

Acrex Ventures Moves Into Fast Lane On The 'Golden Highway'

By Gary Brooks
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Acrex Ventures Ltd. ([TSX.V-AKV](#)) is a Vancouver-based junior exploration company focusing on the development of advanced gold, platinum group metals (PGMs) and base metals properties. The company has attracted considerable interest over the last several years through strategic property acquisitions in two of Canada's most important mining regions -- the historic Timmins/Porcupine Mining Camp and the Raglan Belt on the Ungava Peninsula in northern Quebec.

Through a combination of experienced management and shrewd acquisitions, Acrex is poised to become a strong performer in 2004, especially in a revitalized market for gold, PGMs and base metals. This is particularly the case with the very recent announcement of the "exceptional" drill results, (see [www.acrexventures.com/news_releases/April 22, 2004](http://www.acrexventures.com/news_releases/April_22_2004)), which will be discussed later in the story.

Manning the helm of Acrex since mid 2000 is Malcolm Powell, President and CEO. He benefits from a wealth of entrepreneurial experience. Moreover, he was in charge of corporate communications for the renowned Lang Mining Group and has played a key role in raising millions of dollars for the various companies under the Lang Mining Group umbrella. Along with Malcolm Powell's management expertise, Acrex possesses a solid exploration and project development team, represented by some of the most renowned engineers and geologists in the business.

Frank Lang, Chairman, has been involved in the operation and financing of junior resource companies for over 30 years. Among his many achievements, he has created literally billions of dollars in shareholder value in companies with which he has been associated. For instance, he was instrumental (along with former partner Richard Hughes) in the discovery of the Belmoral Gold Mine in 1975. Following that, Frank Lang and Richard Hughes shared the Developer of the Year Award for the discovery of the Golden Giant Mine -- the first mine in production in the Hemlo area in Ontario. Hemlo and the associated South Zone deposit were discovered in 1982 by two of the original Hughes-Lang group of companies, Golden Sceptre and Goliath Gold Mines. The Golden Giant deposit has produced gold since 1985 and has had gold reserves and production estimated at approximately seven million ounces. Moreover, the Hemlo gold find was one of the most important Canadian discoveries since the 1930s. Both Golden Sceptre and Goliath catapulted from around \$1 to over \$90 a share prior to a three-for-one stock split. Other key discoveries in which Frank Lang has

been involved include the Ferderber Mine and the Beacon Mine, both in Val D'Or, Quebec, as well as the Sleeping Giant Mine of Aurizon Mines Ltd.

Fellow director Gregory Crowe brings to Acrex over 25 years of exploration, business and entrepreneurial experience throughout North America, Latin America, Africa, Mongolia and Southeast Asia. During this time, he has worked for a number of major and junior exploration and mining groups and has served on the Board of Directors of several resource companies. After leaving Anaconda Canada in 1984, Greg co-founded and became President of Azimuth Geological Inc. This private company provided exploration and management services to the mining sector, including companies such as Rio Algom, Westmin Mines and the Prime Group. From 1994 to 1998, Greg was instrumental in helping to transform Yuma Copper Corp. from a junior resource company with no assets into a copper producer with two active mines in Chile. Between 1998 and the present, Greg has provided consulting services and has served on the Board of Directors of several other junior resource companies worldwide. Mr. Crowe is currently the President and CEO of Entrée Gold Inc.

Rounding out Acrex's geological team is Arthur Troup, P. Eng., an accomplished mining industry veteran and company director, who has also served as Vice President, Exploration of Cream Minerals Ltd since 1987. He also serves as Vice President, Exploration of Valerie Gold Resources Ltd. and Emgold Mining Corporation, and President and director of Sultan Minerals Inc. Mr. Troup has 30 years of experience in the mining industry in North America, South America, Southeast Asia and North Africa working for Rio Algom Exploration, Teck Corporation, Canada Nickel Corporation, Placer Dome Canada Limited and the Geological Survey of Canada.

The principal focus of Acrex is gold. In this regard, the company is targeting medium to high-grade gold resources in the fabled Timmins/Porcupine Camp in Northern Ontario. The area is noted for hosting richly mineralized and very deep deposits with relatively large down-plunge extensions. Such deposits are a mining engineer's dream date. Mines located in such deposits enjoy the rare advantage of high-grade resources, excellent economy and long life. For instance, the venerable Dome Mine, which, at 1800 metres in depth, is still a premier producer after 94 years.

The Porcupine Camp is the western limit of the Destor Porcupine Fault Zone which extends 200 kilometres eastward from Timmins, Ontario to Destor in Quebec. The DPFZ, also known as the "Golden Highway", is located in the Abitibi Greenstone Belt, which is widely acknowledged to be one of the most prolific Archean greenstone belts in the world, having produced nearly 100 million ounces of gold to date.

The region is presently moving into another exploration boom. Recent discoveries such as the Kinross Hoyle Pond complex and Royal Oak Mine's

Nighthawk group of properties, (now the Porcupine joint venture between Placer Dome Inc. and Kinross Gold Corporation), Kinross' Aquarius project and Band-Ore Resource's Thorne Gold Property discovery have added 20 million ounces to the mining camp's resources.

Acrex Ventures principal area of interest is the strategically located Michaud Property. Acrex has the right to earn a 60% interest in the Southwest Zone area and up to a 70% interest in the remainder of the property from Moneta Porcupine Mines Ltd. Michaud lies on the DPFZ, 20 kilometres west of Barrick's Holt McDermott Mine and Newmont's Holloway Mine, which also lie on the historic fault. Both the Holt McDermott and the Holloway Mines are currently in production. Significantly, Barrick mills the ore from both mines at its McDermott facility. Each mine contains a total outlined resource of approximately 1.2 to 1.4 million ounces, including previous production and current reserves.

Michaud is the amalgamation of several historical properties. It includes some of Moneta Porcupine Mines patented ground from the 1950s, leases originally staked in the early 1980s by Nufort Resources that evolved into the Moneta Porcupine Mines/Nufort Resources joint venture, and Moneta Porcupine staked claims from the late 1990s. Subsequent to 1998, Moneta assumed a 100% interest in the Moneta/Nufort leases. The property was optioned to Barrick in 1994 and from 1994 to 1997, Barrick carried out drilling on ground to the north of Acrex's Michaud property and in the area of the Southwest Zone. In late 1996, Barrick prepared a preliminary resource estimate of the Southwest Zone, based on information from 100-plus drill holes. The preliminary estimate resulted in an inferred resource of 3.2 million tonnes averaging 5.98 g/tonne over an average width of 3.8 metres and containing approximately 624,500 ounces of gold.

During the big chill in the gold market beginning in 1998, the going got tougher for the gold sector as gold prices and investor interest declined. Subsequently Barrick decided to lighten its exploration load and returned the property to Moneta. However, Barrick's parsimony proved to be good fortune for Acrex when the company optioned the valuable asset from Moneta in 2001.

Under the terms of the agreement with Moneta, Acrex can earn a 60% interest in the Southwest Zone portion of the property by completing a bankable feasibility study within five years, and by expending Cdn. \$1 million in exploration over three years on the remaining property to vest at 50%. Acrex can increase its interest in the balance of the property to 70% by giving notice to Moneta by December 31, 2004 and by spending an aggregate total of \$2,750,000 on the property by May 15 2007.

To date, Acrex has expended \$905,000 in exploration on the property. During the first week of July, drilling will continue on the 55 Zone. This drill program will take Acrex's expenditures to just over the \$1 million mark, which will fulfill the

company's financial commitment to earn a 50 per cent interest in all of the property with the exception of the South Zone and the Southwest Zone.

Meanwhile, Barrick's 1996 resource estimate covers the Southwest Zone, with blocks extending into the South Zone to the east and the "04" Zone to the west. It is particularly worth noting that the Michaud Property covers over nine kilometres of strike length along the complex Destor-Porcupine structure. The Southwest area resource (624,500 ounces with an average grade of 5.98 g/tonne of gold over an average width of 3.8 metres) extends over approximately 750 metres of strike length or less than 10% of the key mineralized horizon of the Michaud claims. A large portion of the 624,500-ounce inferred resource was calculated to lie above the 400-meter level. Two additional blocks of ore were included in this resource. These blocks extended to 800 and 1,000 vertical metres based upon information gleaned from one drill hole per block.

Numerous drill intercepts returned values between two and eight g/tonne gold over several metres. However, several individual assays yielded significantly higher values. Some examples of these include: 51.33 g/tonne gold over 0.9 metres, 32.38 g/tonne over 1.8 metres and 19.5 g/tonne over 1.5 metres. Drilling to depth in the Southwest Zone returned values as high as 7.96 g/tonne over 10.8 metres, 8.24 g/tonne over 4.2 metres and 5.81 g/tonne over 3.0 metres at a depth of approximately 600m and 6.08 g/tonne over 8.5 metres and 2.1 g/tonne over 68 metres at a depth of approximately 950 metres. Drill intercepts of 7.96 g/tonne over 10.8 metres at 600 metres and 6.0 g/tonne over 8.5 metres at 1000 metres attest to the relatively untested depth extensions to the mineralized system. A large percentage of the property below the 400-500 metre level remains untested.

These results point to the potential of high-grade mineralization to a depth of 1000 metres. This has led Acrex to re-evaluate all the data in the area. The company now believes that the structural model of the system is more complex than Barrick had originally thought when it held the option on Michaud. This suggests there is the potential to delineate a significant gold resource on the property.

In late 2002 and 2003, Acrex completed an additional four drill holes in the "55" Zone which now has a strike length of over 400 meters, for an overall total of 1,751 metres. Results from this drilling program continue to enhance the potential of both the "55" and newly discovered "Western Zones". Significantly, the results from the Western Zone have extended the known strike length of the mineralized system on the Michaud an additional two kilometres. The first two holes in the recent exploration program were drilled in the "55" Zone in order to establish continuity and expand upon existing gold bearing zones. The historical Barrick drill hole MN97-195 returned 10.08 g/tonne over 4.6 metres and Acrex drill hole MA-02-06 yielded 7.5 g/tonne over 6.5 metres. MA-03-10, drilled in the fourth quarter of 2003, intersected mineralization that returned 21.72 g/tonne

over 0.7 metres within a 4.28 metre section that assayed 4.37 g/tonne gold. This high-grade intercept is approximately 100 metres down dip of the known mineralization. Hole MA-03-11, collared 60 metres west of Ma-02-06, intersected an alteration zone that returned values grading 2.31 g/tonne over 4.4 metres. These intersections demonstrate the continuity of the gold bearing alteration system to the west of Acrex drill hole MA-02-06 and Barrick hole MN97-195. These new intercepts suggest the possibility of up to four separate gold bearing zones within the "55" Zone that remain open along strike and to depth.

The Western Zone target was defined from a combination of ground and airborne magnetics, as well as anomalous gold values from historical overburden drilling over a strike length of 850-plus metres. The Company has completed 12 diamond drill holes (MA-03-12 to Ma-04-23). Drill hole MA-03-13 returned values of 1.75 g/tonne over 2.8 metres including 4.42 g/tonne over 0.5 metres. Hole MA-03-14 returned 26.71 g/tonne over 0.6 metres and 8.59 g/tonne over 2.4 metres within a 4.0 metre interval that averaged 5.61 g/tonne approximately 120 metres west of MA-03-13. Ma-03-13 intersected values as high as 26.72 g/tonne over 0.6 metres, while MA-03-15 and MA-04-17 returned values as high as 20.86 g/tonne over 0.3 metres and 6.78 g/tonne over 0.4 metres, respectively. Significantly, the drill program intersected gold mineralization on the second hole of a pure reconnaissance target, which bodes very well for the potential discovery of additional gold systems along the 9 kilometres of favourable stratigraphy. These new gold intersections especially underscore the favourable gold bearing potential of the Michaud Property.

Acrex plans to drill 3 more holes in the "55" Zone. It is expected that the completion and testing these additional holes will bring the companies expenditures on the Michaud Property to in excess of \$1,000,000. As previously mentioned, pursuant to the option agreement with Moneta, the expenditure of \$1,000,000 on the property will result in Acrex having earned a 50% joint venture interest in the property (excluding the north-eastern most claims where the Barrick defined inferred resource, referred to as the "Balance", is located). Acrex can increase its interest in the balance of the property to 70% by giving Moneta notice by December 31, 2004 (which will create a firm obligation by Acrex) and completing the spending of an aggregate total of \$2.750,000 on the Property by May 15, 2007.

Elsewhere, the company announced that it has acquired 150 mineral claims in the Raglan area in Quebec. The claims are in a contiguous block and cover approximately 6,210 hectares (or 15, 345 acres) approximately 80 kilometres southwest of Falconbridge's Raglan Mine which went into production in 1997. The Raglan camp presents excellent exploration potential and now hosts multiple PGM-nickel-copper sulphide deposits.

In September 2003 Acrex granted to Resolve Ventures Inc. an option to earn an initial 60% interest in the claims by paying \$15,000 in cash and by issuing the

company 250,000 shares, paying an additional \$10,000, and expending \$850,000 on the property by January 1, 2007. Resolve can increase its interest in the property by an additional 10% to 70% by expending a total of \$1,850,000 (including the original \$850,000) by January 1, 2010.

The Raglan Belt trends west to east for approximately 340 miles across the Ungava Peninsula in northern Quebec between the Hudson and Ungava bays. It is one of the world's largest relatively unexplored nickel-sulphide bearing belts and is similar in size and geology to renowned camps in the Sudbury Basin, the Thompson Nickel Belt and the Norilsk deposits in Russia.

The Thompson nickel-copper-PGM Belt especially, is very similar to the Raglan nickel-copper-PGM Belt in dimensional length, width and geology. This belt hosts at least 32 deposits, estimated to contain 800 million tons of mineralization. Raglan also hosts a series of multi-million tonne ore bodies and has yielded half a dozen very significant deposits totaling approximately 50-60 million tons to date.

The area's potential to host high-grade PGM deposits has been systematically investigated between 2002 and 2003. In particular, Canadian Royalties, located 100 kilometres to the northeast, has announced extensive high-grade nickel - copper-cobalt-palladium-gold assay results (with up to 400 grams per ton of PGMs). Such a scenario suggests that Acrex's Raglan property offers considerable "blue sky" potential which will be more thoroughly investigated during 2004.

On a technical note, Acrex is a tightly-held stock with 13.07 million shares outstanding (17.96 million fully diluted). Such a situation, matched with positive news flow, typically acts as a catalyst to higher share price valuations. The company's share price has been trading in a Cdn. \$0.20 to \$0.30 price band on relatively light volume in recent months. However, this situation is beginning to change for the better with Acrex's stock recently re-establishing a pronounced uptrend in its share price on good volume. SmallCapMedia believes that this development is in anticipation of a very active exploration program in 2004, with a particular focus on the highly prospective Michaud Property – which continues to yield new discovery zones. Accordingly, SmallCapMedia is of the opinion that an anticipated steady flow of positive exploration results in the coming months will continue to fuel the share price's upward trajectory in 2004.