

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

SEPTEMBER 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 September 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 such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, British Columbia, Canada
November 14, 2002

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

ACREX Ventures Ltd.

STATEMENT OF EARNINGS AND DEFICIT

Unaudited - See Notice to Reader

	Three months ended September 30, 2002		Nine months ended September 30, 2001	
	2002	2001	2002	2001
EXPENSES				
Legal	\$ 10,787	17,183	\$ 49,663	22,668
Investor relations	34,819	-	35,816	-
Management fees	18,000	-	24,000	-
Office and general	12,414	458	20,929	1,031
Transfer agent fees	2,070	1,770	7,080	2,859
Accounting	1,000	1,400	6,993	5,883
Promotion	1,552	-	4,101	-
Filing fees	200	1,050	4,095	5,470
Rent	2,400	-	3,600	-
Consulting	3,500	-	3,500	-
Insurance	-	-	1,750	-
Automobile	540	-	1,113	-
Business investigation costs	-	-	-	8,000
Net loss before income taxes	(87,282)	(21,861)	(162,640)	(45,911)
Income tax recovery	-	-	-	(451)
NET LOSS	(87,282)	(21,861)	(162,640)	(45,460)
Deficit, beginning of period	(2,757,567)	(2,614,011)	(2,682,209)	(2,590,412)
DEFICIT, end of period	\$ (2,844,849)	(2,635,872)	\$ (2,844,849)	(2,635,872)
LOSS PER SHARE - BASIC	\$ (0.01)	(0.01)	\$ (0.03)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	7,774,727	3,342,216	5,478,749	3,342,216

ACREX Ventures Ltd.

BALANCE SHEET

Unaudited - See Notice to Reader

	September 30, 2002	December 31, 2001
ASSETS		
Current		
Cash	\$ 719,718	1,679
Accounts receivable	57,098	484
Prepaid expenses	20,833	-
	797,649	2,163
Mineral property [Note 2]	303,319	-
Deferred share issue costs	-	22,375
	\$ 1,100,968	24,538
LIABILITIES		
Current		
Accounts payable	\$ 10,044	116,142
SHAREHOLDERS' EQUITY		
Share capital [Note 3]	3,875,773	2,590,605
Share subscriptions	60,000	-
Deficit	(2,844,849)	(2,682,209)
	1,090,924	(91,604)
	\$ 1,100,968	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 September 30, 2002		Nine months ended September 30, 2001	
	2002	2001	2002	2001
OPERATIONS				
Net loss	\$ (87,282)	(21,861)	\$ (162,640)	(45,460)
Changes in non-cash working capital balances:				
Decrease (increase) in accounts receivable	(44,241)	459	(56,614)	1,137
Decrease (increase) in prepaid expenses	59,167	-	(20,833)	-
Increase (decrease) in accounts payable	(19,651)	18,624	(106,098)	26,605
Decrease in income taxes	-	-	-	9,595
	(92,007)	(2,778)	(346,185)	(8,123)
FINANCING				
Shares issued for cash	-	-	1,342,543	-
INVESTING				
Exploration expenditures	(257,077)	-	(278,319)	-
Increase (decrease) in cash	(349,084)	(2,778)	718,039	(8,123)
Cash, beginning of period	1,068,802	6,299	1,679	11,644
CASH, end of period	\$ 719,718	3,521	\$ 719,718	3,521

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Nine months ended September 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.

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

Nine months ended September 30, 2002

2. MINERAL PROPERTY

Michaud Property, Ontario, Canada

Acquisition cost

Balance, beginning of period	\$	-
Finder's fee		25,000

Balance, end of period		25,000
------------------------	--	--------

Exploration costs

Balance, beginning of period		-
Third party exploration		232,545
Consulting		39,635
Travel		6,139

Balance, end of period		278,319
------------------------	--	---------

Total Mineral Property	\$	303,319
------------------------	----	---------

3. 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:

	September 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	4,608,000	1,439,975	-	-
Finders fee	83,400	25,000	-	-
Warrants exercised	5,000	1,500	-	-
Share issue costs	-	(181,307)	-	-
Balance, end of period	8,038,616	\$ 3,875,773	3,342,216	\$ 2,590,605

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Nine months ended September 30, 2002

3. SHARE CAPITAL (continued)

Stock options - The Company has issued stock warrants as follows:

As at September 30, 2002:

Exercise Price	Issued	Exercised	Outstanding September 30, 2002	Expiry date
\$0.30	740,000	-	740,000	June 3, 2007

Warrants - The Company has issued stock warrants as follows:

As at September 30, 2002:

Exercise Price	Issued	Exercised	Outstanding September 30, 2002	Expiry date
\$0.35	285,700	-	285,700	September 13, 2003
\$0.35/\$0.40	2,823,167	-	2,823,167	May 16, 2003/2004
\$0.35/\$0.40	633,333	-	633,333	August 8, 2003/2004
\$0.35	1,151,500	-	1,151,500	May 16, 2003
\$0.30	794,933	(5,000)	789,933	May 16, 2003
	5,688,633	(5,000)	5,683,633	

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Nine months ended September 30, 2002

3. STOCK-BASED COMPENSATION

As described in Note 1 the Company has adopted the new recommendation of the Canadian Institute of Chartered Accountants ("CICA") with regards to stock-based compensation. Accordingly, no compensation expense has been recognized for options granted during the period. Section 3870 of the CICA Handbook requires pro forma disclosures of net loss and net loss per share, as if the fair value based method of accounting for employee stock options had been applied. The Company used the Black-Scholes option valuation model to value the stock options granted during the quarter. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation and the pro forma disclosures, the following assumptions were used under the Black-Scholes option-pricing model:

Risk free interest rate	3.74%
Expected dividend yield	0%
Expected stock price volatility	40%
Expected life of options	3 years

The Company's net loss and loss per share on a pro forma basis would have been restated as follows:

Net loss for the the period ended September 30, 2002, as reported	\$ (162,640)
Compensation expense related to the fair value of stock options	(69,560)
<hr/>	
Pro forma net loss for the period ended September 30, 2002	\$ (232,200)
<hr/>	
Basic loss per share, as reported	\$(0.03)
Pro forma basic loss per share	\$(0.04)
<hr/>	

QUARTERLY REPORT

FORM 51-901F

ISSUER DETAILS

Issuer Name	Acrex Ventures Ltd.
Address	1400 – 570 Granville Street Vancouver, B.C. V6C 3P1
Telephone	(604) 233-6436
Fax	(604) 687-4212
Contact	Malcolm Powell
Contact Telephone	(604) 233-6436
Contact e-mail address	mpowell@acrexventures.com
For Quarter Ended	September 30, 2002
Date of Report	November 22, 2002
Website Address:	www.acrexventures.com

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: 11/25/02

DIRECTOR'S SIGNATURE “Carl R. Jonsson” DATE: 11/25/02

ACREX VENTURES LTD.

SCHEDULE B

For the 9-month period ended September 30, 2002

1. Breakdown of expenditures and deferred costs: See details provided in Statement of Earnings and Deficit and Note 2 in Schedule "A".

2. Non-arm's length (related party) expenditures:

(a) Legal fees were paid during the quarter of \$9,040 to a law firm of which a Director is a principal, for legal services.

(b) \$18,000 was paid to the Company's President as management fees. \$2,517 was paid to a company wholly owned by the Company's President for the rental of computer and telephone equipment. \$17,294 was paid to a Director and Officer of the Company for geological consulting services provided to the Company and reimbursement of expenses.

3. For the quarter under review – ending September 30, 2002

No securities of the Company were issued during the quarter. Nor were any warrants or options exercised. No options or warrants were granted during the period.

4. As at September 30, 2002

Particulars of authorized capital:	Authorized: 25,000,000 common shares
	Issued: 8,038,616 common shares

Options outstanding:	Options are outstanding on 740,000 shares, exercisable at \$0.30 per share on or before June 3, 2007
----------------------	--

Convertible securities outstanding:	Nil
-------------------------------------	-----

Warrants outstanding:	(i) 285,700 – entitling purchase of 285,700 shares exercisable until September 13, 2003 at \$0.35 per share
	(ii) 789,933 – entitling purchase of 789,933 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

(v) 633,333 – entitling purchase of 633,333 shares exercisable until May 30, 2003 at \$0.35 per share and thereafter until May 30, 2004 at \$0.40 per share

If all of the warrants detailed above are exercised the Company will issue 5,683,633 shares

Total number of shares in escrow: 1,155,073

5. Directors and Officers

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

During the Company's third fiscal quarter – June 1, 2002 – September 30, 2002 – the Company's efforts were focused almost exclusively on conducting a drilling programme on the Michaud property which is located near Timmins, Ontario. The Company issued three Press Releases dated September 16, 2002, September 23, 2002 and October 22, 2002 – which described in some detail the 9 holes which the Company drilled on the Michaud property and the results of the assaying done of the core recovered in the drilling programme. The Press Releases can be reviewed on the Company's website.

Management – and the Company's geological consultants – consider that the 9-hole drilling programme on the Michaud property was very successful. Significant gold assays were recovered from all of the holes. The results indicate the strength and continuity of the gold system on the Michaud property. The Company is reviewing the results with its geological consultants – with a request that a further exploration programme for the property be designed. Until the details are settled the extent of a further programme – and the timetable on which it will be conducted – cannot be settled. Management is presently contemplating the likelihood that a new programme will be initiated in 2003 – prior to the Spring breakup. As a general rule drilling exploration in Ontario's muskeg country is less expensive if it is conducted while the surface of the land is frozen sufficiently hard to bear the weight of drilling equipment and other access vehicles.

An analysis of the financial statements attached as Schedule A, and comparing them either to the figures for the first two quarters 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.

Calculations to November 18, 2002 indicate that the Company's total costs of conducting its exploration programme on the Michaud property has been \$345,186.59. In the Company's Prospectus dated February 20, 2002 it budgeted \$343,275 for expenditure on the 2002 work on the Michaud property – so that the amount spent is not substantially different than was budgeted in the Prospectus. The Company has informally calculated that it has approximately \$600,000 working capital on hand. Management believes that these funds will be sufficient to cover all of the Company's incidental and administrative costs as well as funding the next work programme on the Michaud property which the Company hopes to initiate in 2003.

As has previously been disclosed, the Company's interest in the Michaud property is an option whereby it can earn a 60% interest in the property by satisfying certain annual work and expenditure commitments. The Company's initial commitment was to expend not less than \$300,000 on the property prior to December 31, 2002. The Company's expenditures have fully satisfied that obligation.

DATED: November 25, 2002.

T.J.M. Powell, President
ON BEHALF OF THE BOARD OF DIRECTORS