PINETREE

Management's Discussion and Analysis

For the Period Ended: **September 30, 2016**

Date of Report: **November 7, 2016**

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, 2016. 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, 2015.

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.

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 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. These are unpredictable and outside of the Company's control, and may affect the future value of the Company's investment portfolio as well as 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 are 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 Suite 1100, 34 King Street East, Toronto, ON, M5C 2X8.

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

On April 29, 2016, the previous Officers and Directors of the Company resigned and new Officers and Directors were appointed.

Overall Performance:

During the nine months ended September 30, 2016, the Company continued to take a disciplined approach to capital management, disposing of certain underperforming assets and monetizing other investments in order to repay the Debentures on May 31, 2016 and to fund ongoing operations of the Company.

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

	NAV per share* **$**
September 30, 2016	**2.54**
June 30, 2016	2.73
March 31, 2016	8.37
December 31, 2015	9.66
September 30, 2015	12.57
June 30, 2015	19.65
March 31, 2015	21.89
December 31, 2014	25.34

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

Debentures

On January 8, 2016, the Company reduced its outstanding debt, which was comprised solely of its 10% convertible secured debentures due May 31, 2016 (the "Debentures"), from $9,716 principal amount to $6,688 principal amount during the period with a cash payment of $2,000, normal course issuer bid ("NCIB") cash payment of $27, gain on purchase of convertible debentures under the NCIB of $1 and the issuance of 242,014 common shares for the remaining balance.

On May 31, 2016, the Company repaid the remaining principal amount and the accrued interest payable of the Debentures for a total amount of $7,022. As at September 30, 2016, $nil principal amount of the Debentures was outstanding and all accrued interest had been paid.

Rights Offering & Share Consolidation

During March 2016, the Company undertook an offering of rights to holders of its common shares at the close of business on the record date of March 23, 2016, on the basis of one right for each common share held. Each right entitled the holder to subscribe for one common share of Pinetree upon payment of the subscription price of $2.50 per common share. The rights traded on the TSX under the symbol PNP.RT from March 21, 2016 until noon on April 26, 2016 and expired at 4:00 p.m. (Toronto time) on April 26, 2016 (the "Expiry Time"), after which time unexercised rights were void and of no value. Shareholders who fully exercised their rights were entitled to subscribe pro rata for additional common shares, if available as a result of unexercised rights prior to the Expiry Time.

Contemporaneously, the Company entered into a purchase agreement (the "Tolnai Purchase Agreement") with 2507492 Ontario Ltd. ("TolnaiCo"), a corporation controlled by Peter Tolnai, whereby TolnaiCo would subscribe for common shares offered under the rights offering under certain conditions.

On April 29, 2016, the Company's shareholders exercised 849,103 rights to purchase 849,103 common shares of Pinetree under the rights offering with gross proceeds of $2,121. In addition, in accordance with the terms of the Tolnai Purchase Agreement, TolnaiCo purchased 1,412,202 common shares of Pinetree at the same subscription price of $2.50 per common share for gross proceeds to Pinetree of $3,531. In connection with the rights offering, Pinetree paid a standby fee of $250 in cash to TolnaiCo. The Company incurred $162 transaction costs in connection with the rights offering.

At a special meeting of the Company's shareholders held on April 22, 2016, shareholders approved a 1-for-100 share consolidation and the waiver of the application of Pinetree's shareholder rights plan. On July 20, 2016, the Company completed a share consolidation of its common shares of one (1) post-consolidation common share for every one hundred (100) pre-consolidation common shares (the "Share Consolidation"). As part of the Share Consolidation, the stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The 1-100 share consolidation has been reflected in this MD&A and all applicable references to the number of shares, warrants and stock options and their strike price and per share information has been adjusted. The actual number of shares issued and outstanding post consolidation on July 20, 2016 will be slightly different due to rounding.

Investments and Operating Results

As at September 30, 2016, the Company held investments at fair value totaling $10,635 as compared to $27,864 as at December 31, 2015, a 62% decrease, attributable to two factors: (a) in order to generate cash to fund operations and repay the Debentures, the Company undertook dispositions of investments which generated cash proceeds of $7,855 during the nine months ended September 30, 2016; and (b) management's estimates of the fair values of the remaining investments in private companies based on the facts and circumstances which existed at September 30, 2016.

Basic net loss per share for the three months ended September 30, 2016 was $0.19 as compared to basic net loss per share of $7.14 for the three months ended September 30, 2015

Basic net loss per share for the nine months ended September 30, 2016 was $4.04 as compared to basic net loss per share of $13.02 for the nine months ended September 30, 2015.

As at September 30, 2016, net asset value per share ("NAV per share") was $2.54 as compared to $9.66 as at December 31, 2015, a 73% decrease. See "Use of Non-GAAP Financial Measures" elsewhere in this MD&A.

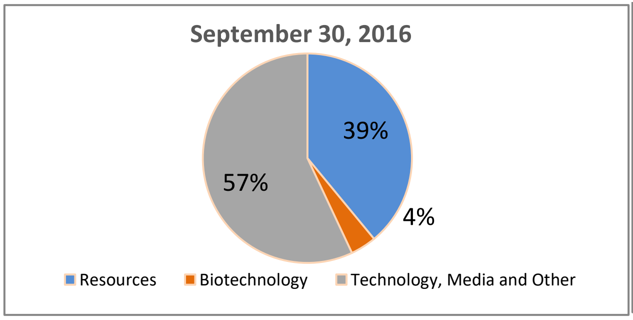
Summary of Investment Portfolio:

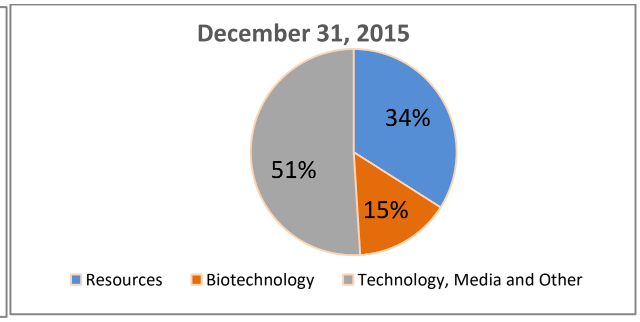
Investments consist of the following as at September 30, 2016:

Investments by Security Type	September 30, 2016		December 31, 2015	
	Cost	**Total fair value**	**Cost**	**Total fair value**
Equities	**$ 69,621**	**$ 9,999**	**$ 90,142**	**$ 26,104**
Warrants	**200**	**583**	**200**	**704**
Promissory notes and convertible debentures	**1,133**	**53**	**1,626**	**1,056**
Total investments	**$ 70,954**	**$ 10,635**	**$ 91,968**	**$ 27,864**
Investments denominated in foreign currencies		**$ 3,742**		**$ 11,496**
% of investments denominated in foreign currencies		**35%**		**41%**

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.

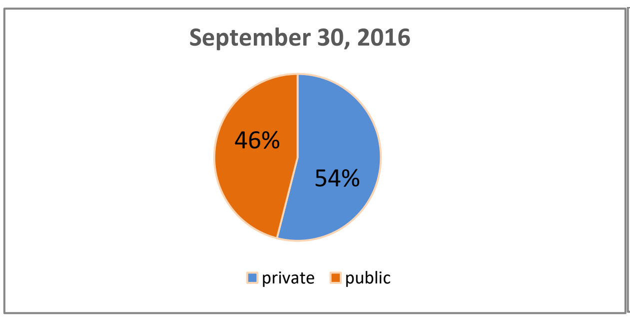
Industry Allocation*

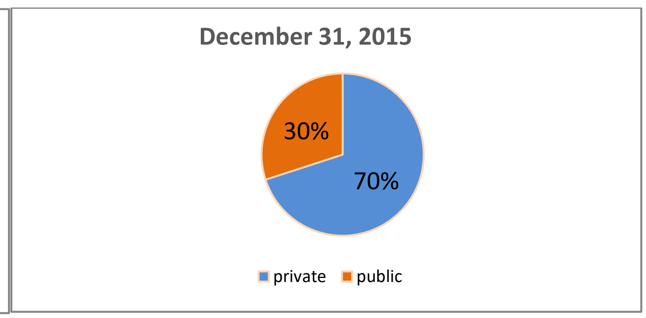




*As a percentage of the aggregate fair value of our investment portfolio

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. Additionally, current market prices may differ significantly from the historical prices used to calculate fair value for the purposes of the Company's consolidated financial statements.

As at September 30, 2016, total investments included securities of private companies with a fair value totalling $5,762 (54% of total fair value of the Company's investments; cost of $33,887). As at December 31, 2015, total investments included securities of private companies with a fair value totalling $19,525 (70% of total fair value of the Company's investments; cost of $35,662). The fair value of the private company securities decreased by $13,763 mainly due to new management's estimates of the fair values of the remaining investments in private companies based on the facts and circumstances which existed at September 30, 2016, as well as dispositions during the nine months ended September 30, 2016. 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, 2016 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, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Net investment losses	**$ (856)**	$ (9,864)	$ (454)	$ (4,532)
Net loss for the period	**(865)**	(11,916)	(1,482)	(5,922)
Total comprehensive loss for the period	**(865)**	(11,916)	(1,482)	(5,922)
Loss per share based on net loss for the period – basic	**(0.19)**	(3.13)	(0.66)	(2.93)
Loss per share based on net loss for the period – diluted	**(0.19)**	(3.13)	(0.66)	(2.93)

	Quarter ended (unaudited)			
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Net investment losses	$ (12,337)	$ (2,108)	$ (3,549)	$ (52,626)
Net loss for the period	(14,419)	(4,719)	(7,155)	(77,073)
Total comprehensive loss for the period	(14,419)	(4,730)	(7,144)	(77,072)
Loss per share based on net loss for the period – basic	(7.14)	(2.34)	(3.54)	(38.17)
Loss per share based on net loss for the period – diluted	(7.14)	(2.34)	(3.54)	(38.17)

Three Months Ended September 30, 2016 and 2015

The net investment losses for the three months ended September 30, 2016 was $856 (three months ended September 30, 2015 – net investment losses of $12,337) as a result of net realized losses plus a net change in unrealized (losses) gains on investments as described below.

For the three months ended September 30, 2016, the Company generated net realized losses on disposal of investments of $5,117, as compared to $120 for the three months ended September 30, 2015.

For the three months ended September 30, 2016, the Company had a net change in unrealized gains on investments of $4,261 as compared to a net change in unrealized loss of $12,217 for the three months ended September 30, 2015.

For the three months ended September 30, 2016, other income totalled $265 as compared to other income of $111 for the three months ended September 30, 2015. Other income is comprised of dividend income of $264 (three months ended September 30, 2015 – $nil), interest income of $1 (three months ended

September 30, 2015 - $96), gain on redemption of convertible debentures of $nil (three months ended September 30, 2015 - $4) and consulting fees, rental income, and other fees of $nil (three months ended September 30, 2015 – $11).

Operating, general and administrative expenses for the three months ended September 30, 2016 decreased to $261 from $2,534 for the three months ended September 30, 2015. 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:

	2016	2015
Salaries (a)	**$ -**	$ 33
Professional fees (b)	**34**	10
Transaction costs (c)	**4**	101
Stock-based compensation expense (d)	**22**	108
Operating lease payments	**1**	146
Consulting and directors’ fees (e)	**64**	183
Transfer agent, filing fees and other information systems	**35**	35
Travel and other	**6**	1
Employee benefits	**-**	20
Charge for assignment of lease (f)	**-**	1,549
Impairment of fixed assets (g)	**-**	212
Other office and general	**99**	280
Foreign exchange loss	**(4)**	(144)
	$ 261	$ 2,534

(a) Salaries decreased by $33 as compared to the three months ended September 30, 2015 primarily due to both a reduction in the number of employees and current employees not currently drawing a salary or any other form of compensation.

(b) Professional fees increased by $24 as compared to the three months ended September 30, 2015 primarily due to increased use of external legal and other professional services.

(c) Transaction costs decreased by $97 as compared to the three months ended September 30, 2015, 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 $86 as compared to the three months ended September 30, 2015. 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 decreased by $119 as compared to the three months ended September 30, 2015, due to the termination of consulting services provided by certain officers.

(f) During the three 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, which had been paid by September 30, 2016.

(g) 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 $13 in the three months ended September 30, 2016 as compared to $682 in the three months ended September 30, 2015. The decrease was primarily attributable to a decrease in the accretion of discount on the outstanding Debentures.

Net loss for the three months ended September 30, 2016 was $865 ($0.19 basic loss per share) as compared to net loss of $14,419 ($7.14 basic loss per share) for the three months ended September 30, 2015.

Nine Months Ended September 30, 2016 and 2015

The net investment losses for the nine months ended September 30, 2016 was $11,174 (nine months ended September 30, 2015 – net investment losses of $17,994) as a result of net realized losses plus a net change in unrealized (losses) gains on investments as described below.

For the nine months ended September 30, 2016, the Company generated net realized losses on disposal of investments of $14,959, as compared to $40,233 for the nine months ended September 30, 2015.

For the nine months ended September 30, 2016, the Company had a net change in unrealized gain on investments of $3,785 as compared to a net change in unrealized gain of $22,239 for the nine months ended September 30, 2015.

For the nine months ended September 30, 2016, other income totalled $431 as compared to other income of $514 for the nine months ended September 30, 2015. Other income is comprised of interest income of $14 (nine months ended September 30, 2015 – income of $393), $nil (nine months ended September 30, 2015 – $117) from consulting fees, rental income, and other fees, $1 (nine months ended September 30, 2015 - $nil) gain on purchase of Debentures under normal course issuer bid, dividend income of $264 (nine months ended September 30, 2015 - $nil) and $152 (nine months ended September 30, 2015 - $4) gain on redemption of convertible debentures.

Operating, general and administrative expenses for the nine months ended September 30, 2016 decreased to $3,218 from $6,028 for the nine months ended September 30, 2015. 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:

	2016	2015
Salaries (a)	**$ 88**	$ 320
Professional fees (b)	**119**	678
Transaction costs (c)	**74**	428
Stock-based compensation expense (d)	**154**	507
Operating lease payments	**17**	439
Consulting and directors' fees (e)	**1,759**	1,056
Transfer agent, filing fees and other information systems	**248**	279
Travel and other	**16**	20
Employee benefits	**21**	109
Charge for assignment of lease (f)	**-**	1,549
Impairment of fixed assets (g)	**-**	212
Other office and general	**712**	550
Amortization	**-**	16
Foreign exchange loss	**10**	(135)
	$ 3,218	$ 6,028

(a) Salaries decreased by $232 as compared to the nine months ended September 30, 2015 primarily due to both, a reduction in the number of employees and current employees not currently drawing a salary or any other form of compensation.

(b) Professional fees decreased by $559 as compared to the nine months ended September 30, 2015 primarily due to reduced use of external legal and other professional services.

(c) Transaction costs decreased by $354 as compared to the nine months ended September 30, 2015, 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 $353 as compared to the nine months ended September 30, 2015. 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 $703 as compared to the nine months ended September 30, 2015, due to the severance fees paid to certain officers.

(f) 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, which had been paid by September 30, 2016.

(g) During the nine months ended September 30, 2015, the Company wrote off all of its property, plant and equipment for an amount of $212 as they were determined to be not recoverable.

Finance expense decreased to $302 in the nine months ended September 30, 2016 as compared to $3,808 in the nine months ended September 30, 2015. The decrease was primarily attributable to a decrease in the accretion of discount on the outstanding Debentures.

Net loss for the nine months ended September 30, 2016 was $14,263 ($4.05 basic loss per share) as compared to net loss of $26,293 ($13.02 basic loss per share) for the nine months ended September 30, 2015.

Cash Flow:

Net cash provided by operating activities was $1,768 during the nine months ended September 30, 2016 as compared to net cash provided by operating activities of $40,771 during the nine months ended September 30, 2015. During the nine months ended September 30, 2016, the Company had proceeds from disposition of investments of $7,855; a decrease of $46,442, when compared to $54,297 of proceeds from dispositions during the nine months ended September 30, 2015. During the nine months ended September 30, 2016, the Company purchased $1,800 of investments; a decrease of $2,442 as compared to $4,242 of investments purchased during the nine months ended September 30, 2015.

During the nine months ended September 30, 2016, net cash used in financing activities was $3,473 as compared to $40,645 cash used in financing activities during the nine months ended September 30, 2015. During the nine months ended September 30, 2016, the financing activities related to the $2,000 for the partial redemption of its Debentures, $27 used to purchase $28 principal of its Debentures under its 2016 normal course issuer bid, repayment of convertible debentures of $6,688 and net proceeds from the issue of common shares pursuant to rights offering of $5,242. During the nine months ended September 30, 2015, the Company had $93 used to purchase $96 principal of its Debentures under its 2015 normal course issuer bid, $40,000 for the partial redemption of its Debentures, $551 transaction costs incurred for the Debentures and $1 cash paid for retraction of Class C shares.

For the nine months ended September 30, 2016, the Company had a net decrease in cash and cash equivalents of $1,705 as compared to a net increase in cash and cash equivalents of $126 for the nine months ended September 30, 2015.

Liquidity and Capital Resources:

Consolidated Statements of Financial Position Highlights	**September 30, 2016**	December 31, 2015
Investments at fair value	**$ 10,635**	$ 27,864
Total assets	**11,870**	30,468
Total liabilities	**389**	10,966
Share capital, warrants, contributed surplus, equity component of convertible debentures and foreign currency translation reserve	**423,150**	416,908
Deficit	**(411,669)**	(397,406)
NAV per share – Basic (i)	**$ 2.54**	$ 9.66

(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.

Liabilities:

As at September 30, 2016, the carrying value of total liabilities was $389 as compared to $10,966 as at December 31, 2015, a 96.45% decrease mainly attributable to repayment of the Debentures upon maturity.

As at September 30, 2016, accounts payable and accrued liabilities include Class C preferred share liabilities of $217 (December 31, 2015 - $217). 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.

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 $1,000 per share. As at September 30, 2016, the redemption price was $1,000 per share and the retraction price in effect was $17 per share (December 31, 2015 - $31 per share). During the nine months ended September 30, 2016, no Class C shares were cancelled. During the year ended December 31, 2015, 22 Class C Shares were cancelled by PCIC following their retraction by the holders at $62 per share plus accrued and unpaid dividends. As at September 30, 2016, 217 Class C Shares (December 31, 2015 - 217 Class C Shares) were issued and outstanding.

As at September 30, 2016, also included in accounts payable and accrued liabilities is accrued interest payable of $nil (December 31, 2015 - $78) on the Debentures as the principal amount and the accrued interest payable of the Debentures have been fully repaid.

On May 31, 2016, the Company repaid the remaining principal amount and the accrued interest payable of the Debentures for a total amount of $7,022.

Commitments:

As at September 30, 2016, the Company had material commitments for cash resources of $372 (December 31, 2015 - $11,015), a decrease of $10,643, which are detailed below. In management's opinion under normal economic conditions, 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, 2016 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	**$ 389**	**$ 389**	**$ -**	**$ -**	**$ -**

A breakdown of the Company's liabilities and obligations as at December 31, 2015 is as follows:

Liabilities and obligations	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
	Payments due by period				
Accounts payable and accrued liabilities	$ 1,172	$ 1,172	$ -	$ -	$ -
Debentures (principal amount)	9,716	9,716	-	-	-
Interest on Debentures (a)	78	78	-	-	-
Lease commitments	49	49	-	-	-
	$ 11,015	$ 11,015	$ -	$ -	$ -

(a) Composed of $32 interest on the $3,000 principal amount redeemed on January 8, 2016 and $46 interest on the remaining $6,716 principal amount.

As at September 30, 2016, included in accounts payable and accrued liabilities are $217 of Class C Shares (December 31, 2015 - $217). The Class C Shares are redeemable and retractable at any time.

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**	**2016**	2015
Salaries, consulting fees and other benefits	Officers	**$ -**	$ 89
Director fees (i)	Directors	**17**	71
Stock-based compensation expense	Directors and officers	**-**	37

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**	**2016**	2015
Salaries, consulting fees and other benefits	Officers	**$ 870**	$ 722
Director fees (i)	Directors	**67**	217
Stock-based compensation expense	Directors and officers	**28**	352

(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) No stock options were granted to directors or officers during the nine months ended September 30, 2016.

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	16,500	$ 16.00	March 30, 2020
May 29, 2015	5,500	$ 8.00	May 28, 2020
August 31, 2015	1,500	$ 8.00	August 30, 2020

(c) Investments in associates:

The total amounts included in the consolidated statements of financial position for investments in associates are as follows as at September 30, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
Investments at fair value	**$ -**	$ 9,742
Cost of investments	**-**	21,851

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:

	2016	2015
Net change in unrealized losses on investments	**$ -**	$ (2,346)
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:

	2016	2015
Net change in unrealized losses on investments	**$ -**	$ (8,297)
Interest earned on promissory notes	**-**	271

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. No related party transactions were conducted with investee companies during the nine-month periods ended September 30, 2016 and September 30, 2015.

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, 2016 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, 2016. The CEO and CFO have evaluated the ICFR as at September 30, 2016. 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 unaudited condensed consolidated interim financial statements were prepared in accordance with IFRS.

There were no changes in the Company's ICFR that occurred during the nine months ended September 30, 2016, 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, 2016 and December 31, 2015:

	September 30, 2016	December 31, 2015
Convertible debentures	**$ -**	$ 9,716
Equity comprises of:		
Share capital	**315,029**	306,103
Warrants	**1,607**	1,607
Contributed surplus	**106, 549**	106,395
Equity component of convertible debentures	**-**	2,838
Foreign currency translation reserve	**(35)**	(35)
Deficit	**(411,669)**	(397,406)
	$ 11,481	$ 29,218

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. During the nine months ended September 30, 2016, the Company repaid the Debentures.

There were no changes to the Company's objectives in managing and maintaining capital during the nine months ended September 30, 2016. The Company is not subject to any capital requirements imposed by a regulator.

The Company's objectives when managing capital are:

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

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

(c) 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.

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.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due.

The Company's 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, 2015. The Company's liquidity risk is limited to exposure to trade payables.

The following table shows the Company's contractual undiscounted cash flows which are payable under financial liabilities on the unaudited condensed consolidated interim statement of financial position as at September 30, 2016.

	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	**$ 389**	**$ 389**	**$ -**	**$ -**	**$ -**

The following table shows the Company's contractual undiscounted cash flows, including expected interest payments, which are payable under financial liabilities on the consolidated statement of financial position as at December 31, 2015.

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	$ 1,172	$ 1,172	$ -	$ -	$ -
Convertible debentures	9,716	9,716	-	-	-
Interest on convertible debentures	78	78	-	-	-
	$ 10,966	$ 10,966	$ -	$ -	$ -

(b) Market risk:

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

Additionally, in accordance with IFRS 9, 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, 2015. 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, 2016 from a change in the closing trade price of the Company's investments with all other variables held constant as at September 30, 2016:

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%	**109**	**(109)**
4%	**218**	**(218)**
6%	**328**	**(328)**
8%	**437**	**(437)**
10%	**546**	**(546)**

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	**Increase in loss from % increase in closing trade price $**	**Decrease 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)**

(c) Interest rate risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and losses. As at September 30, 2016, the Company did not have any significant interest rate risk. There were no changes to the way that the Company manages interest rate risk since December 31, 2015. Pinetree does not hedge against any interest rate risk.

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

There were no changes to the way that the Company manages currency risk since December 31, 2015. 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.

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

		September 30, 2016		December 31, 2015
Denominated in U.S. dollars:				
Investments	**$**	**3,630**	$	11,248
Cash and cash equivalents		**326**		178
Due from brokers		**-**		36
Accounts payable and accrued liabilities		**(16)**		-
Net assets denominated in U.S. dollars	**$**	**3,940**	$	11,462
Denominated in Australian dollars:				
Investments	**$**	**112**	$	-
Net assets denominated in Australian dollars	**$**	**112**	$	-
Denominated in British pounds:				
Investments	**$**	**-**	$	248
Net assets denominated in British pound:	**$**	**-**	$	248

The following table shows the estimated sensitivity of the Company's after-tax loss for the three and nine months ended September 30, 2016 from a change in the U.S. dollar exchange rate in which the Company has exposure with all other variables held constant as at September 30, 2016:

Percentage of change in U.S. dollar	**Decrease in loss from an increase in % in the U.S. dollar exchange rate**		**Increase in loss from a decrease in % in the U.S. dollar exchange rate**	
2%	**$**	**79**	**$**	**(79)**
4%		**158**		**(158)**
6%		**236**		**(236)**
8%		**315**		**(315)**
10%		**394**		**(394)**

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 U.S. dollar exchange rate in which the Company has exposure with all other variables held constant as at September 30, 2015:

Percentage of change in U.S. dollar	**Decrease in loss from an increase in % in the U.S. dollar exchange rate**		**Increase in loss from a decrease in % in the U.S. dollar exchange rate**	
2%	**$**	**237**	**$**	**(237)**
4%		**475**		**(475)**
6%		**712**		**(712)**
8%		**949**		**(949)**
10%		**1,186**		**(1,186)**

(e) Credit risk:

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities (convertible or debt securities, for example) will not perform their underlying obligations. There were no changes to the way that the Company manages credit risk since December 31, 2015.

As at September 30, 2016, the total fair value of the Company's investments in convertible debentures, convertible notes, and promissory notes was $53 (December 31, 2015 - $1,056). The Company believes that it is not significantly exposed to credit risk, as these investments comprise 1.0% (December 31, 2015 - 4.0%) of the Company's total investments.

(f) 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, 2016, the Company's top five investments had a fair value of $7,782 in the technology and resources sectors, representing 53% (technology sector) and 20% (resource sector) of the fair value of the Company's total portfolio, of which three are public companies and two are private companies. As at December 31, 2015, the Company's top five investments had a fair value of $13,800 in the technology, biotechnology and resources sectors, representing 35% (technology sector), 10% (biotechnology sector) and 4% (resource sector) of the fair value of the Company's total portfolio, of which three were public companies and two were private 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, 2015 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	**4,522,599**
Stock options outstanding to purchase common shares	**176,250**
Warrants to purchase common shares (i)	**123,325**
Fully diluted common shares outstanding	**4,822,174**

(i) Warrants expire on May 26, 2017 and upon completion of the rights offering, each warrant is exercisable into 1.07 common share at $70 per warrant.

Additional information about the Company's share capital can be found in note 7 of the Notes to the unaudited condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2016.

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, 2015.

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, the share performance of comparable publicly-traded companies and strategic reviews of the investments in conjunction with the Company's investment strategy. 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, 2016		**December 31, 2015**	
Valuation technique	**Fair Value**	**Unobservable inputs**	**Fair Value**	**Unobservable inputs**
Recent financing and strategic review	**$ 4,537**	Transaction price and adjustments	$ 9,889	Transaction price
Trends in comparable publicly-traded companies, general market conditions and strategic review	**1,172**	Adjustment range (-80% to -12.5%)	8,580	Adjustment range (-80% to 12.5%)
Discounted cash flows	**53**	Discount rate (15%-19%)	1,056	Discount rate (15%-19%)
	$ 5,762		$ 19,525	

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 +/- $1,441 (December 31, 2015: +/- $4,881) 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, 2016, management determined, based upon the Company's historical level of profit and historical market trends of a comparable market index, 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, 2016 (December 31, 2015 - $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 Black-Scholes 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.

No stock options were granted during the nine months ended September 30, 2016.

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	22,350	$ 16.00	March 30, 2020
May 29, 2015	9,500	8.00	May 28, 2020
August 31, 2015	1,500	8.00	August 30, 2020

Valuation of Unlisted Warrants of Public Companies:

The Company uses the Black Sholes 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. Black Sholes 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, 2016, the Company has valued all non-tradable warrants using intrinsic value for a total fair value of $583 (December 31, 2015 - $676), 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. 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.

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**).**