

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

JUNE 30, 2003

1. NOTICE TO READER
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**BEDFORD CURRY & CO.,
CHARTERED ACCOUNTANTS**

MICHAEL J. BEDFORD INC.
FERNANDO J. COSTA INC.

NOTICE TO READER

We have compiled the balance sheet of ACREX Ventures Ltd. as at June 30, 2003 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
August 15, 2003

**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,	
	2003	2002	2003	2002
REVENUE				
Interest (recovery)	\$ (981)	-	\$ 6,925	-
EXPENSES				
Legal	14,262	35,551	40,481	38,876
Management fees	18,000	6,000	36,000	6,000
Consulting	11,707	-	25,887	-
Office and general	18,531	6,756	23,897	8,515
Promotion and travel	12,092	3,122	16,462	3,122
Accounting	5,470	2,250	14,070	5,993
Legal disbursements	12,071	-	12,071	-
Rent	3,600	1,200	10,731	1,200
Filing fees (recovery)	(3,735)	1,845	5,500	3,895
Transfer agent fees	3,661	4,263	4,761	5,010
Property evaluation cost (recovery)	(2,549)	-	2,717	-
Insurance	2,188	1,750	2,188	1,750
Investor relations (recovery)	(1,796)	997	1,848	997
	93,502	(63,734)	196,613	(75,358)
NET LOSS	(94,483)	(63,734)	(189,688)	(75,358)
Deficit, beginning of period	(3,014,269)	(2,693,833)	(2,919,064)	(2,682,209)
DEFICIT, end of period	\$ (3,108,752)	(2,757,567)	\$ (3,108,752)	(2,757,567)
LOSS PER SHARE - BASIC				
	\$ (0.011)	(0.015)	\$ (0.022)	(0.014)
WEIGHTED AVERAGE				
NUMBER OF SHARES OUTSTANDING	8,422,366	4,357,983	8,806,116	5,373,750

ACREX Ventures Ltd.

BALANCE SHEET

Unaudited - See Notice to Reader

	June 30, 2003	December 31, 2002
ASSETS		
Current		
Cash	\$ 573,270	554,856
Accounts receivable	28,630	30,014
	601,900	584,870
Mineral properties [Note 2]	472,835	387,643
	\$ 1,074,735	972,513
LIABILITIES		
Current		
Accounts payable	\$ 21,950	15,454
SHAREHOLDERS' EQUITY		
Share capital [Note 3]	4,161,537	3,876,123
Deficit	(3,108,752)	(2,919,064)
	1,052,785	957,059
	\$ 1,074,735	972,513

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,	
	2003	2002	2003	2002
OPERATIONS				
Net loss	\$ (94,483)	(63,734)	\$ (189,688)	(75,358)
Changes in non-cash working capital balances:				
Decrease (increase) in accounts receivable	(13,968)	(12,523)	1,384	(12,373)
Decrease (increase) in prepaid expenses	-	(80,000)	-	(80,000)
Increase (decrease) in accounts payable	(56,894)	(104,215)	6,496	(86,447)
	(165,345)	(260,472)	(181,808)	(254,178)
FINANCING				
Shares issued for cash	292,914	1,100,168	285,414	1,092,543
Share subscriptions received	-	250,000	-	250,000
	292,914	1,350,168	285,414	1,342,543
INVESTING				
Exploration expenditures	(5,961)	(21,242)	(85,192)	(21,242)
Increase in cash	121,608	1,068,454	18,414	1,067,123
Cash, beginning of period	451,662	348	554,856	1,679
CASH, end of period	\$ 573,270	1,068,802	\$ 573,270	1,068,802

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2003

1. NATURE OF OPERATIONS

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.

2. MINERAL PROPERTIES

	Michaud	Nunavik	Total
Acquisition costs			
Balance, beginning of period	\$ 25,000	-	25,000
Acquisition fees	-	18,202	18,202
Balance, end of period	25,000	18,202	43,202
Exploration costs			
Balance, beginning of period	362,643	-	362,643
Third party exploration	57,284	-	57,284
Consulting	9,706	-	9,706
Balance, end of period	429,633	-	429,633
Balance, end of period	\$ 454,633	18,202	472,835

The Mineral Properties are located in Canada in the provinces of Ontario and Quebec.

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2003

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:

	June 30, 2003		December 31, 2002	
	Number	Amount	Number	Amount
Balance, beginning of period	8,038,616	\$ 3,876,123	3,342,216	\$ 2,590,605
Shares issued for cash	1,520,000	334,400	4,608,000	1,439,975
Finders fee	-	-	83,400	25,000
Warrants exercised	-	-	5,000	1,500
Share issue costs	15,000	(48,986)	-	(180,957)
Balance, end of period	9,573,616	\$ 4,161,537	8,038,616	\$ 3,876,123

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

As at June 30, 2003:

Exercise Price	Outstanding December 31, 2002	Granted	Exercised	Outstanding June 30, 2003	Expiry date
\$0.30	740,000	-	-	740,000	June 3, 2007

Warrants - The Company has issued stock warrants as follows:

As at June 30, 2003:

Exercise Price	Outstanding December 31, 2002	Issued	Exercised	Outstanding June 30, 2003	Expiry date
\$0.35	285,700	-	-	285,700	September 13, 2003
\$0.40	2,823,167	-	-	2,823,167	May 17, 2004
\$0.40	1,151,500	-	-	1,151,500	May 17, 2004
\$0.40	789,933	-	-	789,933	May 17, 2004
\$0.40	633,333	-	-	633,333	May 30, 2004
\$0.27	-	1,064,000	-	1,064,000	October 29, 2004
	5,683,633	1,064,000	-	6,747,633	

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2003

4. RELATED PARTY TRANSACTIONS

The Company incurred legal fees of \$39,077, from a law firm of which a director is a member. Accounts payable and accrued expenses includes \$5,990 due to the law firm.

The Company incurred management fees of \$36,000 and equipment rental of \$5,034 from a company owned by a director of the Company.

The Company incurred geologist fees of \$5,600 from a company owned by a director of the Company.

BC FORM 51-901F
QUARTERLY REPORT

Incorporated as part of: **Schedules B & C**

ISSUER DETAILS:

NAME OF ISSUER ACREX VENTURES LTD.

FOR QUARTER ENDED JUNE 30, 2003

DATE OF REPORT AUGUST 25, 2003

ISSUER ADDRESS 1400 - 570 GRANVILLE STREET, VANCOUVER,
BRITISH COLUMBIA, V6C 3P1

ISSUER TELEPHONE NUMBER 604-277-1752

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”

NAME OF DIRECTOR *SIGN (TYPED)*

03/08/25

DATE SIGNED (YY/MM/DD)

“CARL R. JONSSON”

NAME OF DIRECTOR *SIGN (TYPED)*

03/08/25

DATE SIGNED (YY/MM/DD)

ACREX VENTURES LTD.

SCHEDULE B

For the 6-month ended June 30, 2003

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

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

See details in Note 4 in Schedule "A".

3. For the quarter under review – April 1, 2003 – June 30, 2003

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 June 30, 2003

Particulars of authorized capital:	Authorized: 25,000,000 common shares
	Issued: 9,573,616 common shares

Options outstanding:	Options are outstanding on 740,000 shares, exercisable at \$0.30 per share on or before June 3, 2007
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Convertible securities outstanding:	Nil
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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 17, 2004 at \$0.40 per share
	(iii) 1,151,500 – entitling purchase of 1,151,500 shares exercisable until May 17, 2004 at \$0.40 per share
	(iv) 2,823,167 – entitling purchase of 2,823,167 shares exercisable until May 17, 2004, at \$0.40 per share
	(v) 633,333 – entitling purchase of 633,333 shares exercisable until May 30, 2004 at \$0.40 per share.
	(vi) 1,064,000 – entitling purchase of 1,064,000 shares exercisable until October 29, 2004 at \$0.27 per share.

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

As previously reported, the Company, by an agreement dated September 1, 2001, obtained an option to earn a 60% interest in the Michaud property near Timmins, Ontario. The Company was able to satisfy its first year's obligations with respect to work on the Michaud property by conducting, in mid-2002, a drilling programme on the property which consisted of 9 drill holes averaging depths of up to 300 meters – for a total of 3,038.5 meters (approximately 9,969 feet) – at a cost of approximately \$400,000. The drilling programme was preceded by geophysical programmes on portions of the property and a compilation, review and assessment of all available existing data on work done on the property by previous owners or optionees.

Subsequent to the completion of the 2002 drilling programme the Company did additional geophysical programmes on a portion of the property.

As a result of the work done on the Michaud property in 2002 the Company has identified significant gold mineralization over a strike extent of approximately 2.5 kilometers. The property includes an additional approximately 6.5 kilometers of strike. As a result of an analysis of the 2002 exploration work a further drilling programme has been recommended to Management – which the Company expects to initiate as soon as local conditions permit. It is now expected that the programme will consist of 4-5 drill holes at a total cost of between \$125,000 and \$150,000.

Effective April 29, 2003 the Company closed a brokered private placement of 1,520,000 Units at \$0.22 each providing the Company with gross proceeds of \$334,000.

It is estimated that as of the close of business August 20, 2003 the Company had approximately \$540,000 in working capital on hand.

Effective January 17, 2003 the Company signed an Amendment Agreement with the owner of the Michaud property, Moneta Porcupine Mines Inc., amending the 2001 Agreement. In the Amendment the Property is essentially divided into an eastern smaller portion. In this eastern portion the Company will continue to have the right to earn a 60% interest. The Company will be able to extend the deadline for earning a 60% interest by the completion of a bankable feasibility study, from May 15, 2007 to May 15, 2010, by paying the following amounts to Moneta (or issuing Acrex shares of equivalent value): May 15, 2007 - \$50,000 / May 15, 2008 - \$150,000 / May 15, 2009 - \$250,000. This portion of the Property contains the inferred resource established by Barrick in 1996 of 2.4 million tons averaging 6.07 grams of gold per ton (or a total of 468,400 ounces of gold).

In the larger western portion of the Property the Company can now complete the earning of a 50% interest by spending a total of \$1,000,000 on the Property (including the approximately \$400,000 already spent) by May 15, 2004. Acrex can increase its interest in the balance of the Property to 70% by giving Moneta a notice (which will create a firm obligation) that Acrex may spend an aggregate total of \$2,750,000 on the Property by May 15, 2007.

The Company completed the filing of an Amended Form 20F Registration Statement with the United States Securities and Exchange Commission – which became effective April 21, 2003. The amended 20F was filed in response to vetting comments received from SEC staff and to update the information contained in the document.

Because the 2nd quarter of 2003 was a period of considerable activity by the Company its general and administrative expenses for the quarter of \$93,502 (after taking credits for some expense recoveries) exceeded the expenses incurred during the equivalent quarter of 2002.

To expand the Company's mineral property base it has acquired a block of newly staked claims in the Ungava area of northern Quebec. The claims are in an area which has had considerable exploration activity in recent months. The Company has not sought any recommendations from its geologist as to any work to be done on the claims and has no present plans to conduct work on the claims.

As part of the Company's 2002 Prospectus offering it issued 1,151,500 "A" Warrants and 789,993 Broker Warrants. Each of these Warrants was exercisable on or before May 15, 2003 to purchase an additional share of the Company for an exercise price of \$0.35 per share. The Company has extended the term of the Warrants by one year to May 16, 2004 – at an increased exercise price of \$0.40 per share.

The Company entered into an Agreement dated March 21, 2003 to engage Windward Communications & Consulting of Charlotte, North Carolina, U.S.A. to assist it in its shareholder and promotional activities. The Company and Windward have agreed to terminate the agreement effective September 2, 2003.

DATED: August 25, 2003

ON BEHALF OF THE BOARD OF DIRECTORS