directors and officers may have investments in and hold management and/or director positions in some of the Company's investments. The Company makes minority investments (less than 50%) in the equity of companies (including convertible securities) by way of open market transactions and private placement financings. It is presumed that it is possible to exert significant influence when an equity holding is greater than 20% on a partially diluted basis. However, the Company also considers other factors when determining if it has significant influence such as board representations and officers and directors involvement with the investee. These investments are not equity accounted for (as permitted by IAS 28) but are related party transactions. Furthermore, the Company has certain regulatory trading restrictions on investments with an equity holding of greater than 20%.

The total amounts included in the consolidated statements of financial position for investments in associates are as follows as at September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Investments at fair value	**$ 12,103**	$ 20,400
Cost of investments	**29,633**	39,629

The total amounts included in the unaudited condensed consolidated interim statements of comprehensive loss for investments in associates are as follows for the three months ended September 30:

	2015	2014
Net change in unrealized losses on investments	**$ (2,346)**	$ (611)
Interest earned on promissory notes	**91**	-

The total amounts included in the unaudited condensed consolidated interim statements of comprehensive loss for investments in associates are as follows for the nine months ended September 30:

	2015	2014
Net change in unrealized gains (losses) on investments	**$ (8,297)**	$ 6,721
Interest earned on promissory notes	**271**	42

From time to time transactions occur between the Company and investee companies that are related parties to facilitate the reorganization or capitalization of the companies. These transactions are made on an arm's-length basis.

In August 2015, the Company provided $100 in debt financing to Latin American Minerals Inc. ("Latin"), a publicly traded company on the TSXV under the symbol "LAT", evidenced by a promissory note bearing interest at a rate of 12% per annum, with the principal and interest due on August 19, 2016. The financing was done in the normal course of the Company's investment activities.

In July 2014, the Company acquired securities of Latin for total consideration of $1,000 by issuing 2,000,000 common shares of the Company to Latin at deemed value of $0.50 per share. The Latin investment was undertaken in the normal course of the Company's investment activities.

In June 2014, the Company acquired securities of Sviral Inc. ("Sviral"), a private company, for total consideration of $5,488 (US$5,000) by paying US$500 cash and issuing 10,975,610 common shares of the Company to Sviral at a deemed value of $0.45 per share. The Sviral investment was undertaken in the normal course of the Company's investment activities.

In April 2014, the Company acquired securities of Mooncor Oil & Gas Corp. ("Mooncor"), an associate investee of Pinetree, at a total cost of $500, and issued 819,672 common shares of the Company to Mooncor for gross proceeds of $500 to Pinetree. The Mooncor investment was undertaken in the normal course of the Company's investment activities.

Off-Balance Sheet Arrangements:

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Pinetree.

Internal Controls over Financial Reporting:

Disclosure Controls and Procedures

The Company is required to review and report on the effectiveness of its disclosure controls and procedures ("DC&P") in accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", ("NI 52-109") issued by the Canadian Securities Administrators. NI 52-109 requires a Chief Executive Officer ("CEO") and a Chief Financial Officer ("CFO") to certify that they are responsible for establishing and maintaining DC&P for the issuer, that DC&P have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's DC&P, and that their conclusions about the effectiveness of those DC&P at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

The CEO and CFO have evaluated the design of the Company's DC&P as at September 30, 2015 and have concluded that the DC&P were effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. In addition, the design of any system of control is based upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all future events, no matter how remote, or that the degree of compliance with the policies or procedures may not deteriorate. Accordingly, the Company's DC&P are effective in providing reasonable, not absolute, assurance that the objectives of our disclosure control system have been met.

Internal Controls over Financial Reporting

NI 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR") for the issuer, that the ICFR have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its ICFR.

The design and operating effectiveness of the Company's ICFR were evaluated by the CEO and CFO in accordance with criteria established in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and NI 52-109, as at September 30, 2015. The CEO and CFO have evaluated the ICFR as at September 30, 2015. The CEO and CFO have not identified in their review any weaknesses that have materially affected or are reasonably likely to materially affect Pinetree's ICFR. Based on this evaluation, the CEO and CFO have concluded that the Company's ICFR were effective in providing reasonable assurance that its financial reporting is reliable and its consolidated financial statements were prepared in accordance with IFRS.

There were no changes in the Company's ICFR that occurred during the three and nine months ended September 30, 2015, that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Management of Capital:

The Company includes the following items in its managed capital as at September 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Convertible debentures	**$ 14,606**	$ 54,520
Equity comprises of:		
Share capital	**306,103**	306,103
Warrants	**1,607**	1,607
Contributed surplus	**106,346**	105,839
Equity component of convertible debentures	**2,838**	2,838
Foreign currency translation reserve	**(35)**	(35)
Deficit	**(391,484)**	(365,191)
	$ 39,981	$ 105,681

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 the debt incurrence and maintenance covenants, among other covenants, to which it is subject in connection with the Debentures. The Company is required to maintain a debt-to-assets ratio of 33%. Since October 31, 2014, the Company has been in default of the covenant, however, the Debentureholders agreed to refrain from exercising their rights in respect of the default until October 31, 2015, subject to the terms and conditions of the forbearance agreement entered into by the Company in February 2015.

The Company has changed its objectives in managing and maintaining capital subsequent to the year ended December 31, 2014.

The Company's objectives when managing capital are:

(a) to ensure that the Company maintains the level of capital and debt ratios necessary to comply with the Debenture Indenture (as discussed elsewhere in this MD&A); and

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

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; and

(b) raising capital through equity financings.

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. Pursuant to the Debenture Indenture, the Company cannot pay dividends on its common shares for so long as an "Event of Default" exists under the Debenture Indenture.

Risk Management:

Financial Instrument Risks:

The Company's financial instruments primarily consistent of investments, refer to the "Investments" section of this MD&A.

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 discussion of the Company's use of financial instruments and their associated risks is provided below.

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, 2014. 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 and nine months ended September 30, 2015 from a change in the closing trade price of the Company's investments with all other variables held constant as at September 30, 2015:

Percentage of change in closing trade price	**Decrease in loss from % increase in closing trade price $**	**Increase in loss from % decrease in closing trade price $**
2%	**619**	**(619)**
4%	**1,237**	**(1,237)**
6%	**1,856**	**(1,856)**
8%	**2,474**	**(2,474)**
10%	**3,093**	**(3,093)**

The following table shows the estimated sensitivity of the Company's after-tax loss for the three and nine months ended September 30, 2014 from a change in the closing trade price of the Company's investments with all other variables held constant as at September 30, 2014:

Percentage of change in closing trade price	**Increase in profit from % increase in closing trade price $**	**Decrease in profit from % decrease in closing trade price $**
2%	**2,791**	**(2,791)**
4%	**5,582**	**(5,582)**
6%	**8,372**	**(8,372)**
8%	**11,163**	**(11,163)**
10%	**13,954**	**(13,954)**

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.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Pinetree's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

As at September 30, 2015, the Company's top five investments had a fair value of $19,628 in the technology, biotechnology and resource sectors, representing 31%, 13% and 7% of the fair value of the Company's total portfolio, of which four are public companies and one is a private company. As at December 31, 2014, the Company's top five investments had a fair value of $59,474 in the technology sector representing 55.7% of the fair value of the Company's total portfolio, all of which are publicly traded companies.

Risk Factors:

The Company's investing activities are, by their nature, subject to a number of inherent risks, including liquidity, market, interest rate, currency and credit risks associated with financial instruments, and certain other risks that are described in our annual information form for our most recently completed financial year, all of which can have, and have had over recent reporting periods, a significant impact on the Company's financial condition and results of operations. Stock market volatility has resulted in and may continue to result in increased market risk and losses within our investment portfolio.

The Company's risks are described in its annual MD&A for the year ended December 31, 2014 which can be found on SEDAR (**www.sedar.com**). Additional risks not currently known to the Company or that are currently believed to be immaterial, may also affect and negatively impact the Company's business.

Outstanding Share Data:

The Company is authorized to issue an unlimited number of common shares (no par value).

At the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Pinetree are as follows:

Common shares outstanding	**201,929,155**
Stock options outstanding to purchase common shares	**15,485,000**
Warrants to purchase common shares	**12,332,451**
Debentures convertible to common shares (i)	**2,288,471**
Fully diluted common shares outstanding	**232,035,077**

(i) Based on the conversion price of $4.25 per share (235.2941 common shares per $1 principal amount).

Additional information about the Company's share capital can be found in note 8 of the Notes to the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2015.

Segmented 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 property, plant and equipment are 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 nine months ended September 30, 2015.

Changes in Accounting Policies:

The same accounting policies and methods of computation were followed in the preparation of the 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, 2014.

Details of the Company's future accounting changes can be found in note 14 to the Company's unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2015. The Company is currently assessing what impact, if any, the application of the new standards or amendments will have on the consolidated financial statements.

The Company intends to adopt these standards, if applicable, when the standards become effective:

(a) IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"), was issued in May 2014, which replaced IAS 11, *Construction Contracts*, IAS 18, *Revenue Recognition*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 provides a single, principles based five-step model that will apply to all contracts with customers with limited exceptions, including, but not limited to, leases within the scope of IAS 17; financial instruments and other contractual rights or obligations within the scope of IFRS 9, IFRS 10, *Consolidated Financial Statements* and IFRS 11, *Joint Arrangements*. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some nonfinancial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted. The Company is in the process of assessing the impact of IFRS 15 on its consolidated financial statements.

(b) In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 introduces a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. Built upon this is a forward-looking expected credit loss model that will result in more timely recognition of loan losses and is a single model that is applicable to all financial instruments subject to impairment accounting. In addition, IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value, such that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of evaluating the impact of adopting these amendments on the Company's consolidated financial statements.

Critical Accounting Estimates:

The preparation of the Company's unaudited condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Critical accounting estimates used in the preparation of the Company's unaudited condensed consolidated interim financial statements are the fair value of its investments in securities not quoted in an active market (its privately-held investments), the recognition of the Company's deferred tax assets ("DTA"), the Company's estimate of inputs for the calculation of the value of stock-based compensation expense, the effective interest rate of convertible debentures, the valuation of unlisted warrants of public companies, and the fair value of the Company's own warrants and broker warrants.

Fair Value of Investment in Securities Not Quoted in an Active Market:

The valuation of privately-held investments ("private investments") requires management to assess the current financial status and prospects of private investments based upon potentially incomplete or unaudited financial information provided by the investee company, on management's general knowledge of the private investment's activities, and on any political, economic or other events that may impact upon the private investment specifically, and to attempt to quantify the impact of such events on the fair value of the investment. In addition to any events or circumstances that may affect the fair value of a particular private investment, management can consider trends in general market conditions and the share performance of comparable publicly-traded companies that may affect the fair value of either a particular private investment or a group, segment or complete portfolio of private investments.

Within Level 3 of the financial instruments hierarchy, the valuation of the Company's private company investments and other investment instruments such as loans to investees and convertible debentures, which are not quoted on an exchange, involve the key assumptions including the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. Changes in the fair value of our private investments for company-specific reasons have tended to be infrequent. Changes as a result of trends in comparable publicly-traded companies and general market conditions may be more frequent from period to period during times of significant volatility; however, given the size of our private investment portfolio, such changes may have a significant impact on our financial condition or operating results.

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

	September 30, 2015		**December 31, 2014**	
Valuation technique	**Fair Value [1]**	**Unobservable inputs**	**Fair Value**	**Unobservable inputs**
Recent financing	**$ 3,014**	Transaction price	$ 3,489	Transaction price
Trends in comparable publicly-traded companies and general market conditions	**16,734**	Adjustment range (-68% to -10%)	16,455	Adjustment range (-68% to 10%)
Discounted cash flows	**4,726**	Discount rate (15%-19%)	3,491	Discount rate (15%-19%)
	$ 24,474		$ 23,435	

[1] Change of fair value of investments in private companies held as at September 30, 2015 is due to the changes of foreign exchange rate of US dollar against Canadian dollar from 1.1601 as at December 31, 2014 to 1.3394 as at September 30, 2015 and the realized gain upon disposition of investments.

For those investments valued based on recent financing, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at September 30, 2015 and December 31, 2014. For those investments valued based on trends in comparable publicly-traded companies and general market conditions, the inputs used can be highly judgmental. A +/- 25% change on the fair value of these investments will result in a corresponding +/- $4,184 (December 31, 2014: +/-$4,114) change to the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

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. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Recognition of Deferred Tax Assets:

The Company follows the liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. As at September 30, 2015, management determined, based upon the Company's historical level of profit, historical market trends of a comparable market index and the Company's debt default, it is not probable that the Company will generate sufficient profit to realize the tax benefits of these deductible differences during the next several years. As such, the Company has recorded deferred tax assets of $nil as at September 30, 2015 (December 31, 2014 - $nil).

Stock-based Compensation Expense and Warrants:

The Company uses the Black-Scholes option pricing model ("B-S") to calculate stock-based compensation expense and the value of warrants issued as part of the Company's private placements. The B-S requires six key inputs to determine a value for an option, warrant or broker warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life 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. For example, a longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

The following table summarizes stock options granted during the nine months ended September 30, 2015:

Date Granted	**Options Granted**	**Exercise Price**	**Expiry**
March 31, 2015	2,235,000	$ 0.16	March 30, 2020
May 29, 2015	950,000	$ 0.08	May 28, 2020
August 31, 2015	150,000	$ 0.08	August 30, 2020

The fair value of the options granted during the nine months ended September 30, 2015 was estimated at the date of grant using the following assumptions:

Black-Scholes option valuation model assumptions used	
Expected volatility	**75.36% - 79.9%**
Expected dividend yield	**0.0%**
Risk-free interest rate	**0.58% - 0.69%**
Expected option life in years	**3.4 - 5**
Expected forfeiture rate	**0% - 3.3%**
Fair value per stock option granted on March 31, 2015	**$ 0.07**

Fair value per stock option granted on May 29, 2015	**$ 0.05**
Fair value per stock option granted on August 31, 2015	**$ 0.05**

The expected volatility is based on the historical volatility over the life of the option at Pinetree's share price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on historical options granted.

Effective Interest Rate of Convertible Debentures

Convertible debentures are separated into their liability and equity components on the unaudited condensed consolidated interim statement of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability, discounted at the interest rate of non-convertible debt issued by comparable issuers, and accounted for at amortized cost using the effective interest rate method.

The fair value of the liability component of Debentures issued or repurchased was calculated using an effective interest rate, which was the interest rate estimated by management for comparable debentures without the conversion feature. The effective interest rate used by management will affect the amount of the liability reported on the unaudited condensed consolidated interim statement of financial position, in so far as a higher rate will result in a lower recorded liability. Additionally, a higher interest rate will result in a higher interest expense recorded in unaudited condensed consolidated interim statement of comprehensive loss.

Valuation of Unlisted Warrants of Public Companies:

The Company uses the B-S to calculate the fair value of unlisted warrants of public companies if there are sufficient and reliable observable market inputs. If there are no reliable observable and no sufficient market inputs available, the warrants are valued using their intrinsic value. B-S requires six key inputs: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. The first four inputs are facts not estimates, while the expected life and expected volatility are based on the Company's estimates. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in fair value of the warrant. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

As at September 30, 2015, the Company has valued all non-tradable warrants using intrinsic value for a total fair value of $nil (December 31, 2014 - $7,188), which is consistent with prior periods and with the Company's accounting policy for valuing non-tradable warrants.

Use of Non-GAAP Financial Measures:

This MD&A contains references to "net asset value per share" (basic and diluted) ("NAV") which is a non-GAAP financial measure. NAV is calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. NAV (diluted) is calculated as total assets less total liabilities divided by the total number of common shares of the Company outstanding as at a specific date, calculated based upon the assumption that all outstanding securities of the Company that are convertible into or exercisable for common shares have been converted or exercised. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP financial measure presented in Pinetree's unaudited condensed consolidated interim financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company has calculated NAV consistently for many years and believes that the measure provides information useful to its shareholders in understanding our performance, and may assist in the evaluation of the Company's business relative to that of its peers.

Subsequent events:

On October 29, 2015, the Company redeemed $5,000 principal amount of the Debentures, on a pro rata basis, at par, together with all accrued and unpaid interest thereon up to but excluding the redemption date, for a total redemption amount equal to $5,207.

In accordance with the terms of the forbearance agreement, the Debentureholders' agreement to refrain from exercising their rights in respect of the Event of Default under the Debenture Indenture (which had existed since January 2015) ceased on October 31, 2015 and the Company became subject to the Debenture Covenant once again, requiring it to maintain a debt-to-assets ratio of 33% (calculated as at the last day of each month). The Company was in compliance with the Debenture Covenant for October, the effect of which was to cure the Event of Default.

Additional Information:

Additional information relating to Pinetree Capital Ltd., including its annual information form for the Company's most recently completed financial year, is available under the Company's profile on SEDAR at (**www.sedar.com**).