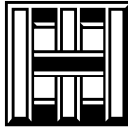

**ACREX VENTURES LTD.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of
Acrex Ventures Ltd.

We have audited the balance sheet of Acrex Ventures Ltd. as at December 31, 2008 and the statements of operations, comprehensive loss and deficit and cash flows for the year then ended. 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 audit.

We conducted our audit in accordance with Canadian 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, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2007 and for the year then ended were audited by another firm of chartered accountants which expressed an opinion without qualification in its report dated April 4, 2008.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

April 22, 2009

ACREX VENTURES LTD.**BALANCE SHEETS****AS AT DECEMBER 31, 2008 AND 2007**

	2008	2007
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 991,252	\$ 2,020,354
Marketable securities	8,756	15,535
Amounts receivable	9,506	30,459
Prepaid expenses	1,665	—
	1,011,179	2,066,348
RECLAMATION BOND	5,000	—
MINERAL PROPERTIES (Note 5)	3,092,696	2,405,492
	\$ 4,108,875	\$ 4,471,840
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 47,848	\$ 32,270
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	8,960,791	9,275,791
CONTRIBUTED SURPLUS (Note 7)	674,548	656,080
DEFICIT	(5,574,312)	(5,492,301)
	4,061,027	4,439,570
	\$ 4,108,875	\$ 4,471,840

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

COMMITMENTS (Note 11)

Approved on behalf of the Board:

/s/ "T.J. Malcom Powell"
T.J. Malcolm Powell, Director

/s/ "Carl R. Jonsson"
Carl R. Jonsson, Director

The accompanying notes are an integral part of these financial statements.

ACREX VENTURES LTD.**STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
EXPENSES		
Management fees	\$ 138,000	\$ 138,000
Investor relations	69,110	120,646
Accounting	51,170	60,595
Promotion and travel	34,726	36,585
Legal	29,690	34,392
Office and general	19,825	44,288
Rent	16,680	4,680
Directors' fees - stock-based compensation	14,173	222,142
Insurance	13,500	2,300
Transfer agent fees	12,660	12,724
Advertising	10,933	15,599
Filing fees	7,618	7,928
Consulting	4,295	12,640
	<u>422,380</u>	<u>712,519</u>
LOSS BEFORE OTHER ITEMS	<u>(422,380)</u>	<u>(712,519)</u>
OTHER ITEMS		
Interest income, net	49,976	43,760
Mineral property written-off	(38,328)	-
Unrealized loss on marketable securities	(6,779)	(465)
	<u>4,869</u>	<u>43,295</u>
LOSS BEFORE INCOME TAX	<u>(417,511)</u>	<u>(669,224)</u>
FUTURE INCOME TAX RECOVERY	<u>335,500</u>	<u>-</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	<u>(82,011)</u>	<u>(669,224)</u>
DEFICIT, BEGINNING OF YEAR	<u>(5,492,301)</u>	<u>(4,823,077)</u>
DEFICIT, END OF YEAR	<u>\$ (5,574,312)</u>	<u>\$ (5,492,301)</u>
LOSS PER SHARE – BASIC AND DILUTED	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>40,615,638</u>	<u>32,161,073</u>

The accompanying notes are an integral part of these financial statements.

ACREX VENTURES LTD.**STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (82,011)	\$ (669,224)
Items not involving cash:		
Stock-based compensation	18,468	245,117
Unrealized loss on marketable securities	6,779	465
Mineral property written-off	38,328	-
Future income tax recovery	(335,500)	-
	(353,936)	(423,642)
Changes in non-cash working capital balances:		
Decrease in amounts receivable	20,953	11,961
Decrease (increase) in prepaid expenses	(1,665)	4,007
Increase in accounts payable and accrued liabilities	15,578	14,278
	(319,370)	(393,396)
FINANCING ACTIVITY		
Issuance of shares, net	5,000	2,367,141
INVESTING ACTIVITIES		
Increase in mineral properties	(710,032)	(616,356)
Reclamation bond	(5,000)	-
	(715,032)	(616,356)
INCREASE (DECREASE) IN CASH	(1,029,102)	1,357,389
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,020,354	662,965
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 991,252	\$ 2,020,354
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Shares issued for mineral properties	\$ 15,500	\$ 48,000

The accompanying notes are an integral part of these financial statements.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

1. NATURE AND CONTINUANCE OF OPERATIONS

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

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain 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 has incurred losses since its inception and had an accumulated deficit of \$5,574,312 at December 31, 2008 which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

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 financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates - The preparation of financial statements in conformity with Canadian generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the years reported. Significant areas requiring the use of management estimates include the determination of impairment of mineral properties, asset retirement obligations, future income tax assets and liabilities, and assumptions used in valuing options and warrants in stock-based compensation calculations. Actual results could differ from these estimates.

Financial instruments - The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountant ("CICA") Handbook Section 3840, "Related Party Transactions".

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

Cash equivalents - The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties - All costs related to the acquisition, exploration and development of mineral properties are capitalized as mineral properties. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. If management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed in the period that this determination is made.

The recoverability of mineral properties and capitalized exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of reserve properties may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Asset retirement obligations - The Company follows CICA Handbook Section 3110, "Asset Retirement Obligations" which establishes standards for asset retirement obligations and associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2008, the Company has not incurred any asset retirement obligation related to the exploration and development of its mineral properties.

Government assistance - B.C. mining exploration tax credits for certain exploration expenditures incurred in B.C. are treated as a reduction of the exploration and development costs of the respective mineral property.

Income taxes - The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

Stock-based compensation - The Company follows the recommendations of CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which provides standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. In accordance with these recommendations, stock options are recorded at their fair value on the date of grant as compensation expense, and agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share - Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Comprehensive loss - Comprehensive loss reflects net loss and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

Flow-through shares - The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related exploration expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

The Company follows the recommendations of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants with respect to flow-through shares, as outlined in EIC-146. The application of EIC-146 requires the recognition of the foregone tax benefit on the date the Company renounces the tax credits associated with the exploration expenditures, provided there is reasonable assurance that the expenditures will be made.

Share issue costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

3. CHANGES IN ACCOUNTING POLICIES

Effective on January 1, 2008, the Company adopted the CICA Handbook Section 3862, "Financial Instruments - Disclosure" and Section 3863, "Financial Instruments - Presentation". These sections carry forward the former presentation requirements and increase the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. The adoption of these sections had no impact on the Company's financial position or results for the year ended December 31, 2008.

Effective on January 1, 2008, the Company adopted the CICA Handbook Section 1535, "Capital Disclosures", which requires disclosure of information about an entity's capital and its objectives, policies and processes for managing capital. Disclosure requirements pertaining to this new standard are contained in Note 12.

Effective on January 1, 2008, the Company adopted CICA Handbook Section 1400, "General Standards of Financial Statement Presentation". This section provides revised guidance on management's responsibility to assess and disclose the Company's ability to continue as a going concern. The adoption of this section had no significant impact on the Company's financial statements.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

3. CHANGES IN ACCOUNTING POLICIES (continued)**Recent accounting pronouncement not yet adopted**

In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations". The AcSB also issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests", which replace Section 1600, "Consolidated Financial Statements". These new sections are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items.

In February 2008, the AcSB issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Company's interim and annual financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. In July 2008 AcSB announced that early adoption will be allowed in 2009 subject to seeking exemptive relief. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a redeemable guaranteed investment certificate ("GIC") with an interest rate of 3.15% (2007 - 4.35%) per annum. At December 31, 2008, the fair value of the GIC was \$910,796 (2007 - \$2,047,961).

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

5. MINERAL PROPERTIES**December 31, 2008:**

	Michaud	Spanish Mountain	Don's Lake	Honeymoon	Total
Acquisition costs					
Balance, beginning of year	\$ 75,000	\$ 122,834	\$ –	\$ –	\$ 197,834
Option payments	–	54,500	39,500	10,500	104,500
Balance, end of year	75,000	177,334	39,500	10,500	302,334
Exploration costs					
Balance, beginning of year	1,250,327	957,331	–	–	2,207,658
Drilling	166,062	–	150,560	–	316,622
Surveying and line-cutting	–	5,454	87,055	6,106	98,615
Assays	–	70,220	7,782	6,496	84,498
Consulting	–	7,150	62,752	14,555	84,457
Lodging	–	–	22,247	–	22,247
Other	–	–	86,373	671	87,044
Mining exploration tax credit	–	(72,451)	–	–	(72,451)
Balance, end of year	1,416,389	967,704	416,769	27,828	2,828,690
Write-off	–	–	–	(38,328)	(38,328)
	\$ 1,491,389	\$ 1,145,038	\$ 456,269	\$ –	\$ 3,092,696

December 31, 2007:

	Michaud	Spanish Mountain	Total
Acquisition costs			
Balance, beginning of year	\$ 75,000	\$ 43,248	\$ 118,248
Option payments	–	79,586	79,586
Balance, end of year	75,000	122,834	197,834
Exploration costs			
Balance, beginning of year	1,169,312	420,899	1,590,211
Drilling	60,684	256,412	317,096
Surveying and line-cutting	–	135,526	135,526
Assays	–	16,458	16,458
Consulting	13,477	67,736	81,213
Support	6,854	–	6,854
Security deposit	–	3,500	3,500
Other	–	56,800	56,800
Balance, end of year	1,250,327	957,331	2,207,658
	\$ 1,325,327	\$ 1,080,165	\$ 2,405,492

The Company's mineral properties are described as follows:

Michaud gold claims, Ontario - Pursuant to an Agreement dated September 1, 2001 and amended January 17, 2003 and February 17, 2004 ("Agreement") with Moneta Porcupine Mines Inc. ("Moneta"), the Company acquired an option to earn interests in 65 mineral claims in the Michaud Township, Ontario (the "Property"). The Property is divided into two areas.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

5. MINERAL PROPERTIES (continued)

Pursuant to the Agreement the Company could have earned a 60% interest in the first area by expending a minimum of \$1,000,000 on exploration of the area by May 15, 2005 and completing a bankable feasibility study on the area by May 15, 2007. The Company was required to give notice to Moneta by December 31, 2004 of its intention to conduct further exploration on this area. The notice was not provided and as a result the Company lost all of its rights to earn any interest in the first area.

During 2004 the Company fulfilled the requirements to earn a 50% interest in the second area.

On November 26, 2004, the Company entered into a Joint Venture Agreement with Moneta to engage in the exploration, development and mining of the second area. The agreement also includes terms for the acquisition of additional mining or mineral claims or other real property interests within the area of interest. Pursuant to these provisions, the Company paid \$50,000 for the acquisition of 50% of the net 75% interest (i.e., a net 37.5% interest) in three adjoining mineral claims known to the parties as the Dymont Claims, which cover approximately 48 hectares.

Spanish Mountain claims, British Columbia - On July 23, 2005, the Company entered into an Option Agreement (the "Agreement") to acquire a 100% interest in the Spanish Mountain property, consisting of 8 mineral claims covering approximately 1,350 hectares located near Likely in Northeastern British Columbia.

The Company may earn the interest by making certain cash payments and issuing shares to the Optionor as follows:

<u>Due Date</u>	<u>Cash Payment</u>	<u>Share Issuance</u>
July 25, 2005 (completed)	\$ 5,000	50,000
April 25, 2006 (completed)	5,000	–
July 25, 2006 (completed)	10,000	50,000
July 25, 2007 (completed)	20,000	50,000
July 25, 2008 (completed)	20,000	50,000
July 25, 2009 (see below)	40,000	–
	<u>\$ 100,000</u>	<u>200,000</u>

In addition, 200,000 shares of the Company are to be issued upon receipt of a positive feasibility study.

The Agreement is subject to a 3% net smelter return ("NSR"). The Company has the right to purchase 66.67% of the NSR for \$1,000,000 upon commencement of commercial production of the property.

On February 7, 2007, the Company acquired a 100% interest of two mineral tenures immediately to the west and south of the Company's existing claim group. The purchase price of these claims was \$10,000 and 200,000 shares.

In July 2008, the Company issued 50,000 (2007 – 50,000) common shares and paid \$20,000 (2007 - \$20,000) for payment of the option obligation. The fair value of these shares was \$4,500 (2007 - \$8,000).

Effective September 22, 2008 the Company renegotiated the payment due on July 25, 2009 by an immediate payment of \$30,000, reducing the cash component of the consideration to \$90,000. The Company paid \$30,000 and exercised the option to acquire the 100% interest in the Spanish Mountain property.

Don's Lake gold claims, Ontario - On February 28, 2008, the Company entered into an Option Agreement (the "Agreement") to acquire a 100% interest in the Don's Lake mineral property, consisting of 18 mineral claims covering approximately 1,344 hectares located near Sioux Lookout in northwestern Ontario.

ACREX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

5. MINERAL PROPERTIES (continued)

Don's Lake gold claims, Ontario (continued)

The Company may earn the interest by making certain cash payments and issuing shares to the Optionor as follows:

Due Date	Cash Payment	Share Issuance	Exploration Expenditure on or Before
February 28, 2008 (completed)	\$ 34,000	50,000	\$ –
May 29, 2009	25,000	50,000	300,000
May 29, 2010	50,000	50,000	200,000
May 29, 2011	81,000	50,000	400,000
May 29, 2012	–	–	400,000
	<u>\$ 190,000</u>	<u>200,000</u>	<u>\$ 1,300,000</u>

By an Extension Agreement dated December 19, 2008 between the Company and the Optionor, it was agreed that all of the above deadlines would be extended for one year.

In addition, 200,000 shares of the Company are to be issued upon receipt of a positive feasibility study.

The Agreement is subject to a 2% net smelter return ("NSR"). The Company will have a right of first refusal on a 1.0% net smelter return royalty if the Optionor desires to sell.

On February 28, 2008, the Company issued 50,000 common shares and paid \$34,000 for payment of the option obligations. The fair value of these shares was \$5,500.

Honeymoon Area claims, British Columbia - On March 12, 2008, the Company entered into an Option Agreement (the "Agreement") to acquire a 100% interest in the Honeymoon Area mineral property located near in Kamloops British Columbia.

The Company may earn the interest by making certain cash payments and issuing shares to the Optionor as follows:

Due Date	Cash Payment	Share Issuance
March 12, 2008 (completed)	\$ 5,000	50,000
March 12, 2009	10,000	50,000
March 12, 2010	20,000	50,000
March 12, 2011	30,000	50,000
	<u>\$ 65,000</u>	<u>200,000</u>

The Agreement is subject to a 2% net smelter return ("NSR"). The Company will have a right of first refusal on a 1.0% net smelter return royalty for \$500,000.

On March 12, 2008, the Company issued 50,000 common shares and paid \$5,000 for payment of the option obligations pursuant to the Agreement. The fair value of these shares was \$5,500.

On December 22, 2008, the Company terminated the Agreement and wrote-off the cumulative exploration and acquisition costs totalling \$38,328 to operations.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

6. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. Issued share capital is as follows:

	2008		2007	
	Number	Amount	Number	Amount
Balance, beginning of year	40,510,447	\$ 9,275,791	26,908,936	\$ 7,019,882
Shares issued for cash and other:				
Shares issued for cash	–	–	12,800,000	2,504,000
Shares issued for mineral properties	150,000	15,500	250,000	48,000
Shares issued for finder's fees	–	–	551,511	123,378
Agent options and warrants	–	–	–	(159,232)
Share issuance (costs) recovery	–	5,000	–	(260,237)
Future income tax benefits on expenditures renounced to shareholders	–	(335,500)	–	–
Balance, end of year	40,660,447	\$ 8,960,791	40,510,447	\$ 9,275,791

- a) On February 2, 2007, the Company issued 200,000 common shares for payment of certain mineral properties, as described in Note 5. The fair value of these shares was \$40,000.
- b) On July 5, 2007, the Company issued 50,000 common shares for payment of certain mineral properties as described in Note 5. The fair value of the shares was \$8,000.
- c) In August, 2007, the Company completed a private placement consisting of 5,000,000 flow-through units at a price of \$0.22 per unit, and 7,800,000 non flow-through units at a price of \$0.18 per unit, for gross proceeds of \$2,504,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant may be exercised to acquire one additional common share at \$0.50 per share until August 14 or August 16, 2009. The Company paid agent's commission of \$76,008 and other share issue costs of \$60,851. The Company issued agent's units of 551,511 non flow-through units with the same terms. The agent also received agent's warrants to acquire 1,024,000 non flow-through common shares at an exercise price of \$0.23 per share for a period of 2 years until August 14 or August 16, 2009. The fair value of the agent's warrants was \$159,232. Proceeds from the private placement have been allocated 100% to common shares and \$Nil to the warrants.
- d) On February 28, 2008, the Company issued 50,000 common shares for payment of certain mineral properties, as described in Note 5. The fair value of these shares was \$5,500.
- e) On March 12, 2008, the Company issued 50,000 common shares for payment of certain mineral properties, as described in Note 5. The fair value of these shares was \$5,500.
- f) On July 15, 2008, the Company issued 50,000 common shares for payment of certain mineral properties, as described in Note 5. The fair value of these shares was \$4,500.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

6. SHARE CAPITAL (continued)

Warrants - The following table summarizes the continuity of the Company's warrants, each warrant entitles the holder to acquire one common share of the Company:

	Number of Warrants	Exercise Price	Expiry Date
Balance, December 31, 2006	3,000,000	\$0.30	
Granted: private placement	3,900,000	\$0.50	August 14, 2009
Granted: Agent	130,755	\$0.50	August 14, 2009
Granted: Agent	624,000	\$0.23	August 14, 2009
Granted: private placement	2,500,000	\$0.50	August 16, 2009
Granted: Agent	145,000	\$0.50	August 16, 2009
Granted: Agent	400,000	\$0.23	August 16, 2009
Expired	(3,000,000)	\$0.30	
Balance, December 31, 2007 and 2008	7,699,755		

During the year ended December 31, 2007, the Company issued a total of 1,024,000 share purchase warrants pursuant to a private placement. The fair value of these Agent's warrants of \$159,232 was accounted for as share issue costs and included in contributed surplus, using the Black-Scholes pricing model with the following weighted average assumptions:

Risk-free interest rate	4.3%
Expected dividend yield	0.0%
Expected stock price volatility	116%
Expected life of warrants	2 years

The issue date fair value per warrant was \$0.16.

There were no warrants issued in 2008.

As at December 31, 2008, the following warrants were outstanding:

	Number of Warrants	Exercise Price \$	Expiry Date
	6,675,755	0.50	August 14/16, 2009
	1,024,000	0.23	August 14/16, 2009
	7,699,755		

7. CONTRIBUTED SURPLUS

	2008		2007	
Balance, beginning of year	\$	656,080	\$	219,054
Fair value of stock options granted and vested		18,468		277,794
Fair value of agent warrants granted		—		159,232
Balance, end of year	\$	674,548	\$	656,080

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

8. 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 and exercisable at December 31, 2008:

Price	Number Outstanding	Number Exercisable	Expiry Date
\$0.12	485,000	485,000	July 7, 2010
\$0.12	100,000	100,000	October 13, 2010
\$0.12	100,000	100,000	December 5, 2010
\$0.30	100,000	100,000	June 19, 2011
\$0.30	50,000	50,000	June 29, 2011
\$0.20	100,000	100,000	February 7, 2012
\$0.16	650,000	650,000	July 12, 2012
\$0.16	1,400,000	1,400,000	December 17, 2012
\$0.10	565,000	565,000	December 9, 2013
	3,550,000	3,550,000	

Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the pricing policies of the TSX. Options vest and expire five years from the date of the grant. Of the 1,400,000 options issued in December 2007, 75,000 options vested during 2008.

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 corporation.

A summary of the changes in the Company's stock options for the year ended December 31, 2008 and 2007 is presented below:

	2008		2007	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of year	3,550,000	\$ 0.18	2,000,000	\$ 0.23
Granted	565,000	0.10	2,150,000	0.16
Expired or cancelled	(565,000)	0.28	(600,000)	0.30
Outstanding, end of year	3,550,000	\$ 0.16	3,550,000	\$ 0.18

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. 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 the 565,000 (2007 - 2,150,000) options granted and 75,000 (2007 - 25,000) options vested during the year ended December 31, 2008 was \$18,468 (2007 - \$277,794) using the Black-Scholes model, and accounted for as directors' fees of \$14,173 (2007 - \$222,142), consulting fees of \$4,295 (2007 - \$3,348), investor relations \$Nil (2007 - \$ 22,975) and exploration consulting costs of \$Nil (2007 - \$29,329), and included in contributed surplus. The 565,000 (2007 - 2,075,000) options vested on grant.

ACREX VENTURES LTD.**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

8. STOCK OPTION PLAN AND STOCK-BASED COMPENSATION

For purposes of the calculation, the following weighted average assumptions were used under the Black-Scholes model:

	2008	2007
Risk free interest rate	2.15%	4.10%
Expected dividend yield	0%	0%
Expected stock price volatility	148%	122%
Expected life of options	5 years	5 years

The weighted average grant date fair value of stock options granted during the year ended December 31, 2008 was \$0.03 (2007 - \$0.13) per option.

9. RELATED PARTY TRANSACTIONS

- a) The following related party transactions were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties:
- The Company incurred legal fees of \$29,690 (2007 - \$33,509) from a law firm of which a director is a principal.
 - The Company incurred management fees of \$138,000 (2007 - \$138,000) and equipment rental charges of \$12,893 (2007 - \$11,808) from companies controlled by directors of the Company.
 - The Company incurred rent expense of \$16,680 (2007 - \$4,680) from a company which has a common director.
- b) At December 31, 2008, accounts payable and accrued liabilities included \$4,567 (2007 - \$Nil) for amounts due to a law firm of which a director is a member, and \$1,390 (2007 - \$Nil) for amounts due to a company controlled by a director.

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2008	2007
Canadian statutory income tax rate	30.50%	34.12%
Expected income tax recovery	\$ 127,000	\$ 228,000
Non-deductible expenses and others	(7,000)	(98,000)
Expiry of loss	(28,000)	-
Rate change	(119,800)	(184,000)
Valuation allowance	363,300	54,000
Income tax recovery	\$ 335,500	\$ -

ACREX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
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10. INCOME TAXES (continued)

Significant components of the Company's future income tax assets (liabilities) are as follows:

	2008	2007
Non-capital losses	\$ 781,000	\$ 719,000
Share issuance costs and others	64,000	77,000
Resource properties	(415,000)	–
Valuation allowance	(430,000)	(796,000)
Net future income tax assets	\$ –	\$ –

The Company has non-capital losses for income tax purposes of \$3,124,000 which may be carried forward and offset against future taxable income. These losses expire from 2009 to 2028.

In assessing the realizability of future income tax assets, management considers whether it is more likely than not that some portion of all of the future income tax assets will not be realized. The ultimate realization of future income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future income tax assets considered realizable could change materially in the near term based on future taxable income during the carry forward period.

11. COMMITMENTS

The Company is obligated to make certain payments and issue shares as described in Note 5 in connection with the acquisition of its mineral properties.

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties in Canada. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of exploration and development expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

ACREX VENTURES LTD.
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13. FINANCIAL INSTRUMENTS

Fair value of Financial Instruments

As at December 31, 2008, the Company's financial instruments consist of cash and cash equivalents, marketable securities and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash and cash equivalents and marketable securities as held-for-trading and its accounts payable as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term exploration, development and general and administrative expenditures. The Company's cash equivalents are invested in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have investments in foreign countries and is not exposed to foreign exchange risk

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

The Company has investments in guaranteed investment certificates. The following table summarizes the impact of reasonable possible changes on interest rates for the Company at December 31, 2008 and 2007. The sensitivity analysis is based on the assumption that interest rate changes by 1% with all other variables remaining constant. The 1% sensitivity is based on reasonably possible changes over a financial year, using the observed range of historical rates for the preceding year.

	2008	2007
Impact on net loss:		
1% increase	\$ 3,000	\$8,000
1% decrease	\$(3,000)	\$(8,000)

14. COMPARATIVE FIGURES

Certain of the 2007 comparative figures have been reclassified to conform to the financial statement presentation for the year ended December 31, 2008. These reclassifications do not affect the comparative net loss or closing deficit.