Interim Condensed Consolidated Financial Statements of

PINETREE

(Unaudited - prepared in Canadian dollars)
March 31, 2013

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Interim Condensed Consolidated Financial Statements

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PINETREE CAPITAL LTD.
Consolidated Statements of Financial Position
As at March 31, 2013 and December 31, 2012
(Unaudited - in thousands of Canadian dollars)

	Notes		March 31, 2013		December 31, 2012
Assets					
Cash and cash equivalents		**$**	**228**	$	236
Due from brokers			**3,538**		14
Investments at fair value	4		**218,515**		270,180
Prepaids and other receivables			**175**		213
Property, plant and equipment			**864**		860
Deferred tax assets	5(a)		**23,047**		23,047
		$	**246,367**	$	294,550
Liabilities and Equity					
Liabilities					
Due to brokers	4(c)	**$**	**-**	$	8,875
Accounts payable and accrued liabilities			**2,591**		2,437
Income taxes payable			**3,062**		1,881
Convertible debentures	6(g)		**68,823**		69,207
			74,476		82,400
Equity					
Share capital	6	**$**	**283,157**	$	276,797
Warrants	6(c)		**9,762**		9,762
Contributed surplus	6(d)		**94,383**		94,018
Equity component of convertible debentures	6(g)		**2,838**		2,838
Foreign currency translation reserve			**(37)**		(39)
Deficit			**(218,212)**		(171,226)
			171,891		212,150
		$	**246,367**	$	294,550

See accompanying notes to the interim condensed consolidated financial statements.

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

	Notes	2013	2012
Net investment losses			
Net realized gains on disposal of investments		**$ 3,037**	$ 5,848
Net change in unrealized losses on investments		**(45,379)**	(6,495)
		(42,342)	(647)
Other income		**600**	389
		(41,742)	(258)
Expenses			
Operating, general and administrative	7	**2,197**	3,602
Finance expenses	8	**1,866**	1,928
		4,063	5,530
Loss before income taxes		**(45,805)**	(5,788)
Income tax expense (benefit)	5(e)	**1,181**	(967)
Net loss for the period		**(46,986)**	(4,821)
Other comprehensive income			
Exchange differences on translation of foreign operations		**2**	-
Total comprehensive loss for the period		**$ (46,984)**	$ (4,821)
Loss per common share based on net loss for the period	6(e)		
Basic and diluted		**$ (0.33)**	$ (0.04)
Weighted average number of common shares outstanding	6(e)		
Basic and diluted		**142,479,401**	136,447,273

See accompanying notes to the interim condensed consolidated financial statements.

PINETREE CAPITAL LTD.

Consolidated Statements of Changes in Equity

Three Months Ended March 31, 2013 and 2012

(Unaudited - in thousands of Canadian dollars, except for number of shares)

	Number of shares	Share capital	Warrants	Contributed surplus	Equity component of convertible debentures	Foreign currency translation reserve	Deficit	Total equity
Balance at January 1, 2012	136,447,273	$ 276,797	$ 66,524	$ 34,740	$ 2,882	$ (22)	$ (25,289)	$ 355,632
Net loss for the period	-	-	-	-	-	-	(4,821)	(4,821)
Total comprehensive loss for the period	-	-	-	-	-	-	(4,821)	(4,821)
Stock-based compensation expense	-	-	-	1,062	-	-	-	1,062
Balance at March 31, 2012	136,447,273	$ 276,797	$ 66,524	$ 35,802	$ 2,882	$ (22)	$ (30,110)	$ 351,873
Balance at January 1, 2013	136,447,273	$ 276,797	$ 9,762	$ 94,018	$ 2,838	$ (39)	$ (171,226)	$ 212,150
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(46,986)**	**(46,986)**
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**2**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**2**	**(46,986)**	**(46,984)**
Stock-based compensation expense	**-**	**-**	**-**	**365**	**-**	**-**	**-**	**365**
Issued pursuant to acquisitions of investments, net	**7,372,097**	**6,360**	**-**	**-**	**-**	**-**	**-**	**6,360**
Balance at March 31, 2013	**143,819,370**	**$ 283,157**	**$ 9,762**	**$ 94,383**	**$ 2,838**	**$ (37)**	**$ (218,212)**	**$ 171,891**

See accompanying notes to the interim condensed consolidated financial statements.

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

	2013	2012
Cash flows from operating activities		
Net loss for the period	**$ (46,986)**	$ (4,821)
Items not affecting cash:		
Net realized gains on disposal of investments	**(3,037)**	(5,848)
Net change in unrealized losses on investments	**45,379**	6,495
Gain on purchase of convertible debentures under normal course issuer bid	**(112)**	-
Amortization	**66**	62
Stock-based compensation expense	**365**	1,062
Accretion of discount on convertible debentures	**168**	137
Amortization of finance expenses on convertible debentures	**189**	191
Increase in deferred tax assets	**-**	(4,010)
	(3,968)	(6,732)
Adjustments for:		
Proceeds on disposal of investments	**41,818**	82,327
Purchase of investments	**(26,095)**	(68,838)
Increase in due from brokers	**(3,524)**	-
Prepaids and other receivables	**38**	(182)
Decrease in due to brokers	**(8,875)**	(10,719)
Accounts payable and accrued liabilities	**154**	1,465
Income taxes payable	**1,181**	3,043
Net cash from operating activities	**729**	364
Cash flows used in financing activities		
Purchase of convertible debentures under normal course issuer bid	**(629)**	-
Share issuance costs	**(40)**	-
Net cash used in financing activities	**(669)**	-
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(70)**	(17)
Net cash used in investing activities	**(70)**	(17)
Net increase (decrease) in cash and cash equivalents during the period	**(10)**	347
Exchange differences on translation of foreign operations	**2**	-
Cash and cash equivalents, beginning of period	**236**	202
Cash and cash equivalents, end of period	**$ 228**	$ 549
Supplemental cash flow information		
Income taxes paid	**$ -**	$ -
Finance expenses paid	**41**	108
Non-cash investing activities	**6,400**	-

See accompanying notes to the interim condensed consolidated financial statements.

1. Nature of business:

Pinetree Capital Ltd. ("Pinetree" or the "Company") was incorporated in 1962 under the laws of the Province of Ontario and its shares are publicly traded on the Toronto Stock Exchange 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, Canada, M5X 2A2.

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

These unaudited interim condensed consolidated financial statements ("interim consolidated statements") were approved by the Company's board of directors on May 14, 2013.

2. Basis of preparation:

(a) Statement of compliance:

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

Except as described in note 3 below, the same accounting policies and methods of computation were followed in the preparation of these interim consolidated 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, 2012. Accordingly, these interim consolidated statements for the three month periods ended March 31, 2013 and 2012 should be read together with the annual consolidated financial statements as at and for the year ended December 31, 2012.

(b) Basis of presentation:

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

2. Basis of preparation (continued):

(c) Basis of consolidation:

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

3. Changes in accounting policies:

Effective January 1, 2013, the Company has adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

(a) IFRS 7, *Financial Instruments, Disclosures,* amended to provide more extensive quantitative disclosures for financial instruments that are offset in the consolidated statement of financial position or that are subject to enforceable master netting similar arrangements. The Company has assessed and determined that the amendments to IFRS 7 did not result in any change in its disclosures for financial instruments.

(b) IFRS 10, *Consolidated Financial Statements*, requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The Company has assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

(c) IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures,* and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures* (amended in 2011). The other amendments to IAS 28 did not affect the Company. The Company has concluded that the adoption of IFRS 11 did not result in any changes in the accounting.

3. Changes in accounting policies (continued):

(d) IFRS 12, *Disclosure of Interests in Other Entities*, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with an entity's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The Company has assessed and determined that the adoption of IFRS 12 did not result in any change in its disclosures of interests in other entities.

(e) IFRS 13, *Fair Value Measurement*, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk.

The Company has fair valued its investments in publicly-traded investments (securities of issuers that are public companies) based on the closing trade price at the consolidated statement of financial position date or the closing trade price on the last day the security traded if there were no trades at the consolidated statement financial position date. Management views that this policy provides a more indicative fair value price to sell its publicly-traded investments in an orderly transaction in the principal market at the consolidated statement of financial position date. In prior periods, publicly-traded investments were fair valued based on quoted closing bid prices at the consolidated statement of financial position date or the closing bid price on the last day the security traded if there were no trades at the consolidated statement of financial position date.

As permitted under the transitional provision, IFRS 13 was applied on a prospective basis and, accordingly, the adoption of the new policy had no effect on prior years. The effect on the current period is to increase investments as at January 1, 2013 by $9,274.

(f) IAS 19R, *Employee Benefit*s, includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation; and unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the rated restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The Company has assessed its employee benefits, including unused vacation accrual, and determined that the amendments to IAS 19R did not have any significant impact on the consolidated financial statements.

3. Changes in accounting policies (continued):

(g) IAS 27, *Separate Financial Statements*, as a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Company does not prepare separate financial statements, therefore, IAS 27 does not impact the Company.

(h) IAS 28, *Investments in Associates and Joint Ventures*, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. None of these disclosures requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Company has not made such disclosures.

(i) IAS 32, *Financial Instruments, Presentation* was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company has early adopted IAS 32 effective on January 1, 2013 and determined that there were no significant impact on the consolidated financial statements.

4. Investments at fair value and financial instruments hierarchy:

(a) Financial hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

4. Investments at fair value and financial instruments hierarchy (continued):

Investments by sector consist of the following as at March 31, 2013:

		Fair Value				
		Level 1	Level 2 (ii)	Level 3		
Sectors:	**Cost**	**Quoted market price**	**Valuation technique – observable market inputs**	**Valuation technique – non-observable market inputs**	**Total fair value**	**% of total fair value**
Precious metals	**$ 291,786**	**$ 85,714**	**$ 4,410**	**$ 5,727**	**$ 95,851**	**43.8**
Potash, lithium and rare earths	**52,167**	**19,874**	**4,783**	**1,840**	**26,497**	**12.1**
Uranium	**88,440**	**20,699**	**3,260**	**2,270**	**26,229**	**12.0**
Base metals	**128,430**	**19,558**	**479**	**5,665**	**25,702**	**11.8**
Oil and gas	**71,410**	**20,934**	**193**	**2,060**	**23,187**	**10.6**
Coal	**5,156**	**943**	**-**	**954**	**1,897**	**0.9**
Technology and other	**40,841**	**10,965**	**3,782**	**4,405**	**19,152**	**8.8**
Total (i)	**$ 678,230**	**$ 178,687**	**$ 16,907**	**$ 22,921**	**$ 218,515**	**100.0**
Investments denominated in foreign currencies		**$ 14,325**	**$ -**	**$ 3,757**	**$ 18,082**	
% of investments denominated in foreign currencies		**8.0%**	**0.0%**	**16.4%**	**8.3%**	

Investments by sector consist of the following as at December 31, 2012:

		Fair Value				
		Level 1	Level 2 (ii)	Level 3		
Sectors:	Cost	Quoted market price	Valuation technique – observable market inputs	Valuation technique – non-observable market inputs	Total fair value	% of total fair value
Precious metals	$ 306,531	$ 134,680	$ 3,423	$ 7,066	$ 145,169	53.7
Base metals	128,016	25,038	632	5,405	31,075	11.5
Potash, lithium and rare earths	49,874	21,077	4,839	1,823	27,739	10.3
Oil and gas	72,637	27,958	747	1,728	30,433	11.2
Uranium	84,241	16,183	647	2,045	18,875	7.0
Coal	5,156	1,195	-	945	2,140	0.8
Technology and other	38,072	7,406	2,940	4,403	14,749	5.5
Total (i)	$ 684,527	$ 233,537	$ 13,228	$ 23,415	$ 270,180	100.0
Investments denominated in foreign currencies		$ 9,717	$ 472	$ 4,259	$ 14,448	
% of investments denominated in foreign currencies		4.2%	3.6%	18.2%	5.3%	

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

4. Investments at fair value and financial instruments hierarchy (continued):

(i) As at March 31, 2013, included in total investments were securities of private companies with a fair value totaling $22,921 (cost of $28,109) (December 31, 2012 – fair value of $23,415 (cost of $28,485)) measured in accordance with the Company's accounting policy for private company investments.

(ii) There were no transfers from Level 1 to 2 during the three months ended March 31, 2013. During the three months ended March 31, 2013, $4,755 of the investments which were held in Level 2 as at December 31, 2012 were transferred to Level 1. During the year ended December 31, 2012, $8,488 of the investments which were held in Level 2 as at December 31, 2011 were transferred to Level 1. The transfer out of Level 2 to Level 1 consists of restricted investments which became unrestricted during the period.

(b) Level 3 hierarchy:

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

	Opening balance at January 1	Purchases	Realized losses	Net unrealized losses	Transfer out of Level 3	Ending balance
Investments at fair value:						
March 31, 2013	**$ 23,415**	**$ 1,007**	**$ -**	**$ (118)**	**$ (1,383)**	**$ 22,921**
December 31, 2012	29,076	$ 7,819	(4,414)	(400)	(8,666)	23,415

The transfer out of Level 3 consists of investments in private companies which became publicly-traded investments.

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

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

4. Investments at fair value and financial instruments hierarchy (continued):

(d) Securities lending:

The Company has entered into a security lending agreement ("SLA") in Canada where securities in the portfolio are lent to regulated, locally domiciled counterparties and governed by agreements written under Canadian law. The Company receives collateral in order to reduce the credit risk of these arrangements. Collateral must be in a readily realizable form, such as listed securities, and is held in segregated accounts. Transfer of title always occurs for collateral received, although no market risk or economic benefit is taken. The level of collateral held is monitored regularly, with further collateral obtained where this is considered necessary to manage the Company's risk exposure. The Company's appointed security lending managers obtain legal ownership of the collateral received and can sell it outright in the absence of default.

The details of the security lending arranging positions are:

	March 31, 2013	December 31, 2012
Investments at fair value lent under SLA – carrying amount	**$ 138**	$ 717
Fair value of collateral held for investments lent under SLA	**3,197**	969

5. Income taxes:

(a) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets in the consolidated statements of financial position are presented below:

	March 31, 2013	December 31, 2012
Deferred tax assets		
Non-capital losses	**$ 3**	$ 819
Tax on future capital gains dividend	**(1,145)**	(2,859)
Investments – differences in carrying value and tax cost	**18,384**	19,801
Corporate minimum tax credit	**6,438**	5,984
Share issuance costs	**43**	35
Property, plant and equipment	**105**	108
Convertible debentures	**(781)**	(841)
Total deferred tax assets (5(c))	**$ 23,047**	$ 23,047

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

5. Income taxes (continued):

(b) The following are the components of the deferred income tax benefit in the consolidated statements of comprehensive loss for the three months ended March 31:

	2013	2012
Non-capital losses	**$ 816**	$ 13,174
Net reversal of tax on future capital gains dividend	**(1,714)**	(16,347)
Investments – differences in carrying value and tax cost	**1,417**	(3,117)
Ontario transitional tax credits	**-**	1,732
Share issuance costs and other	**(5)**	33
Convertible debentures	**(60)**	(36)
Corporate minimum tax credit	**(454)**	551
	$ -	$ (4,010)

(c) The realization of deferred tax assets is dependent upon future taxable income during the periods in which those temporary differences become deductible. Management considers the expected reversal of net deferred income tax assets and projected future taxable income in making this assessment. Based upon the level of historical taxable income and historical market trends of a comparable market index, management believes it is probable that the Company will generate sufficient taxable income to realize the benefits of these deductible differences. The full deferred tax asset at March 31, 2013 was $46,214 (December 31, 2012 - $38,563).

(d) The income tax expense (benefit) attributable to loss before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% (March 31, 2012 – 26.25%) of pre-tax profits as a result of the following for the three months ended March 31:

	2013	2012
Loss before income taxes	**$ (45,805)**	$ (5,788)
Computed expected income tax benefit	**(12,138)**	(1,519)
Non-taxable portion of capital gains	**(1,629)**	(754)
Non-taxable portion of unrealized losses	**6,088**	839
Net deferred tax assets not recognized	**7,651**	-
Non-taxable stock-based compensation expense	**97**	279
Taxable capital gains dividend	**1,144**	(60)
Tax rate differential	**17**	89
Permanent and other differences	**(49)**	159
Income tax expense (benefit)	**$ 1,181**	$ (967)

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

5. Income taxes (continued):

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

		2013		2012
Current tax expense	**$**	**1,181**	$	3,043
Deferred tax benefit relating to origination and reversal of temporary differences		**-**		(4,010)
	$	**1,181**	$	(967)

(f) At March 31, 2013, the Company has approximately $10 (December 31, 2012 - $3,089) of Canadian non-capital losses available to reduce future years' profits for tax purposes, the tax effect of which has been recorded in the accounts. The non-capital losses will expire as follows:

2030	$	10
	$	10

6. Equity:

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

During the three months ended March 31, 2013, the Company issued 7,372,097 common shares in exchange for certain investments totaling $6,360, net of share issuance costs.

(b) Stock options:

The following table summarizes stock options granted during the three months ended March 31, 2013:

Date Granted	Options Granted	Exercise Price	Expiry
March 28, 2013	1,580,000	$ 0.62	March 27, 2018
Total granted	1,580,000		

Stock options granted during the three months ended March 31, 2013 vest at the rate of 1/6th of the grant at the end of each three-month period over an 18-month period. Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense over the vesting period and credits contributed surplus for all options granted.

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

6. Equity (continued):

The fair value of the options granted during the three months ended March 31, 2013 was estimated at the date of grant using the following assumptions:

Black-Scholes assumptions used	
Expected volatility (i)	**60.7%**
Expected dividend yield	**0.0%**
Risk-free interest rate	**1.1%**
Expected option life in years	**3.2**
Expected forfeiture rate	**3.5%**
Fair value per stock option granted on March 28, 2013	**$ 0.26**

(i) Based on the historical volatility of Pinetree's share price.

For the three months ended March 31, 2013, included in operating, general and administrative expenses is stock-based compensation of $365 (three months ended March 31, 2012 - $1,062) relating to the stock options granted to directors, officers, employees, and consultants of the Company.

A summary of the status of the Company's stock options as at March 31, 2013 and December 31, 2012 and changes during the periods then ended is presented below:

	March 31, 2013		December 31, 2012	
Stock Options	**# of Options**	**Weighted Average Exercise Price**	# of Options	Weighted Average Exercise Price
Outstanding, at beginning of period	**12,579,400**	**$ 1.84**	13,632,900	$ 2.97
Granted	**1,580,000**	**0.62**	2,355,000	0.91
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	(3,408,500)	5.71
Outstanding, at end of period	**14,159,400**	**$ 1.70**	12,579,400	$ 1.84
Exercisable, at end of period	**10,543,542**	**$ 2.00**	9,836,040	$ 2.05

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

6. Equity (continued):

The following table summarizes information about stock options outstanding and exercisable as at March 31, 2013:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
1,282,500	**1,282,500**	**$ 3.14**	April 10, 2013
1,105,000	**1,105,000**	**1.29**	March 31, 2014
50,000	**50,000**	**1.73**	June 29, 2014
2,270,990	**2,270,990**	**1.46**	August 31, 2014
85,000	**85,000**	**2.07**	November 30, 2014
265,000	**265,000**	**1.83**	March 31, 2015
925,910	**925,910**	**1.46**	May 31, 2015
250,000	**250,000**	**1.41**	August 31, 2015
250,000	**250,000**	**3.23**	November 30, 2015
1,600,000	**1,600,000**	**3.17**	March 30, 2016
250,000	**250,000**	**2.93**	May 30, 2016
250,000	**250,000**	**1.92**	August 30, 2016
1,640,000	**1,366,655**	**1.61**	November 29, 2016
100,000	**66,666**	**1.38**	March 29, 2017
250,000	**124,999**	**0.88**	May 30, 2017
400,000	**133,332**	**0.90**	August 30, 2017
1,605,000	**267,490**	**0.89**	November 29, 2017
1,580,000	**-**	**0.62**	March 27, 2018
14,159,400	**10,543,542**		

(c) Warrants:

There has been no change to the status of the Company's warrants since December 31, 2012. The following table summarizes the warrants outstanding as at March 31, 2013:

Number of Warrants	Exercise Price	Expiry Date	Warrants Value
8,638,650	$ 3.50	July 11, 2013	$ 9,762
8,638,650			**$ 9,762**

(d) As at March 31, 2013 and December 31, 2012, contributed surplus is comprised of the following:

	March 31, 2013	December 31, 2012
Fair value of stock-based compensation	**$ 31,834**	$ 31,469
Fair value of expired broker warrants	**62,506**	62,506
Cancellation of shares under normal course issuer bid	**43**	43
	$ 94,383	$ 94,018

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

6. Equity (continued):

(e) Basic and diluted loss per common share based on net loss for the three months ended March 31:

Numerator:	**2013**	2012
Net loss for the period	**$ (46,986)**	$ (4,821)

Denominator:	**2013**	2012
Weighted average number of common shares outstanding - basic	**142,479,401**	136,447,273
Weighted average effect of diluted stock options and warrants (i)	**-**	-
Weighted average number of common shares outstanding – diluted	**142,479,401**	136,447,273

Loss per common share based on net loss for the period:	**2013**	2012
Basic and diluted	**$ (0.33)**	$ (0.04)

(i) The determination of the weighted average number of common shares outstanding – diluted excludes 40,256,874 shares related to stock options, warrants, and convertible debentures ("Debentures") that were anti-dilutive for the three months ended March 31, 2013 (three months ended March 31, 2012 – 51,793,609 shares).

(f) Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding stock options and warrants were exercised and all outstanding Debentures were converted as at March 31, 2013 and December 31, 2012:

	March 31, 2013	December 31, 2012
Common shares outstanding	**143,819,370**	136,447,273
Stock options outstanding to purchase common shares	**14,159,400**	12,579,400
Warrants to purchase common shares	**8,638,650**	8,638,650
Debentures convertible to common shares	**17,458,824**	17,647,059
Fully diluted common shares outstanding	**184,076,244**	175,312,382

(g) During the year ended December 31, 2012, the Company instituted a normal course issuer bid in respect of its Debentures (the "Debenture NCIB"). Pursuant to the terms of the Debenture NCIB, and in accordance with the policies of the TSX, during the period commencing May 18, 2012 and ending on May 17, 2013, the Company may purchase up to $3,750 principal amount of Debentures, representing up to 5% of the Debentures outstanding as at May 18, 2012. Purchases will be made in open market transactions through the facilities of the TSX and on other alternative Canadian trading systems at market prices prevailing at the time of acquisition and otherwise in accordance with the TSX rules. All Debentures purchased under the Debenture NCIB will be cancelled.

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

6. Equity (continued):

During the three months ended March 31, 2013, the Company purchased $800 principal amount of Debentures at $78.50 per $100.00 principal amount, for total consideration of $629, including commissions of $1.

For accounting purposes, the repurchase of the Debentures are separated into their liability and equity components using the effective interest rate method, similar to when they were issued. The fair value of the liability component at the time of repurchase was calculated with a 16.98% effective interest rate which resulted in the amount equal to the total consideration, assuming there is no conversion feature.

The following table summarizes the changes in the Debenture liability and equity components during the periods ended:

Principal		
Opening principal balance, January 1, 2012	$	75,000
No transaction		-
Principal balance, December 31, 2012		75,000
Repurchase of convertible debentures		**(800)**
Ending principal balance, March 31, 2013	**$**	**74,200**

Liability		
Opening liability balance, January 1, 2012	$	67,839
Accretion of discount on the convertible debentures		600
Amortization of the finance expenses on the convertible debentures		768
Ending liability balance, December 31, 2012		69,207
Accretion of discount on the convertible debentures		**168**
Amortization of the finance expenses on the convertible debentures		**189**
Repurchase of convertible debentures		**(741)**
Ending liability balance, March 31, 2013	**$**	**68,823**

Equity component		
Opening equity component balance, January 1, 2012	$	2,882
Change in effective income tax rate		(44)
Ending equity component balance, March 31, 2013 and December 31, 2012	**$**	**2 ,838**

As at March 31, 2013, the fair value of the Debentures was $59,204 (December 31, 2012 - $65,250).

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

7. Expenses by nature:

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

	2013	2012
Salaries and other employment benefits	$ 611	$ 681
Stock-based compensation expense	365	1,062
Transaction costs	284	791
Other office and general	196	205
Operating lease payments	148	120
Consulting and directors' fees	141	214
Transfer agent, filing fees, and other information systems	132	221
Professional fees	115	69
Amortization	66	62
Exploration and evaluation expenditures	50	-
Foreign exchange loss	48	38
Travel and promotion	41	139
	$ 2,197	$ 3,602

8. Finance expenses:

Finance expenses for the three months ended March 31 are:

	2013	2012
Accretion of discount and interest expense on convertible debentures	$ 1,655	$ 1,629
Interest expense on margin borrowings and other	22	92
Amortization of finance expenses on convertible debentures	189	191
Standby fee on credit facility	-	16
	$ 1,866	$ 1,928

9. Management of capital:

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

	March 31, 2013	December 31, 2012
Due to brokers	$ -	$ 8,875
Convertible debentures, due May 31, 2016	68,823	69,207
Shareholders' equity comprised of:		
Share capital	283,157	276,797
Warrants	9,762	9,762
Contributed surplus	94,383	94,018
Equity component of convertible debentures	2,838	2,838
Foreign currency translation reserve	(37)	(39)
Deficit	(218,212)	(171,226)
	$ 240,714	$ 290,232

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

9. Management of capital (continued):

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 covenants to which it is subject under the Debentures. There were no changes to the Company's objectives in managing and maintaining capital during the three months ended March 31, 2013.

10. Risk management:

Financial instrument risks:

The investment operations of Pinetree's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets and liabilities are currently comprised of financial instruments.

Market risk:

There were no changes to the way the Company manages market risk since December 31, 2012. The following table shows the estimated sensitivity of the Company's after-tax loss for the three months ended March 31, 2013 from a change in the closing trade price of the Company's investments with all other variables held constant as at March 31, 2013:

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%	**$ 3,791**	**$ (3,791)**
4%	**7,582**	**(7,582)**
6%	**11,374**	**(11,374)**
8%	**15,165**	**(15,165)**
10%	**18,956**	**(18,956)**

The following table shows the estimated sensitivity of the Company's after-tax loss for the three months ended March 31, 2012 from a change in the closing bid price of the Company's investments with all other variables held constant as at March 31, 2012:

Percentage of change in closing bid price	Decrease in loss from % increase in closing bid price	Increase in loss from % decrease in closing bid price
2%	$ 7,185	$ (7,185)
4%	14,370	(14,370)
6%	21,555	(21,555)
8%	28,741	(28,741)
10%	35,926	(35,926)

11. Subsequent event:

(a) Subsequent to March 31, 2013, 1,652,500 options at a weighted average exercise price of $2.86 per share expired unexercised.

(b) Subsequent to March 31, 2013, the Company amended the terms of the Debentures NCIB to increase the amount of Debentures that the Company can purchase to $7,440 principal amount, representing 10% of the public float of the Debentures outstanding at the commencement of the NCIB (the total amount of Debentures outstanding, net of Debentures held by insiders of Pinetree).

(c) Subsequent to March 31, 2013, the Company purchased $6,640 principal amount of the Debentures under the Debentures NCIB at an average price of $79.97 per $100.00 principal amount of Debentures.

12. Comparative interim consolidated statements:

The comparative interim consolidated statements have been reclassified from statements previously presented to conform to the presentation of the March 31, 2013 interim consolidated statements.