

FIRST SUPPLEMENTAL INDENTURE

DATED DECEMBER 11, 2012

supplementing the Convertible Debenture Indenture dated as of May 17, 2011

AMONG

PINETREE CAPITAL LTD.

AND

EQUITY FINANCIAL TRUST COMPANY

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THIS FIRST SUPPLEMENTAL INDENTURE dated as of the 11th day of December, 2012

BETWEEN:

PINETREE CAPITAL LTD., a company duly incorporated under the laws of the Province of Ontario (hereinafter called the “**Company**”)

- and -

EQUITY FINANCIAL TRUST COMPANY, a trust company organized under the laws of Canada (hereinafter called the “**Trustee**”)

WHEREAS the Company entered into an indenture (the “**Indenture**”) dated as of May 17, 2011 which provides for the issuance of one or more series of unsecured subordinated debentures of the Company;

AND WHEREAS the Company issued 8.0% Convertible Unsecured Subordinated Debentures due May 31, 2016 in the aggregate principal amount of \$75,000,000 pursuant to the terms of the Indenture;

AND WHEREAS, pursuant to Section 16.1(c) of the Indenture, the Company wishes to enter into this First Supplemental Indenture to add covenants and events of default for the benefit of the Trustee and the holders of the Debentures;

NOW THEREFORE THIS FIRST SUPPLEMENTAL INDENTURE WITNESSES, for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), and it is hereby covenanted, agreed and declared by the parties hereto and for each other and the equal and rateable benefit of the holders of the Debentures, as follows:

ARTICLE 1 INTERPRETATION

1.1 To Be Read With Indenture

The Indenture and this First Supplemental Indenture shall be read together and shall have effect so far as practicable as though all the provisions of both indentures were contained in one instrument.

1.2 First Supplemental Indenture

The terms “**this First Supplemental Indenture**”, “**this indenture**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**”, and similar expressions, unless the context otherwise specifies or requires, refer to the Indenture as supplemented by this First Supplemental Indenture and not to any particular Article, Section, subsection or clause or other portion thereof, and include every instrument supplemental or ancillary to this First Supplemental Indenture.

1.3 Definitions

All terms which are defined in the Indenture and used but not defined in this First Supplemental Indenture shall have the meanings ascribed to them in the Indenture.

ARTICLE 2 ADDITIONAL COVENANTS

2.1 Designated Indebtedness

Section 7.10 of the Indenture is hereby amended by adding the following covenants following Subsection (b):

- “(c) Until the earlier of May 31, 2016 and the date when no Initial Debentures remain outstanding, neither the Company nor any of its Subsidiaries shall incur any Designated Indebtedness or issue any Debentures if, after giving effect thereto, the aggregate amount of all Designated Indebtedness and Debentures would exceed 33% of the aggregate value of the total consolidated assets of the Company and its Subsidiaries as at the end of the immediately preceding month, as reflected on the unaudited consolidated balance sheet of the Company as at the end of such month.
- (d) Until the earlier of May 31, 2016 and the date when no Initial Debentures remain outstanding, the Company shall not, as of the 15th day of each month, permit the aggregate amount of its Designated Indebtedness and Debentures to exceed 33% of the aggregate value of the total consolidated assets of the Company and its Subsidiaries as at the end of the immediately preceding month, as reflected on the unaudited consolidated balance sheet of the Company as at the end of such month.”

ARTICLE 3 ADDITIONAL EVENTS OF DEFAULT

3.1 Events of Default

Sections 8.1(d) and 8.1(e) of the Indenture are hereby amended by deleting the references to “Section 7.10(b)” and replacing them with “Sections 7.10(b) and (d)”.

ARTICLE 4
MISCELLANEOUS

4.1 Acceptance of Trust

The Trustee accepts the trusts in this First Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this First Supplemental Indenture and in accordance with the Indenture.

4.2 Confirmation of Indenture

The Indenture as amended and supplemented by this First Supplemental Indenture is in all respects confirmed.

4.3 Counterparts

This First Supplemental Indenture may be executed in several counterparts, each of which once executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. This First Supplemental Indenture may be executed and delivered by facsimile or other electronic transmission of a manually signed counterpart.

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IN WITNESS WHEREOF, the parties hereto have executed this First Supplemental Indenture as of the date first written above.

PINETREE CAPITAL LTD.

By: *“Gerry Feldman”*
Name: Gerry Feldman
Title: Chief Financial Officer

EQUITY FINANCIAL TRUST COMPANY

By: *“Derrice Richards”*
Name: Derrice Richards
Title: Senior Advisor Trust Services

By: *“Donald Crawford”*
Name: Donald Crawford
Title: Corporate Trust Officer