

QUARTERLY REPORT

FORM 51-901F

ISSUER DETAILS

Issuer Name	Acrex Ventures Ltd.
Address	9131 Jaskow Gate Richmond, B.C. V7E 5H6
Telephone	(604) 233-6436
Fax	(604) 277-1752
Contact	Malcolm Powell
Contact Telephone	(604) 233-6436
Contact e-mail address	mpowell@acrexventures.com
For Quarter Ended	June 30, 2002
Date of Report	August 23, 2002

CERTIFICATE

The schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE “T.J. Malcolm Powell” DATE: 08/23/02

DIRECTOR'S SIGNATURE “Carl R. Jonsson” DATE: 08/23/02

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

JUNE 30, 2002

1. NOTICE TO READER
2. STATEMENT OF EARNINGS AND DEFICIT
3. BALANCE SHEET
4. STATEMENT OF CASH FLOWS
5. NOTES TO FINANCIAL STATEMENTS

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

MICHAEL J. BEDFORD INC.

NOTICE TO READER

We have compiled the balance sheet of ACREX Ventures Ltd as at June 30, 2002 and the statement of earnings and deficit and cash flows for the period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, British Columbia, Canada
August 7, 2002

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

ACREX Ventures Ltd.

STATEMENT OF EARNINGS AND DEFICIT

Unaudited - See Notice to Reader

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
EXPENSES				
Legal	\$ 35,551	(81)	\$ 38,876	5,485
Office and general	6,756	462	8,515	573
Management fees	6,000	-	6,000	-
Transfer agent fees	4,263	398	5,010	1,089
Promotion	2,549	-	2,549	-
Accounting	2,250	1,215	5,993	4,483
Filing fees	1,845	-	3,895	4,420
Insurance	1,750	-	1,750	-
Rent	1,200	-	1,200	-
Investor relations	997	-	997	-
Automobile	573	-	573	-
Business investigation costs	-	-	-	8,000
Net loss before income taxes	(63,734)	(1,994)	(75,358)	(24,050)
Income tax recovery	-	(451)	-	(451)
NET LOSS	(63,734)	(1,543)	(75,358)	(23,599)
Deficit, beginning of period	(2,693,833)	(2,612,468)	(2,682,209)	(2,590,412)
DEFICIT, end of period	\$ (2,757,567)	(2,614,011)	\$ (2,757,567)	(2,614,011)
LOSS PER SHARE - BASIC	\$ (0.015)	(0.001)	\$ (0.014)	(0.008)
WEIGHTED AVERAGE NUMBER OF SHARES, OUTSTANDING	4,357,983	3,342,216	5,373,750	3,342,216

ACREX Ventures Ltd.

BALANCE SHEET

Unaudited - See Notice to Reader

	June 30, 2002	December 31, 2001
ASSETS		
Current		
Cash	\$ 1,068,802	1,679
Accounts receivable	12,857	484
Prepaid expenses	80,000	-
	1,161,659	2,163
Mineral property	46,242	-
Deferred share issue costs	-	22,375
	\$ 1,207,901	24,538
LIABILITIES		
Current		
Accounts payable	\$ 29,695	116,142
SHAREHOLDERS' EQUITY		
Share capital [Note 2]	3,685,773	2,590,605
Share subscriptions	250,000	-
Deficit	(2,757,567)	(2,682,209)
	1,178,206	(91,604)
	\$ 1,207,901	24,538

APPROVED ON BEHALF OF THE BOARD:

"T.J. MALCOLM POWELL"

Director

"CARL R. JONSSON"

Director

ACREX Ventures Ltd.

STATEMENT OF CASH FLOWS

Unaudited - See Notice to Reader

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
OPERATIONS				
Net loss	\$ (63,734)	(1,543)	\$ (75,358)	(23,599)
Changes in non-cash working capital balances:				
Decrease (increase) in accounts receivable	(12,523)	(537)	(12,373)	674
Increase in prepaid expenses	(80,000)	-	(80,000)	-
Decrease in income taxes	-	9,595	-	9,595
Increase (decrease) in accounts payable	(104,215)	(4,641)	(86,447)	7,985
	(260,472)	2,874	(254,178)	(5,345)
FINANCING				
Shares issued for cash	1,100,168	-	1,092,543	-
Share subscriptions received	250,000	-	250,000	-
	1,350,168	-	1,342,543	-
INVESTING				
Exploration expenditures	(21,242)	-	(21,242)	-
Increase (decrease) in cash	1,068,454	2,874	1,067,123	(5,345)
Cash, beginning of period	348	3,425	1,679	11,644
CASH, end of period	\$ 1,068,802	6,299	\$ 1,068,802	6,299

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2002

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

The accompanying unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles but do not conform in all respects to the note disclosure requirements for its annual financial statements. The unaudited financial statements have been prepared on a basis consistent with the accounting principles and policies described in the annual financial statements, except as noted below, and should be read in conjunction with those statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included in these financial statements.

Stock options- Effective January 1, 2002 the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants on "Stock-Based Compensation and Other Stock-Based Payments". These new recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. The Company, as permitted by the new recommendations, has chosen to continue its existing policy of recording no compensation cost on the grant of stock options to employees and in accordance with the recommendations will provide certain pro forma information required by the fair value method of accounting for stock options. The adoption of the new accounting standard has no material effect on the interim financial statements. The Company does not presently have any stock options outstanding.

Earnings per share - Effective January 1, 2002, the Company retroactively adopted the new accounting recommendations made by the CICA for presentation and disclosure of basic and diluted earnings per share. The Company has adopted the "treasury stock method" in computing earnings per share. The retroactive impact of adopting the new recommendations had no significant impact on the Company's basic and diluted earnings per share. Basic earnings per common share are calculated on the net earnings using the weighted average number of shares outstanding during the fiscal period.

For the period ended June 30, 2002, the existence of stock options and warrants affects the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2002

2. SHARE CAPITAL

The Company has authorized share capital of 25,000,000 common voting shares without par value. The issued share capital is as follows:

	June 30, 2002		December 31, 2001	
	Number	Amount	Number	Amount
Balance, beginning and end of period	3,342,216	\$ 2,590,605	3,342,216	\$ 2,590,605
Shares issued for cash	3,974,667	1,249,975	-	-
Finders fee	83,400	25,000	-	-
Warrants exercised	5,000	1,500	-	-
Share issue costs	-	(181,307)	-	-
Balance, end of period	7,405,283	\$ 3,685,773	3,342,216	\$ 2,590,605

Warrants - The Company has issued stock warrants as follows:

As at June 30, 2002:

Exercise Price	Issued	Exercised	Outstanding June 30, 2002	Expiry date
\$0.35/\$0.40	2,823,167	-	2,823,167	May 16, 2003/2004
\$0.35	1,151,500	-	1,151,500	May 16, 2003
\$0.30	794,933	(5,000)	789,933	May 16, 2003
	4,769,600	(5,000)	4,764,600	

3. SUBSEQUENT EVENTS

Options granted - On June 3, 2002 the Company granted 740,000 share purchase options. The options are subject to regulatory approval. Each option entitles the holder to purchase one common share at \$0.30 per share expiring June 3, 2007.

Private placement - On August 8, 2002 the Company issued 633,333 units at a price of \$0.30 per unit for proceeds of \$190,000. Each unit consists of one common share and one share purchase warrant. The share purchase warrants are exercisable at \$0.35 in the first year and \$0.40 in the second year until August 8, 2003 and 2004. The original private placement was for 833,333 units of which the remaining 200,000 units is awaiting further documentation.

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DIRECTOR'S SIGNATURE “T.J. Malcolm Powell” DATE: 08/23/02

DIRECTOR'S SIGNATURE “Carl R. Jonsson” DATE: 08/23/02

ACREX VENTURES LTD.

SCHEDULE B

1. For the 6-month period ended June 30, 2002

Breakdown of expenditures: See details provided in Statement of Earnings and Deficit in Schedule "A".

Non-arm's length expenditures:

- (a) Legal fees were accrued during the quarter of \$35,551 to a law firm of which a Director is a principal, for legal services.
- (b) \$6,000 was paid to the Company's President as management fees. \$1,200 was paid to a company wholly owned by the Company's President for the rental of computer and telephone equipment.

2. For the quarter under review – ending June 30, 2002

Effective May 16, 2002 the Company closed a public prospectus offering of Units. This resulted in the Company issuing 3,974,667 shares – and warrants entitling the purchase of an additional 4,769,600 shares. The details of the warrants are described in Section 3 below. Prior to the end of the quarter warrants were exercised to purchase 5,000 shares, at \$0.30 per share. The Company also issued 83,400 shares as finders' fees relative to the acquisition of its option agreement on the Michaud property discussed in more detail in Schedule C.

3. As at June 30, 2002

Particulars of authorized capital:	Authorized: 25,000,000 common shares
	Issued: 7,405,283 common shares

Options outstanding:	Effective June 3, 2002 the Company granted options to purchase 740,000 shares – to directors, officers and providers of services to the Company – exercisable at \$0.30 per share. The options will expire June 3, 2007.
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Convertible securities outstanding:	Nil
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Warrants outstanding:	(i) 285,700
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(ii) 794,933 – entitling purchase of 794,933 shares exercisable until May 16, 2003 at \$0.30 per share

(iii) 1,151,500 – entitling purchase of 1,151,500 shares exercisable until May 16, 2003 at \$0.35 per share

(iv) 2,823,167 – entitling purchase of 2,823,167 shares exercisable until May 16, 2003 at \$0.35 and thereafter, until May 19, 2004, at \$0.40 per share

Total number of shares in escrow: Nil

Directors: T.J. Malcolm Powell
Gregory G. Crowe
Carl R. Jonsson
Arthur Troup
Frank Lang

Officers: T.J. Malcolm Powell – President
Carl R. Jonsson – Secretary and Chief Financial Officer

ACREX VENTURES LTD.
SCHEDULE C
MANAGEMENT DISCUSSION

The Second Quarter of 2002 was of great significance in the reactivation of the Company.

In the Management Discussion in the Report for the first quarter of 2002 the prospectus financing that the Company closed May 16, 2002 was described in some detail. The Company's option agreement on the Michaud property located near Timmins, Ontario was also described.

With the funding raised through the public offering, and with the agreement on the Michaud property having been approved, the Company moved to commence work on the Michaud property. The first work, conducted by and directed by Company Director Greg Crowe, P.Geo., was to review the extensive technical data that was available with respect to the property – and which had been produced by previous optionees of the property. The Company also conducted some small programmes of predrilling work to assist in the establishment of drillsites. The Company has now drilled five diamond drill holes on the property and portions of the core recovered are being assayed. The Company is waiting for the assay results.

The Company concluded that it would be of significant advantage to it if it could raise additional funding. Raising further funding was recognized as being problematic in view of the Company's previous history (primarily having had its shares suspended for a substantial period of time), the continued weakness (with some improvements) in the international gold price, and some continued reluctance on the part of the investment community to fund gold exploration in Canada. As a result, Management concluded that it would be in the interests of the Company and the shareholders to undertake strong investor and shareholder relations activities. Two agreements were signed in this regard. Specifically, the Company engaged the services of Garuda Capital Corporation to act as the Company's financial and business consultant and seek funding on its behalf for the 1-year period ending May 30, 2003. Garuda was prepaid its annual fee of \$50,000 – but it has agreed that if the Company is dissatisfied with its services it may earlier terminate the agreement and receive a pro rata refund of the prepaid fees. The Company also signed an investor and shareholder relations agreement with COR Consulting Ltd. for the period ending December 31, 2002 – for which COR was prepaid its fees of \$30,000.

To further fund the Company it entered into five private placement agreements – including agreements with three of the Company's Directors and with Garuda Capital Corp. – to sell 833,333 Units at \$0.30 each. The Company has now closed the sales of 633,333 Units for proceeds of \$189,999.90. The placement of the remaining 200,000 – for which the Company has received the proceeds of \$60,000 as an advance – is subject to further documentation. Each Unit consists of one share in the capital of the Company and a warrant entitling the purchase of an additional share exercisable during the first year at \$0.35 per share and during the second year at \$0.40 per share.

An analysis of the financial statements attached as Schedule A, and comparing them either to the figures for the first quarter of 2002 or for equivalent periods in 2001, is not thought to be meaningful. During those earlier periods the Company did not have the funding which it has

since received and the Company's activities (and hence its expenses) were more extensive in getting the agreements and matters described above in place and approved where necessary by the Stock Exchange. The Company's legal and administrative costs during the current fiscal year, and particularly in the most recent completed quarter, were higher for the same reasons. As the Company is now an active company, the shares of which are listed for trading on the TSX Venture Agreement, it must incur all of the costs required to satisfy the Exchange's requirements and get approvals where necessary, satisfy the requirements of the B.C. Securities Commission and manage and maintain the Company on a business-like basis.

DATED: August 23, 2002

T.J.M. Powell, President
On Behalf Of The Board Of Directors