BC FORM 51-901F

QUARTERLY REPORT

Incorporated as part of: **Schedules A, B and C**

ISSUER DETAILS:

NAME OF ISSUER	ACREX VENTURES LTD.
FOR QUARTER ENDED	DECEMBER 31, 2003
DATE OF REPORT	APRIL 20, 2004
ISSUER ADDRESS	1400 - 570 GRANVILLE STREET,VANCOUVER, BRITISH COLUMBIA, V6C 3P1
ISSUER TELEPHONE NUMBER	604-675-7640
ISSUER FAX NUMBER	604-687-4212
CONTACT PERSON	MALCOLM POWELL
CONTACT'S POSITION	PRESIDENT
CONTACT TELEPHONE NUMBER	604-675-7640
CONTACT EMAIL ADDRESS	mpowell@acrexventures.com
WEB SITE ADDRESS	www.acrexventures.com

CERTIFICATE

THE SCHEDULES(S) 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. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

"T.J. MALCOLM POWELL"		2004/04/20
NAME OF DIRECTOR	***SIGN (TYPED)***	***DATE SIGNED (YY/MM/DD)***
"CARL R. JONSSON"		2003/04/20
NAME OF DIRECTOR	***SIGN (TYPED)***	***DATE SIGNED (YY/MM/DD)***

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

(An Exploration Stage Company)

VANCOUVER, BRITISH COLUMBIA, CANADA

DECEMBER 31, 2003, 2002 AND 2001

TERRY AMISANO LTD.
KEVIN HANSON, CA

AMISANO HANSON
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Shareholders of ACREX Ventures Ltd.

We have audited the accompanying balance sheets of ACREX Ventures Ltd. (An Exploration Stage Company) as at December 31, 2003 and 2002 and the statements of stockholders' equity, earnings and deficit and cash flows for the years ended December 31, 2003, 2002 and 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian and United States of America generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years ended December 31, 2003, 2002 and 2001 in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
March 1, 2004

"*Amisano Hanson*"
Chartered Accountants

COMMENTS BY AUDITOR FOR U.S. READERS ON CANADA - U.S. REPORTING CONFLICT

In the United States of America, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is substantial doubt about a company's ability to continue as a going concern. The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the realization of assets and discharge of liabilities in the normal course of business. As discussed in Note 1 to the accompanying financial statements, the Company is in the process of exploring its principal mineral property and has not yet determined whether the property contains ore reserves that are economically recoverable which raises substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our report to the shareholders dated March 1, 2004 is expressed in accordance with Canadian reporting standards which do not permit a reference to such uncertainty in the auditors' report when the uncertainty is adequately disclosed in the financial statements.

Vancouver, Canada
March 1, 2004

"*Amisano Hanson*"
Chartered Accountants

750 WEST PENDER STREET, SUITE 604
VANCOUVER CANADA
V6C 2T7

TELEPHONE: 604-689-0188
FACSIMILE: 604-689-9773
E-MAIL: amishan@telus.net

ACREX Ventures Ltd.
(An Exploration Stage Company)
STATEMENTS OF EARNINGS AND DEFICIT

Years ended December 31, 2003, 2002 and 2001 *Expressed in Canadian dollars*

	2003	2002	2001
EXPENSES			
Accounting	**$ 36,798**	$ 9,668	$ 12,383
Business investigation costs	**5,699**	**-**	17,208
Consulting	**44,290**	13,905	-
Filing fees	**14,718**	4,095	6,570
Insurance	**2,188**	1,750	-
Investor relations	**25,933**	58,898	-
Legal – Note 8	**64,311**	55,865	49,250
Management fees – Note 8	**86,000**	42,000	-
Office and general	**31,998**	30,829	1,112
Promotion and travel	**29,780**	7,982	1,550
Rent	**14,400**	7,200	-
Stock-based compensation – Note 6	**112,000**	**-**	-
Transfer agent fees	**7,192**	8,241	4,175
	(475,307)	(240,433)	(92,248)
Loss before other item and recovery of income taxes	**(475,307)**	(240,433)	(92,248)
OTHER ITEM			
Interest income	**22,028**	3,578	**-**
Loss before recovery of income taxes	**(453,279)**	(236,855)	(92,248)
Recovery of income taxes	**-**	-	451
NET LOSS	**(453,279)**	(236,855)	(91,797)
Deficit, beginning of year	**(2,919,064)**	(2,682,209)	(2,590,412)
DEFICIT, end of year	$ **(3,372,343)**	$ (2,919,064)	$ (2,682,209)
NET LOSS PER SHARE - BASIC / DILUTED	$ **(0.05)**	$ (0.04)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**9,866,402**	6,118,716	3,165,414

ACREX Ventures Ltd.
(An Exploration Stage Company)
BALANCE SHEETS

December 31, 2003 and 2002 *Expressed in Canadian dollars*

		2003		2002
ASSETS				
Current				
Cash and short-term investments	$	**1,035,013**	$	554,856
Marketable securities – Note 3		**23,250**		-
Other receivables		**52,476**		30,014
Total current assets		**1,110,739**		584,870
Mineral properties –Notes 3 and 8		**606,984**		387,643
Total assets	$	**1,717,723**	$	972,513
LIABILITIES				
Current				
Accounts payable and accrued expenses – Note 8	$	**98,983**	$	15,454
Total liabilities		**98,983**		15,454
STOCKHOLDERS' EQUITY				
Share capital – Note 4		**4,879,083**		3,876,123
Contributed surplus – Note 5		**112,000**		-
Deficit		**(3,372,343)**		(2,919,064)
Total stockholders' equity		**1,618,740**		957,059
Total liabilities and stockholders' equity	**$**	**1,717,723**	$	972,513

Nature and Continuance of Operations – Note 1
Commitments – Notes 3, 4, 6 and 7

APPROVED ON BEHALF OF THE BOARD:

“T.J. MALCOLM POWELL”
Director

“CARL R. JONSSON”
Director

ACREX Ventures Ltd.
(An Exploration Stage Company)
STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended December 31, 2003, 2002 and 2001 *Expressed in Canadian dollars*

	Common Stock Shares	Common Stock Amount	Contributed Surplus	Share Subscriptions	Deficit Accumulated During the Exploration Stage	**Total**
Balance, December 31, 2000	3,056,516	$ 2,515,609	$ -	$ 75,000	$ (2,590,412)	$ **197**
2001						
Common stock issued for:						
Cash	285,700	74,996	-	(75,000)	-	**(4)**
Mineral property	83,400	25,000	-	-	-	**25,000**
Net loss	-	-	-	-	(91,797)	**(91,797)**
Balance, December 31, 2001	3,425,616	2,615,605	-	-	(2,682,209)	**(66,604)**
2002						
Common stock issued for cash	4,613,000	1,260,518	-	-	-	**1,260,518**
Net loss	-	-	-	-	(236,855)	**(236,855)**
Balance, December 31, 2002	8,038,616	3,876,123	-	-	(2,919,064)	**957,059**
2003						
Common stock issued for:						
Cash (net of issue costs)	5,029,000	977,960	-	-	-	**977,960**
Finders fee	100,000	25,000	-	-	-	**25,000**
Stock based compensation	-	-	112,000	-	-	**112,000**
Net loss	-	-	-	-	(453,279)	**(453,279)**
Balance, December 31, 2003	13,167,616	$ 4,879,083	$ 112,000	$ -	$ (3,372,343)	$ **1,618,740**

ACREX Ventures Ltd.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS

Years ended December 31, 2003, 2002 and 2001 *Expressed in Canadian dollars*

	2003	2002	2001
OPERATIONS			
Net loss	$ **(453,279)**	$ (236,855)	$ (91,797)
Add item not involving cash:			
Stock-based compensation	**112,000**	-	-
	(341,279)	(236,855)	(91,797)
Changes in non-cash working capital balances:			
Decrease (increase) in other receivables	**(22,462)**	(29,530)	875
Decrease in income taxes recoverable	-	-	9,595
Increase (decrease) in accounts payable and accrued expenses	**83,529**	(100,688)	93,737
Cash provided by (used in) operations	**(280,212)**	(367,073)	12,410
FINANCING			
Shares issued	**977,960**	1,282,893	-
Deferred share issue costs	-	-	(22,375)
Cash provided by (used in) financing	**977,960**	1,282,893	(22,375)
INVESTING			
Proceeds from sale of partial interest in mineral property	**15,000**	-	-
Increase in mineral properties	**(232,591)**	(362,643)	-
Cash used in investing	(217,591)	(362,643)	-
Increase (decrease) in cash	**480,157**	553,177	(9,965)
Cash and short-term investments, beginning of year	**554,856**	1,679	11,644
CASH AND SHORT-TERM INVESTMENTS, end of year	$ **1,035,013**	$ 554,856	$ 1,679
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the year for interest	$ -	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -	$ -

Non-cash Transactions – Note 10

1. NATURE AND CONTINUANCE OF OPERATIONS

ACREX Ventures Ltd., incorporated in British Columbia, is a public company listed on the TSX Venture Exchange (TSX”).

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

At December 31, 2003, the Company is in the process of exploring its principal mineral property (held under an option) and has not yet determined whether the property contains ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a loss of $453,279 for the year ended December 31, 2003, and had an accumulated deficit of $3,372,242 at December 31, 2003 which has been funded primarily by the issuance of equity. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada and, except as described in Note 12, conform in all material respects with accounting principles generally accepted in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. Actual results may differ from these estimates.

The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Marketable securities – Marketable securities are carried at the lower of cost or market value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties - The Company accounts for mineral property costs in accordance with the Canadian Institute of Chartered Accountants Handbook Section 3061, "Property, plant and equipment" ("CICA 3061"), and abstract EIC-126, "Accounting by Mining Enterprises for Exploration Costs" ("EIC-126") of the Emerging Issues Committee. CICA 3061 provides for the capitalization of the acquisition and exploration costs of a mining property where such costs are considered to have the characteristics of property, plant and equipment. EIC-126 provides that a mining enterprise is not precluded from considering exploration costs to have the characteristics of property, plant and equipment when it has not established mineral reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property.

Mineral property costs include initial acquisition costs and related option payments, which are recorded when paid. Exploration and development costs are capitalized until properties are brought into production, at which time costs are amortized on a unit-of-production basis over economically recoverable reserves. Option payments are credited against mineral property costs when received. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received.

CICA 3061 also provides that property, plant and equipment be written down when the long-term expectation is that the net carrying amount will not be recovered. EIC-126 states that a mining enterprise which has not objectively established mineral reserves and therefore does not have a basis for preparing a projection of the estimated future cash flow from a property is not obliged to conclude that the capitalized costs have been impaired. However, EIC-126 references certain conditions that should be considered in determining subsequent write-downs, such as changes or abandonment of a work program or poor exploration results, and management reviews such conditions to determine whether a write-down of capitalized costs is required. When the carrying value of a property exceeds its net recoverable amount, provision is made for the impairment in value.

Accounting standards subsequently issued by the CICA dealing with Intangible Assets (CICA 1581 and CICA 3062) include reference to "Use rights such as drilling, water, air, mineral, timber cutting, and route authorities" as examples of intangible assets. CICA 3062 also states, *inter alia*, that intangible assets should be amortized over their useful life and tested for impairment. Management has reviewed this potential reporting conflict with the previously issued standards and is of the opinion that it is appropriately accounting for its mineral properties as having the characteristics of property, plant and equipment. The Company has not yet adopted the provisions of CICA Handbook Section 3063, "Impairment of Long-lived Assets", which will become effective for its 2004 fiscal year. Management does not expect the adoption of the new standard to have an impact on its financial statements.

The Company is an exploration stage company as defined in Statement of Financial Accounting Standards No. 7 and the Securities and Exchange Commission Act Guide 7. The Company is devoting its present efforts to exploring and developing its mineral properties and none of its planned principal operations have commenced. All losses accumulated since inception have been considered as part of the Company's exploration stage activities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Environmental costs – Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which to not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then know facts.

Stock-based compensation - The Company has a stock option plan for directors, employees, and consultants as described in Note 6. The Company has early-adopted the accounting recommendations of CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments". Under these recommendations the Company provides certain pro-forma disclosure as required by the fair value method of accounting for stock options for its fiscal year ended December 31, 2002, and recognizes an expense for options granted on or after January 1, 2003. The Company uses the Black-Scholes option pricing model to estimate the fair value of each stock option at the date of grant. The pro-forma information in respect of options granted in 2002 is provided in Note 6. Any consideration received on the exercise of stock options is credited to share capital.

Loss per share - The Company uses the "treasury stock method" in computing loss per share. Under this method, basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year.

For the years ended December 31, 2003, 2002 and 2001 the existence of warrants and options 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.

Income taxes - Future income taxes relate to the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax values. Future income tax assets, if any, are recognized only to the extent that, in the opinion of management, it is more likely than not that future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates at the date of enactment or substantive enactment.

Financial instruments - The Company's financial instruments consist of cash and short-term investments, marketable securities, other receivables and accounts payable and accrued expenses. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from its financial instruments and that their fair values approximate their carrying values, unless otherwise noted.

3. MINERAL PROPERTIES

		Michaud		Raglan Ungava		Total
Acquisition costs						
Balance, beginning of year	$	25,000	$	-	$	25,000
Acquisition fees		-		43,202		43,202
Sale of partial interest (see note below)		-		(38,250)		(38,250)
Balance, end of year		25,000		4,952		29,952
Exploration costs						
Balance, beginning of year		362,643		-		362,643
Assays		5,554		-		5,554
Consulting		53,888		-		53,888
Core facility		3,850		-		3,850
Drilling		98,538		-		98,538
Field vehicles		6,906		-		6,906
Lodging		5,987		-		5,987
Surveying and linecutting		30,814		-		30,814
Travel		3,654		-		3,654
Other		5,198		-		5,198
Balance, end of year		577,032		-		577,032
	$	**602,032**	**$**	**4,952**	**$**	**606,984**

Michaud gold claims, Ontario, Canada - Pursuant to an Agreement dated September 1, 2001 and amended January 17, 2003 with Moneta Porcupine Mines Inc. ("Moneta"), the Company acquired an option to earn interests in 56 mineral claims in the Michaud Township, Ontario, Canada (the "Property"). The Property is divided into two areas.

The Company can earn a 60% interest in the first area by:

(a) expending a minimum of $500,000 on exploration of the Property by December 31, 2003 (completed);

(b) expending a minimum of $1,000,000 on exploration of the Property by May 15, 2005; and,

(c) completing a bankable feasibility study on the Property by May 15, 2007. The Company can extend the due date for the feasibility study by up to three years by paying cash (or an equivalent number of shares) to Moneta as follows: $50,000 on or before May 15, 2007; $150,000 on or before May 15, 2008; $250,000 on or before May 15, 2009.

3. MINERAL PROPERTIES (continued)

The Company can earn up to a 70% interest in the second area by:

(a) expending a minimum of $1,000,000 on exploration of the Property by May 15, 2004 or such length of time as may be required for the Company to complete the $1,000,000 in expenditures, to earn a 50% interest; and,

(b) giving notice to Moneta by December 31, 2004 and expending a minimum of $2,750,000 on exploration of the Property by May 15, 2007 to earn an additional 20% interest.

Raglan Ungava claims, Quebec, Canada - On May 12, 2003 the Company acquired a 100% interest in 150 mineral claims in the Ungava region of Northern Quebec.

On September 26, 2003 the Company received TSX Venture Exchange approval to grant Resolve Ventures Inc. ("Resolve") an option to acquire up to a 70% interest in the claims. The Company issued 100,000 shares with a fair value of $25,000 as a finder's fee in respect of the transaction. Resolve may earn the interest by making certain cash payments, issuing shares to the Company and expending amounts on the property as follows:

Due Date	Cash Payment	Share Issuance	Property Expenditure
September 26, 2003 (received)	$ 15,000	75,000	$ -
September 26, 2004	5,000	75,000	-
January 1, 2005	-	-	100,000
September 26, 2005	5,000	100,000	-
January 1, 2006	-	-	250,000
January 1, 2007	-	-	500,000
	$ 25,000	250,000	$ 850,000

The 75,000 shares of Resolve received by the Company in the year ended December 31, 2003 were recorded at a market value $23,250.

4. SHARE CAPITAL

The Company has authorized share capital of 25,000,000 common voting shares without par value. The following share transactions occurred during the years ended December 3,1 2003 and 2002:

(i) On February 21, 2003, the Company issued 1,520,000 units for proceeds of $334,400 pursuant to a brokered private placement. Each unit consisted of one share and one-half share purchase warrant. One full warrant entitles the holder to acquire an additional common share at a price of $0.27 until October 29, 2004. The agent was paid a commission of $30,096 and an administration fee of $5,000, and was issued 15,000 shares and 304,000 Agent's Warrants. The Agent's Warrants have the same terms as the warrants issued to the placees.

(ii) On October 9, 2003, the Company issued 3,474,000 units for proceeds of $766,980 pursuant to a brokered private placement. The 3,474,000 units included 3,384,000 non flow-through units at $0.22 per unit and 90,000 flow-through units at $0.25 per unit. Each unit consisted of one share and one-half share purchase warrant. One full warrant entitles the holder to acquire an additional non flow-though common share at a price of $0.28 until April 30, 2005. The agent was paid a commission of $69,028 and an administration fee of $5,000, and was issued 20,000 shares and 694,800 Agent's Warrants. The Agent's Warrants have the same terms as the warrants issued to the placees.

(iii) On May 16, 2002, the Company issued 3,974,667 units for proceeds of $1,249,975 pursuant to a public prospectus offering dated February 20, 2002. The 3,974,667 units included 2,823,167 non-flow-through units at $0.30 per unit and 1,151,500 flow-through units at $0.35 per unit. Each flow-through and non-flow-through unit was comprised of one common share and one share purchase warrant. The warrants attached to the non-flow-through units entitle the holder to purchase one share at $0.35 per share until May 16, 2003 and $0.40 per share until May 19, 2004. The warrants attached to the flow-through units entitle the holder to purchase one share at $0.35 per share until May 16, 2003. Additionally, 794,933 non-transferable Agent warrants were issued which entitle the holder to purchase one share at $0.30 per share until May 16, 2003.

(iv) On August 8, 2002, the Company issued 633,333 units for proceeds of $190,000 pursuant to non-brokered private placements. Each unit was comprised of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one share at $0.35 per share until August 8, 2003 and $0.40 per share until August 8, 2004.

(v) On June 13, 2002, the Company issued 5,000 shares for proceeds $1,500 pursuant to the exercise of warrants.

Escrow shares - A total of 577,537 shares (2002: 962,561) are held in escrow and are being released semi-annually on a pro-rata basis, with the final release scheduled for May 21, 2005.

4. SHARE CAPITAL (continued)

Warrants - The Company has stock purchase warrants outstanding as follows:

Exercise Price	Outstanding December 31, 2002	Issued	(Expired)	Outstanding December 31, 2003	Expiry date
$0.35	285,700	-	(285,700)	-	September 13, 2003
$0.40	4,764,600	-	-	4,764,600	May 17, 2004
$0.40	633,333	-	-	633,333	May 30, 2004
$0.27	-	1,064,000	-	1,064,000	October 29, 2004
$0.28	-	2,431,800	-	2,431,800	April 30, 2005
	5,683,633	3,495,800	(285,700)	8,893,733	

In May 2003 the Company extended the expiry date of 1,941,433 warrants from May 16, 2003 to May 17, 2004 and increased the exercise price from $0.30 - $0.35 to $0.40.

5. CONTRIBUTED SURPLUS

	2003	2002
Balance - beginning of year	$ -	$ -
Add: stock based compensation	**112,000**	-
	$ 112,000	$ -

6. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

The Company has established a stock option plan for directors, employees, and consultants. The following table summarizes the stock options outstanding at December 31, 2003:

Price	Number	Expiry date
$0.30	740,000	June 3, 2007
$0.28	565,000	November 4, 2008
	1,305,000	

Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the Discounted Market Price policies of the TSX Venture Exchange. Options vest immediately when granted and expire five years from the date of the grant.

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.

6. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (continued)

A summary of the change in the Company's stock option plan for the years ended December 31, 2003 and 2002 is presented below:

	2003		2002	
	Number	**Weighted Average Exercise Price**	Number	Weighted Average Exercise Price
Outstanding, beginning of year	**740,000**	**$0.30**	-	$ -
Granted	**565,000**	**0.28**	740,000	0.30
Outstanding, end of year	**1,305,000**	**$0.29**	740,000	$0.30

As described in Note 2, the Company has early-adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") with respect to stock-based compensation. The Company uses the Black-Scholes option valuation model to value stock options. 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.

The fair value of stock options granted during the year ended December 31, 2003 has been estimated using the Black-Scholes model to be $112,000, and has been recorded as an expense and included in contributed surplus. For purposes of the calculation, the following assumptions were used under the Black-Scholes option pricing model:

Risk free interest rate	3%
Expected dividend yield	0%
Expected stock price volatility	118%
Expected life of options	3 years

The grant-date fair value of options granted during the year ended December 31, 2003 was $0.28.

For the year ended December 31, 2002, 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 stock options had been applied. For purposes of the calculation and the pro forma disclosure, 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 grant-date fair value of options granted during the year ended December 31, 2002 was $0.30.

6. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION (continued)

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

Net loss for the year ended December 31, 2002, as reported	$	(236,855)
Compensation expense related to the fair value of stock options		(69,560)
Pro forma net loss for the year ended December 31, 2002	$	(306,415)
Basic loss per share, as reported	$	(0.04)
Pro forma basic loss per share	$	(0.05)

7. COMMITMENTS

a) The Company is committed to minimum expenditures in respect of its Michaud gold property, if it wishes to earn certain interests in the property, as described in Note 3.

b) The Company raised $22,500 during the year ended December 31, 2003, and $403,025 during the year ended December 31, 2002 through flow-through financings to fund its exploration activities. The funds raised for the flow-through must be spent on qualified mineral exploration and are restricted to Canadian Exploration Expenditures ("CEE") as defined in the Canadian Income Tax Act. The Company then renounces the expenses which flow-through to the subscribers and allows them to claim the expenditures for income tax purposes.

   On December 31, 2003 the Company renounced $22,500 and on December 31, 2002, the Company renounced $403,025 in CEE to eligible shareholders. Pursuant to the flow-through share agreements and the Canadian Income Tax Act, the Company is committed to spending flow-through share proceeds by December 31, of the year following the year renounced. The Company is required to pay interest, at rates set by the taxation authority, on the monthly-unexpended balance of the funds. An additional penalty of 10% may be required if the renounced amounts are not spent by that time.

   As at December 31, 2003, the Company has spent the $403,025 on exploration activities relating to the 2002 financing and $22,500 on exploration activities relating to the 2003 financing.

8. RELATED PARTY TRANSACTIONS

The Company incurred costs for legal fees and disbursements of $62,252 (2002: $50,221; 2001: $49,450) charged by a law firm of which a director of the Company is a principal. Accounts payable includes $630 (2002: $5,976; 2001: $72,375) due to the law firm.

The Company incurred management fees of $86,000 (2002: $42,000; 2001: $Nil) and equipment rental charges of $10,068 (2002: $6,628; 2001: $Nil) charged by a company owned by a director of the Company.

8. RELATED PARTY TRANSACTIONS (continued)

The Company incurred consulting fees of $8,200 relating to the exploration of the Michaud Property (2002: $38,094; 2001: $Nil) charged by a company owned by a director.

Accounts payable includes $Nil (2002: $5,062) due to a company owned by a director of the Company.

9. CORPORATION INCOME TAXES

At December 31, 2003, the Company has accumulated resource deduction expenses totalling $181,459 and non-capital losses totalling $813,409 available to reduce taxable income of future years. The non-capital losses expire as follows:

2007	$	55,156
2008		91,793
2009		270,556
2010		395,904
	$	813,409

The significant components of the Company's future income tax assets are as follows:

		2003		2002		2001
Non-capital losses	$	322,302	$	165,415	$	65,539
Resource deduction expenses		71,894		9,905		-
		394,196		175,320		65,539
Less: valuation allowance		(394,196)		(175,320)		(65,539)
	$	-	$	-	$	-

The potential income tax benefit of these losses and expenses have not been recorded in the financial statements due to the uncertainty of realization.

10. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the cash flow statement.

10. NON-CASH TRANSACTIONS (continued)

During the year ended December 31, 2003, the following transactions were excluded from the statement of cash flows:

a) The Company optioned a partial interest in the Raglan Ungava mineral claims and received the first of three scheduled payments, consisting of $15,000 in cash and $23,250 in shares of the purchaser. The Company issued 100,000 shares with a fair value of $25,000 as a finder's fee in respect of the transaction (Note 3).

b) The Company issued 35,000 common shares as agent's fees.

During the year ended December 31, 2002, the following transaction was excluded from the statement of cash flows:

The Company issued 83,400 shares at a value of $25,000 as a finders fee on acquisition of the Michaud Property (Note 3).

11. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The mineral properties are located in Canada in the provinces of Ontario and Quebec.

12. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") conform to those generally accepted in the United States ("U.S. GAAP"), in all material respects, except as noted below:

Reconciliation of losses reported to U.S. GAAP:		**2003**		2002		2001
Net loss as reported in accordance with Canadian GAAP	$	**(453,279)**	$	(236,855)	$	(91,797)
Adjustments:						
Mineral property costs expensed		**(219,341)**		(362,643)		(25,000)
Future income tax benefit related to flow-though shares		**8,469**		51,806		-
Stock-based compensation		**-**		(69,560)		-
Net loss under U.S. GAAP	$	**(664,151)**	$	(617,252)	$	(116,797)
Net loss per share under U.S. GAAP	$	**(0.07)**	$	(0.10)	$	(0.04)

Stock-based compensation - The Company records compensation expense for U.S. GAAP purposes following the fair value method of accounting for stock options issued to employees. The Company uses the Black-Scholes option pricing model to value its stock options as described in Note 6.

12. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148 ("FAS 148"), "Accounting for Stock-Based Compensation - Transition and Disclosure". FAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FAS 148 amends the disclosure requirements of FAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. FAS 148 is effective for fiscal years ending after December 15, 2002. As the Company adopted the fair value based method of accounting for stock options for its fiscal year ending December 31, 2002, implementation of FAS 148 had no impact on the Company's financial position or results of operations.

Flow-through shares - Under U.S. GAAP, proceeds from the sale of flow-through shares would be classified as restricted cash until the expenditure actually occurs. As at December 31, 2002, for U.S. GAAP purposes, $40,382 would have been restricted.

During the year ended December 31, 2002, the Company issued 1,151,500 flow-through shares. Under U.S. GAAP, proceeds from the financing are allocated amongst the fair value of the stock issued and the price the investor pays. The difference between the fair value and the price paid is recognized as a liability for accounting purposes. The liability is relieved and the corresponding future tax liability is recorded when the Company renounces its exploration expenditures to the flow-through share investors. The Company renounced $403,025 during the year December 31, 2002 and a corresponding tax benefit of $51,806 was recorded.

As of December 31, 2002, $5,769 remained in the liability account relating to the flow-through expenses. As of December 31, 2003, all amounts renounced had been expended, the liability account relating to the flow-through expenses was $Nil, and a tax benefit of $8,469 was recorded for the year then ended.

Net loss per share and escrow shares - Under U.S. GAAP, performance-based escrow shares are considered to be contingently issuable until the performance criteria has been satisfied and are excluded from the computation of the weighted average of shares outstanding. The Company's escrow shares are not performance-based and therefore no adjustments have been made to the calculation of loss per share.

On November 2, 2001, the Company entered into an escrow agreement for 1,283,415 shares. The shares are being released from escrow on a pro-rata basis at 15% semi-annually, with the final release scheduled for May 21, 2005. As of December 31, 2003 there were 577,537 shares still held in escrow (Note 4).

Mineral properties - Under Canadian GAAP, acquisition and exploration costs are capitalized. Under U.S. GAAP, costs are expensed as incurred unless commercial feasibility is established.

12. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

Under U.S. GAAP, mineral properties are reviewed by management for impairment whenever circumstances change which could indicate that the carrying amount of these assets may not be recoverable. Such review has not been completed as there are no capitalized properties for U.S. GAAP purposes.

Reconciliation of total assets, liabilities, and shareholder equity to U.S. GAAP:

	2003	2002
Total assets under Canadian GAAP	$ **1,717,723**	$ 972,513
Adjustments to U.S. GAAP	**(606,984)**	(387,643)
Total assets under U.S. GAAP	**$ 1,110,739**	$ 584,870
Total liabilities under Canadian GAAP	**$ 98,983**	$ 15,454
Adjustments to U.S. GAAP	**-**	46,151
Total liabilities under U.S. GAAP	$ **98,983**	$ 61,605
Total stockholders' equity under Canadian GAAP	**$ 1,618,740**	$ 957,059
Adjustments to U.S. GAAP	**(606,984)**	(433,794)
Total equity under U.S. GAAP	**$ 1,011,756**	$ 523,265
Total equity and liabilities under U.S. GAAP	**$ 1,110,739**	$ 584,870

12. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

Reconciliation of statements of cash flows to U.S. GAAP:

		2003		2002		2001
Cash provided by (used in) operations under Canadian GAAP:						
Net loss as reported in accordance with Canadian GAAP	$	**(453,279)**	**$**	**(236,855)**	$	(91,797)
Adjustments:						
Mineral property costs expensed		**(219,341)**		(362,643)		(25,000)
Future income tax benefit related to flow-though shares		**8,469**		51,806		-
Stock-based compensation		**-**		(69,560)		-
Net loss under U.S. GAAP		**(664,151)**		(617,252)		(116,797)
Add (deduct) items not involving cash:						
Stock-based compensation		**112,000**		69,560		
Future income tax benefit related to flow-though shares		**(8,469)**		(51,806)		-
Changes in non-cash working capital balances		**61,067**		(130,218)		104,207
Cash used in operations under U.S. GAAP	$	**(499,553)**	$	(729,716)	$	(12,590)
Cash used in financing activities under Canadian GAAP:						
Shares issued	**$**	**977,960**	$	1,282,893	$	-
Deferred share issue costs		**-**		-		(22,375)
Cash provided by (used in) financing activities under U.S. GAAP	**$**	**977,960**	$	1,282,893	$	(22,375)
Cash provided by (used in) investing activities under Canadian GAAP:						
Proceeds from sale of partial interest in mineral property	**$**	**15,000**	$	-	$	-
Increase in mineral properties		**(232,591)**		(362,643)		-
Adjustments to U.S. GAAP		**217,591**		362,643		-
Cash used in investing activities under U.S. GAAP	$	-	$	-	$	-

12. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

Under U.S. GAAP the Company must provide a reconciliation of the numerators and the denominators of basic and diluted earnings per share:

		2003		2002		2001
Numerator						
Net loss	**$**	**(664,151)**	$	(617,252)	$	(116,797)
Denominator						
Weighted average number of common shares outstanding		**9,866,402**		6,118,716		3,165,414
Basic and diluted net loss per share	**$**	**(0.07)**	$	(0.10)	$	(0.04)

Diluted net loss per share reflects the potential dilution of securities that could result from the exercise of dilutive options and warrants. As of December 31, 2003, the Company had 1,305,000 (2002: 740,000, 2001: Nil) stock options outstanding and 8,893,733 (2002: 5,683,633, 2001: Nil) warrants outstanding which have not been included in the calculation of diluted net loss per share because their effect would have been antidilutive.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted could have a material effect on the accompanying financial statements.

ACREX VENTURES LTD.

SCHEDULE B

For the 12-month ended December 31, 2003

1. Breakdown of expenditures: For a breakdown of the Company's General and Administrative expenses see details provided in Statements of Earnings and Deficit in Schedule "A".

The following is a breakdown of the Company's exploration costs:

Assays	$ 5,554
Consulting	53,888
Core facility	3,850
Drilling	98,538
Field vehicles	6,906
Lodging	5,987
Surveying and linecutting	30,814
Travel	3,654
Other – misc.	5,198
Total	$214,389

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

See details in Note 8 in Schedule "A".

3. For the quarter under review – September 30, 2003 to December 31, 2003

The Company issued 3,594,000 common shares, as follows:

Date	Number	Type	Price/consideration
December 8/03	100,000	Finder's fee	Deemed $0.22
October 9/03	90,000	Private placement/ flow through	$0.25
October 9/03	3,384,000	Private placement	$0.22
October 9/03	20,000	Finders fee	Deemed $0.22
	3,594,000		

The Company issued, effective October 9, 2003, 2,431,800 share purchase warrants – each entitling the purchase of one additional share of the Company, exercisable at $0.28 per share, until April 30, 2005.

No warrants were exercised.

No options or warrants were granted during the period.

4. As at December 31, 2003

Particulars of authorized capital:	Authorized:	25,000,000 common shares
	Issued:	13,167,616 common shares

Options outstanding:	Options are outstanding on 1,305,000 shares. The options are held by insiders of the Company as follows:

Insider Optionees	Shares ex. @ $0.30 before June 30/2007	Shares ex. @ $0.28 before Nov. 8, 2003
T.J. Malcolm Powell	200,000	340,000
Frank Lang	100,000	25,000
Gregory Crowe	150,000	75,000
Arthur Troup	100,000	100,000
Carl Jonsson	50,000	25,000
TOTAL:	600,000	565,000

Convertible securities outstanding: Nil

Warrants outstanding:

(i) 4,764,600 – entitling purchase of 4,764,000 shares exercisable until May 17, 2004 at $0.40 per share

(ii) 633,333 – entitling purchase of 633,333 shares exercisable until May 30, 2004 at $0.40 per share.

(iii) 1,064,000 – entitling purchase of 1,064,000 shares exercisable until October 29, 2004 at $0.27 per share.

(iv) 2,431,800 – entitling purchase of 2,431,800 shares exercisable until April 30, 2005 at $0.28 per share

Total number of shares in escrow: 577,537

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

Exploration – Michaud, Ontario property

As previously reported, the Company, by an agreement dated September 1, 2001, amended January 17, 2003, obtained an option to earn interest varying between 50% and 70% in the Michaud property near Timmins, Ontario. The Company has satisfied all its obligations with respect to work on the Michaud property to date. To complete the earning of a 50% interest in a portion of the property the Company must spend $1,000,000 on exploration work on the property. As of March 31, 2004, the Company had spent $882,473. The Company plans to recommence a drilling programme on the property after Spring break-up – on which it will expend not less than the remaining $117,527 necessary to reach the $1,000,000 target and complete the earning of the 50% interest.

A new NI 43-101 report, dated April 8, 2004, has been prepared for the Company by an independent Qualified Person, Mr. Hank Meixner, P.Geo. Additional old technical reports received from Barrick in late 2003 included a revised resource calculation on the Southwest Zone incorporating data from the 44 1997 drill holes completed after the original 1996 resource calculation. Mr. Meixner has reviewed and reported on both resource calculations. The 1996 Barrick resource was described by Mr. Meixner in his 2001 report as an inferred resource estimate of 2.4 million tonnes average 6.07 g/t gold over a width of 6.4 meters and estimated to contain 468,000 ounces of gold. The 1997 Barrick recalculation upgraded this inferred resource to 3.2 million tonnes averaging 5.98 g/t gold over an average width of 3.8 meters, estimated to contain approximately 624,500 ounces of gold. Mr. Meixner's Reports can be viewed by visiting www.sedar.com.

The Company's principal business objective will be to continue exploration work on the Michaud property so long as it continues to get encouraging results.

Change of Auditors

The Company has, in past years, engaged the services of its auditors, Bedford Curry & Co., Chartered Accountants ("Bedford"), of Vancouver, B.C. to assist in the preparation of the year-end and quarterly financial statements. Also, because the Company has not maintained separate accounting facilities, it has used the services of staff at Bedford to keep its accounting records posted. The SEC advised the Company, only in October of this year, in spite of a number of financial statements that have been prepared by Bedford having been submitted to the SEC, that Bedford was no longer considered sufficiently independent of the Company to qualify under SEC rules as the Company's auditors. This position is, of course, in compliance with the new SEC concerns and rules that have arisen out of the Arthur Andersen, Enron, etc. scandals. Bedford has agreed to resign as the Company's auditors – although the Company intends to continue to use the services of Bedford for other book-keeping and accounting services. The Directors appointed, as the Auditors pending the next general meeting of the shareholders, Amisano Hanson, Chartered Accountants, of Vancouver, B.C. Amisano Hanson have audited the Statements to be presented to the forthcoming meeting. Amisano Hanson will also re-audit the financial statements that have been presented to the SEC for the fiscal year December 31, 2002, with comparative figures for preceding years.

Working capital

As of the close of business December 31, 2003 the Company had $1,011,756 in working capital on hand.

Additional equity financing

On October 31, 2003 the Company closed private placement sales of 3,474,000 Units. Of these, 90,000 Units were sold on a flow-through basis at $0.25 per Unit, and 3,384,000 were non-flow-through Units sold at $0.22 per Unit – which provided the Company with gross proceeds of $766,980. Each Unit consisted of 1 share of the Company and ½ of a share purchase warrant. Each full warrant entitles the holder to purchase an additional share of the Company for $0.28 per share until April 30, 2005. The sales of the Units were made on behalf of the Company by Canaccord Capital Corporation pursuant to an earlier signed Agency Agreement. The Company paid them, in consideration of their efforts, a 9% cash commission of $69,028.20, a cash administration fee of $5,000 and payment of the fees Canaccord incurred with its lawyers with respect to their review of the placement. The Company also issued Canaccord 20,000 shares as part of its commission and also issued Canaccord 694,800 share purchase warrants, which are also exercisable to buy 694,800 shares at $0.28 on or before April 30, 2005. The shares which were issued as part of the placement and to Canaccord are subject to a 4-month non-trading hold period which will expire February 28, 2004.

Significant financial statement items

As the Company, in 2003, conducted significant exploration work on the Michaud property, it had higher exploration expenditures in the year than in 2002.

Grant of additional incentive options

Effective November 5, 2003 share purchase options – as to a total of 565,000 shares of the Company – were granted to the directors and officers. The options are exercisable at $0.28 per share.

The Company earlier established an Option Plan which was approved at the general meeting of the shareholders held June 4, 2003. It basically, in conformity with the rules of the Exchange, allows the Company to grant options as to a maximum number of shares which will not exceed 10% of the then issued shares of the Company. The Company had previously granted options on 740,000 shares, exercisable at $0.30 per share, none of which have been exercised. With the grant of the further 565,000 shares on November 5, 2003 the Company now has options outstanding as to a total of 1,305,000 shares – which is approximately 10% of the Company's issued shares as at the date hereof.

Comparison of budgeted versus actual expenditures

The Company, in its February 20, 2002 prospectus, forecast general and administrative expenses for the following 12 months at $8,000 per month plus the costs of the prospectus offering of $35,000 – a total of $131,000. However, for the fiscal year ended December 31, 2002 the Company's general and administrative costs totaled $240,433. Management found that, notwithstanding its attempts to control costs, they were substantially higher than expected. One particular item was $58,898 for Investor Relations – an activity that was not anticipated at the date of the Prospectus but which Management subsequently concluded was necessary. Difficulties in getting the Prospectus finalized also resulted in higher than anticipated legal and accounting costs.

In 2003 the expenses (excluding the deemed costs of options granted) averaged a little in excess of $30,000 per month.

Public and Shareholders relations

The Company does not presently have any permanent public relations or shareholder relations agreements – and is conducting its own efforts in that regard with use of temporary assistance. The Company maintains a regularly updated website – www.acrexventures.com.

DATED: April 20, 2004.

ON BEHALF OF THE BOARD OF DIRECTORS