

**ACREX VENTURES LTD.**  
**("Company")**

**THIRD QUARTER MANAGEMENT DISCUSSION AND ANALYSIS**  
**DATED NOVEMBER 29, 2010**

This quarterly MD & A covers the Company's third fiscal quarter – the period between June 30, 2010 and September 30, 2010 - and the period to November 29, 2010. It is to be read in conjunction with the Company's audited financial statements, prepared to December 31, 2009 and the quarterly unaudited financial statement of the Company prepared for the quarter ending September 30, 2010.

1. **Overall Performance**

(a) **Spanish Mountain, British Columbia, Property**

Since the end of the previous quarter - June 30, 2010 - the Company has issued six Press Releases - printed below - describing the advance by the Company of its work on its wholly owned Spanish Mountain property:

**July 6, 2010**

**Acrex Ventures Ltd. Announces Completion of Soil Sampling and  
Prospecting Programs on its Spanish Mountain Project**

**Vancouver, British Columbia, Acrex Ventures Ltd. ("Acrex")** is pleased to announce the completion of a soil sampling and prospecting program on its Spanish Mountain Project located in the Cariboo Region near Likely, British Columbia.

This phase of the 2010 work program included approximately 15 kilometres of line surveying and taking 589 soil geochemical samples. The soil sample program was designed as a follow-up to the 2006 and 2007 work programs where elevated gold in soil samples were found to be coincident with airborne geophysical anomalies trending westward from Spanish Mountain Gold's property and eastward from Tiex Inc.'s property (see Acrex News Release dated June 1, 2010).

The soil samples have been submitted to Acme Laboratories Ltd. A trenching and drilling program is planned to commence once the soil sampling results are compiled and interpretations have been completed. Acrex has contracted Atlas Drilling Ltd. of Kamloops, B.C. for up to 1,500 metres of drilling to test targets. Prospecting over the grid area revealed several historic forestry and mining roads that can be rehabilitated to facilitate drill mobilization.

Acrex is looking forward to continued exploration on its Spanish Mountain Project. The Property is well positioned for gold potential being directly adjacent to Spanish Mountain Gold's advanced stage project, with excellent leverage to gold price and an excellent location that offers infrastructure within a mining friendly jurisdiction.

**August 10, 2010**

**ACREX DISCOVERS PRIORITY GOLD TARGET  
ON ITS SPANISH MOUNTAIN PROPERTY**

**Vancouver, British Columbia, Acrex Ventures Ltd. ("Acrex")** is pleased to announce results of soil sampling and completion of trenching on its West Block Spanish Mountain Property

(the “Property”) located in the Cariboo Region near Likely, British Columbia, within 2.5 kilometers of and adjacent to, Spanish Mountain Gold’s (“SPA”) 2.8 million ounce Gold deposit .

Results of the soil sampling program show an important zone of high gold-in-soil values that extends from SPA’s main zone northwestward across the Property to Tiex Inc.’s gold discovery area. The gold-in-soil values commonly measured 100-200 parts per billion (“ppb”), with numerous higher isolated values ranging from 500 ppb to 1000 ppb.

The Cedar Creek gold target, which was recently identified by SPA as “an area of interest” worthy of definition for drilling (SPA New Release dated July 16, 2010), adjoins the Acrex target zone along the southern border of the Property (see attached figures). The high gold-in-soil geochemical results clearly define a high priority target within the Property that has now been followed up with trenching and will be drilled as soon as possible.

The 2010 West Block soil sampling program included approximately 15 kilometres of line surveying and the acquisition of 589 soil geochemical samples. All soil samples were submitted to Acme Laboratories Ltd in Vancouver for multi-element analysis. The soil sample program extended an in-filled sampling conducted in 2006 and 2007. Highly anomalous gold values returned from the Acrex soil sampling are found to be coincident with airborne geophysical anomalies that trend through both the Acrex West and East claim blocks.

The recently completed trenching program consisted of 3 areas within the 2010 target zone. All trenches were sampled along their total length at the maximum depth of the excavator reach. The trenches ranged from 3 to 5 metres in depth. As well as trenching, Acrex completed 2 additional lines of soil sampling to complete the soil grid to the east edge of the West Block claims. A total of 18 trench samples and 40 soil samples were submitted to Acme Labs in Vancouver for analysis. Results are expected shortly.

Acrex has contracted Atlas Drilling Ltd. of Kamloops, B.C. for the completion of up to 1,500 metres of drilling to test the identified targets. The diamond drilling program is planned to commence once the final soil sampling and trenching results are received and interpretations have been completed.

Prospecting over the grid area revealed several historic forestry and mining roads that can be rehabilitated to facilitate drill mobilization and future work on the area.

Acrex also plans to extend its East Block Spanish Mountain property soil sampling grid further to the south of where current sampling has been conducted. The airborne geophysical anomaly that coincides with the strong gold-in-soil zone on the Property trends into the area on the East Block where extension of soil sampling will occur.

Acrex Ventures is looking forward to continued exploration on its Spanish Mountain Property. The recent geochemical survey shows exceptional gold-in-soil values over an area with similar geological and geophysical features to the main gold deposit on the adjacent SPA property. Acrex’s properties have excellent leverage to continued strength in the gold price and an excellent location that offers infrastructure within a mining friendly jurisdiction.

With approximately \$1.5 million in the treasury, Acrex is well funded for continued work on its properties, including the 2010 drilling program and beyond.

August 23, 2010

## **ACREX EXTENDS PRIORITY GOLD TARGET ON ITS SPANISH MOUNTAIN PROPERTY**

**Vancouver, British Columbia, Acrex Ventures Ltd. ("Acrex")** is pleased to announce additional results of continued soil sampling on its West Block Spanish Mountain Property (the "Property") located in the Cariboo Region near Likely, British Columbia, within 2.5 kilometers of, and adjacent to, Spanish Mountain Gold's ("SPA") 2.58 million ounce Gold deposit .

Results from these additional soil samples, taken at the east margin of the West Block Claims, have extended the high gold-in-soil trend for an additional 200 metres. The gold rich zone is seen to extend from SPA's main zone northwestward across the Acrex Property to Tiex Inc's gold discovery area to the northwest. The accompanying figure shows contoured values consistent with those used on SPA's website maps that indicates SPA's Main Zone and Cedar Creek target areas, with extensive zones of >100 ppb gold in soil. On the Acrex Property, the >100 ppb gold in soil contour outlines an elongate 1200 metre long by 400 metre wide target zone, including isolated values to 1000 ppb. Smaller zones of interest with high gold in soil are also indicated.

The 2010 West Block soil sampling coverage now includes over 50 kilometres of line surveying and the acquisition of 2,046 soil geochemical samples obtained from 2006 to present.

Results are expected shortly from the recently completed trenching program that tested 3 areas within the 2010 target zone.

Acrex has contracted Atlas Drilling Ltd. of Kamloops, B.C. for the completion of up to 1,500 metres of drilling to test the identified targets. The diamond drilling program is planned to commence on September 7, 2010.

Acrex also plans to soil sample the unsampled southern half of its East Block Spanish Mountain property. Acrex's airborne geophysical survey shows that an electromagnetic (EM) anomaly coincides with the recently identified strong gold-in-soil zone on the West Block Property. The geophysical maps show that the EM anomaly trends across Spanish Mountain Gold's property into the area on the East Block where the planned soil sampling will be done.

Acrex Ventures is looking forward to continued exploration on its Spanish Mountain Property. The recent geochemical survey shows exceptional gold-in-soil values over an area with similar geological and geophysical features to the main gold deposit on the adjacent SPA property. Acrex's properties have excellent leverage to continued strength in the gold price and an excellent location that offers infrastructure within a mining friendly jurisdiction.

With approximately \$1.4 million in the treasury, Acrex is well funded for continued work on its properties, including the 2010 drilling program and beyond.

**September 13, 2010**

## **ACREX COMMENCES DIAMOND DRILLING ON ITS SPANISH MOUNTAIN GOLD PROPERTY**

**Vancouver, British Columbia, Acrex Ventures Ltd. ("Acrex")** is pleased to announce diamond drilling has commenced on its Spanish Mountain gold property, located near Likely, British Columbia. Acrex has contracted Atlas Drilling Ltd. of Kamloops for the completion of up to 1,500 metres of drilling.

The program is being carried out on Acrex's West Block claims where soil sampling outlined a 1200 metre long by 400 metre wide zone of greater than 100 ppb gold in soils, including isolated values to 1000 ppb (see Acrex News Release dated August 23, 2010). This zone extends from Spanish Mountain Gold's (SPA) main zone northwestward across the Acrex Property to Tiex Inc.'s nearby gold discovery. Acrex's airborne geophysical survey shows that an electromagnetic (EM) anomaly coincides with the identified strong gold-in-soil zone. All of the September 2010 drilling is designed to test this targeted trend.

Acrex is conducting core logging and sampling at a facility located in Likely BC. Samples will be shipped to a laboratory in Vancouver for analysis. All work will be completed under the supervision of Perry Grunenber P.Geo, PBG Geoscience, of Kamloops, BC. Mr. Grunenber is the Company's supervisor for the Spanish Mountain Project and "Qualified Person" for the purpose of National Instrument 43-101.

Mr. Malcolm Powell, President of Acrex, states that "We're anxious to get back to drilling on the Spanish Mountain property. The recent soil geochemical sampling has produced some very positive results, and combined with the airborne geophysics, has outlined very interesting targets for follow-up drilling. With approximately \$1.4 million in the treasury, Acrex is well funded for continued work on its properties, including the Spanish Mountain property 2010 drilling program."

**November 2, 2010**

**Acrex Ventures Ltd. ("Acrex" or "Company")** is pleased to announce the results of the 2010 diamond-drilling program on its Spanish Mountain property, located near Likely, British Columbia. The results obtained from the 7-hole drill program returned results up to 1.14 grams per tonne over 3 metres. Wider sections with grades averaging 0.5 to 0.7 grams per tonne were intersected.

The 2010 diamond drill program was carried out on Acrex's West Block claims where 2010 soil sampling work outlined a 1200 metre long by 400 metre wide zone of greater than 100 ppb gold in soils, including isolated values to 1000 ppb (see Acrex News Release dated September 13, 2010). This zone extends from Spanish Mountain Gold's main zone northwestward across the Acrex Property to Tiex Inc.'s nearby gold discovery. Acrex's airborne geophysical survey indicated an electromagnetic anomaly coinciding with strong gold-in-soil results.

Drilling was initiated within the southern extent of the target zone. Hole SpM1001 intersected altered sedimentary and volcanic rocks with carbonate and quartz veining. Holes SpM1002 and

SpM1003 were not successful at penetrating deep overburden and no bedrock samples were obtained. Drill holes SpM1004 through SpM1007 tested the target zone from south to north for a distance of over 1.5 kilometres. The following table summarizes significant intersections from the 2010 drill program:

<b>Drill Hole</b>	<b>From (m)</b>	<b>To(m)</b>	<b>Width(m)</b>	<b>Au g/t</b>
SpM1001	82.46	85.2	2.74	0.514
	176.2	177.7	1.50	0.751
SpM1006	60	61.5	1.50	0.634
	87.3	87.7	0.4	0.786
	139.6	140.3	0.7	0.454
SpM1007	32.9	48.6	15.7	0.677
including	32.9	36	3.1	0.426
and	36	39	3	0.667
and	39	42.1	3.1	0.568
and	42.1	45.1	3	1.140
and	45.1	48.6	3.5	0.607

These results indicate that the volcanic and sedimentary rocks tested by drilling along the target trend contain gold values consistent with those on the neighboring Spanish Mountain Gold property. In particular, drill hole SpM1007 intersected widths and grades worthy of follow-up drilling.

Acrex is currently investigating methods of drilling to allow further testing of areas where overburden thickness inhibits bedrock penetration. In particular, follow-up drilling along the trend southward from drill hole SpM1001 is warranted.

Drill hole SpM1007 returned what may be the most significant results to date on the Acrex property. Further drilling as step-outs from this drill hole may further define the potential of this area of the target zone.

Drilling on the West Block of Acrex's Spanish Mountain property continues to intersect significant widths of 0.2 g/t to 0.5 g/t gold, hosted in the sedimentary and volcanic rocks underlying the area. These areas of elevated gold in bedrock are considered good zones to explore for bulk-mineable gold mineralization similar to that found on the Spanish Mountain Gold property.

All drill core was logged and sampled at a facility located near to the property. Samples were split from the core and shipped to Acme Labs Ltd in Vancouver, BC. The remaining half of the core is stored in the Company's core storage facility in Likely, BC.

November 8, 2010

## **ACREX VENTURES CONFIRMS PRESENCE OF GOLD-BEARING STRUCTURE ON ITS SPANISH MOUNTAIN GOLD PROPERTY, BC**

**Acrex Ventures Ltd.** ("Acrex" or "Company") is pleased to announce the results of its 2010 diamond-drilling program on its West Block Spanish Mountain claims, located near Likely, British Columbia (the "Property"). A total of 862 metres of drilling was completed in 7 drill holes. The results obtained from the drill program have confirmed the presence of a significant gold bearing structure on Property. Confirmation of gold on the Property is very meaningful following Acrex having identified a 1,200 metre long by 400 metre wide zone of greater than 100 ppb gold-in-soils, including isolated values up to 1,000 ppb. Acrex's airborne geophysical survey had also previously indicated an electromagnetic (EM) anomaly that coincided with the strong gold-in-soil results, extending from Spanish Mountain Gold's ("SPA") main zone northwestward across the Acrex Property onto Tiex Inc. nearby gold discovery.

Drilling was initiated within the southern extent of the target zone. Hole SpM1001 intersected altered sedimentary and volcanic rocks with carbonate and quartz veining. The hole carried 0.751 g/t gold across 1.5 metres within a 6.10 metre wide zone of gold enrichment (see table). Holes SpM1002 and SpM1003 did not penetrate water saturated overburden and no bedrock samples were obtained as a specialized type of diamond drill was required but was not available at the time. Drill holes SpM1004 through SpM1007 tested the target zone from south to north for a distance of over 1.5 kilometres with three of these holes intersecting zones of gold enrichment. The following table summarizes the gold-bearing intersections from the 2010 drill program:

<b>Drill Hole</b>	<b>From (m)</b>	<b>To(m)</b>	<b>Width(m)</b>	<b>Au g/t</b>
<b>SpM1001</b>	82.46	85.2	<b>2.74</b>	<b>0.514</b>
and	173.1	179.2	<b>6.10</b>	<b>0.390</b>
Including	176.2	177.7	<b>1.50</b>	<b>0.751</b>
<b>SpM1004</b>	103.3	115.2	<b>11.90</b>	<b>0.203</b>
<b>SpM1006</b>	48.2	61.5	<b>13.30</b>	<b>0.214</b>
Including	60	61.5	<b>1.50</b>	<b>0.634</b>
and	87.3	87.7	<b>0.40</b>	<b>0.786</b>
and	139.6	140.3	<b>0.70</b>	<b>0.454</b>
<b>SpM1007</b>	32.9	48.6	<b>15.70</b>	<b>0.677</b>
including	42.1	45.1	<b>3 00</b>	<b>1.140</b>

Drill hole SpM1007 returned the most significant intersection to date on the Acrex property. This hole intersected 1.140 g/t gold over a 3.0 metre core length within a 15.70 metre wide zone that assayed 0.677 g/t gold. Additional drilling as step-outs from this drill hole are required to further define this potential target zone.

The results from the 2010 drill program indicate that the volcanic and sedimentary rocks tested by drilling along the target trend contain areas of significant gold concentration. These areas of elevated gold in bedrock are considered to be good exploration targets for bulk-mineable gold mineralization similar to that found on the adjacent Spanish Mountain Gold property.

Acrex is currently investigating methods of drilling to allow further testing of areas where overburden problems inhibited bedrock penetration. In particular, follow-up drilling along the strong gold in soil anomaly extending southward from drill hole SpM1001 is warranted. The use of specialized drill equipment should also allow Acrex to penetrate through the water saturated overburden present in holes SpM1002 and SpM1003 in order to reach bedrock.

Acrex is excited about the results from its 2010 drilling program at the Property and remains well funded to be in a position to aggressively continue to drill the Property in 2011. Acrex's geological team is currently evaluating these results and will be devising a 2011 drill program well in advance of the beginning of the drilling season. Acrex currently has approximately \$1.1 million in the treasury.

All drill core was logged and sampled at a facility located near the property. Samples were split from the core and shipped to Acme Labs Ltd in Vancouver, BC. The remaining half of the core is stored in the Company's core storage facility in Likely, BC.



(b) **Grizzly-Kellar, Quebec, Property**

In the Company's Interim MD & A dated May 28, 2010 it was disclosed that the Company had secured an option to purchase a 100% interest in the Grizzly-Valley group of mineral claims in Quebec - and the terms of the option.

The Grizzly-Kellar Lake gold property hosts a new gold discovery located in the northeast corner of Guettard township – 45 miles west of the mining town of Chibougamau, Quebec and 340 miles north of Montreal. The nearest permanent settlement to the property is the town of Chapais, 28 miles to the southeast. The Chapais-Chibougamau area has been a mining district since the early 1950's. In 1960, the area became the first copper producing region in eastern Canada. Chibougamau is best known for its copper mining with cumulative production greater than 2.5 billion pounds. However, it has also produced 4.3 million ounces of gold, with 1.26 million ounces coming from the Joe Mann mine. The Grizzly Kellar property is located 83 km northwest of of the Joe Mann mine.

The Grizzly-Kellar property is comprised of 120 contiguous claims covering an area approximately 6,270 hectares (approximately 15,490 acres). The property lies along an east-west trending regional fault zone that marks a major volcanic-sedimentary rock contact.

Since the end of the previous quarter - June 30, 2010 - the Company has issued two Press Releases - printed below - relating to its work on the Grizzly-Kellar property.

**October 5, 2010**

**ACREX TO COMMENCE DRILLING ON GRIZZLY-KELLAR LAKE PROPERTY IN THE CHIBOUGAMAU REGION OF QUEBEC**

**Vancouver, British Columbia, Acrex Ventures Ltd.** ("Acrex") is pleased to announce that diamond drilling will commence this week on its Grizzly-Kellar Lake gold property (the "Property"). Acrex has an option to acquire a 100% interest on the Property (see news release dated May 18, 2010). Acrex has contracted Forages M. Rouillier Drilling Inc. of Amos, Quebec for the completion of up to 500 metres of drilling.

The Property hosts a new gold discovery and lies completely within the townships of Lamark and Guettard located approximately 45 miles west of the mining town of Chibougamau, Quebec. The Chibougamau region is best known for its copper mining with cumulative production greater than 2.5 billion pounds. However, it has also produced 4.3 million ounces of gold. The Property is comprised of 120 contiguous claims covering approximately 6,270 hectares (approximately 15,490 acres). The Property lies along an east-west trending regional fault zone that marks a major volcanic-sedimentary rock contact. Recent prospecting on the Property discovered widespread alteration (carbonatization-silicification) and mineralization (arsenopyrite, pyrite), occurring in sheared gabbro and feldspar porphyry. Grab samples from the two lithologies returned gold assays up to 5.1 g/t Au.

The principal gold-showing on the Property occurs in a quartz vein cutting volcanic rocks of acidic to intermediate composition which is sideritic in place. This gold-bearing quartz vein varies in width from a few inches to 5 feet and has been traced in the main trench for a distance of approximately 300 feet. It has a vertical or near vertical dip and strikes north 25 degrees to 30 degrees east. In places the quartz vein contains pyrite. This vein suggests that the primary exploration target on the Property is a gold deposit associated with quartz veins in fracture-zones in metamorphosed volcanic rocks.

The drill program is being carried out in follow up to recommendations made by the Company's consulting geologist, Graeme Evans and will test the Grizzly Showing with up to five 100 metre long diamond drill holes.

Malcolm Powell, President of Acrex, comments "We're anxious to begin drilling on the Grizzly-Kellar Lake property. Recent drilling efforts conducted by Eagle Hill Exploration Corporation 100 kilometers to the southwest and Beaufield Resources Inc. 100 kilometers north of the Grizzly-Kellar property have produced some exceptional results. Having already staked over 15,000 acres in this region, we are well positioned to undertake an extensive exploration program and to benefit from continued excitement building regarding this mining region. With approximately \$1.3 million in cash available for exploration work and drilling on our properties, we are well-funded for this drill season."

**November 5, 2010**

## **Acrex Ventures Announces 2010 Diamond Drilling Results on Its Grizzly-Kellar Lake Property In The Chibougamau Region Of Quebec**

**Vancouver, British Columbia, Acrex Ventures Ltd. ("Acrex")** is pleased to announce the results of the 2010 diamond-drilling program on its Grizzly Property located approximately 60 kilometres west of the mining town of Chibougamau, Quebec. The results obtained from the 5-hole drill program returned gold assays up to 4.83 grams per tonne over 1.10 metres in drill hole GY-10-03.

The principal gold-showing on the Property is the Grizzly showing where gold mineralization occurs in quartz vein(s) cutting volcanic mafic rocks which is ankeritic in place. These gold-bearing quartz veins vary in width from a few inches to 5 feet and have been traced in the main trench for a distance of approximately 100 metres.

The recent 5 hole diamond drill program was carried out to test the Grizzly Showing in follow up to recommendations made by the Company's consulting geologist, Graeme Evans. The best gold assay of 4.83 grams per tonne over 1.10 metres was obtained in drill hole GY-10-03. Hole GY-10-03 was the most northerly hole drilled during the current program. The gold mineralization is associated with quartz-ankerite veining containing up to 2% pyrite and arsenopyrite within ankeritized and silicified gabbro along the margin of a quartz-feldspar porphyry dyke that was traced by drilling over a strike length of 63 metres. The best gold mineralization occurs adjacent to the widest intersection of the quartz-feldspar porphyry dyke which remains open along strike to the north.

The following table summarizes significant intersections from the 2010 drill program:

<b>Drill Hole</b>	<b>From (m)</b>	<b>To(m)</b>	<b>Width(m)</b>	<b>Au g/t</b>
GY-10-02	68.25	70.10	1.85	1.49
GY-10-03	61.50	62.60	1.10	4.83

Acrex's plans for 2011 include a program of mapping and prospecting over the remainder of the Grizzly-Kellar claims.

Ms. Valérie Doyon, GIT (OGQ). of Val d'Or, Quebec logged the drill core under the supervision of Ms. Jill-Annette Marcotte, geo (OGQ) and "Qualified Person" for the purpose of National Instrument 43-101.

Mr. Perry Grunenberg, P.Geo., is the Company's supervisor for the Spanish Mountain Project and the Grizzly Kellar Property and its "Qualified Person" for both for the purpose of National Instrument 43-101.

(c) **Financing**

The Company has not done any financing since January 1, 2009.

(d) **Investor relations activities**

The Company continues to use the services of Capitalize Consulting for advice with respect to its investor relations activities. Also, as was announced earlier, the Company has engaged, for investor relation activities in the U.S., the firm of Barry Kaplan Associates - based in New Jersey. Also, as was previously announced, the Company has listed in Standard & Poor's Market Access Program so that a description of the Company is now published in the Program and the Daily News section of S & P's Corporation Records and distributed electronically to virtually all major stock quote vendors.

2. **Summary of Quarterly Results**

The following information is provided for each of the 8 most recently completed quarters of the Company:

	Sept. 30/10	June 30/10	March 31/10	Dec. 31/09	Sept. 30/09	June 30/09	March 31/09	Dec. 31/08
(a) Net sales or total revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(b) Loss before extraordinary items								
- total	135,271	95,886	90,793	95,643	63,641	67,249	60,340	129,341
- per share undiluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- per share diluted*								
(c) Net loss (gain)								
- total	135,271	95,886	90,793	583,113	63,641	67,249	60,340	129,341
- per share undiluted	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
- per share diluted*								

\*As the effect of any dilution is to reduce the reported loss per share, fully diluted loss per share information has not been shown.

The differences in the figures between the various quarters is due principally to the amount of activity by the Company in each quarter. The expenses (\$137,838) for the quarter ending September 30, 2010 (2009 - \$70,002) were higher than the average for the previous quarters due to substantially increased charges for investor relations activities (\$28,760), consulting (\$10,448) and promotion and travel (\$12,273) - being a total of \$51,481. The total amount expended in these three categories in the third quarter of 2009 was \$22,183. The quarter's expenses also included a non-cash stock-based compensation expense - which the Company had to book because it issued to its Directors 485,000 share purchase options to replace a similar number of options which had been previously granted to the Directors but which had expired. The actual expenses for the quarter were \$137,838 (2009 - \$70,002) - but because the Company received interest on its bank account of \$2,349, and booked an unrealized gain on marketable securities held of \$218, it posted a loss of only \$135,271 (2009 - \$68,487 before extraordinary items).

3. **Liquidity**

At the fiscal quarter-end - September 30, 2010 - the Company had cash on hand of \$1,326,586 and net working capital of \$1,307,658. The Company has no financial commitments other than to pay its monthly general and administrative expenses and monthly management and directors' fees. On November 24, 2010 the Company had cash on hand of approximately \$1,087,000 and net working capital of approximately \$1,000,000.

#### 4. Transactions with Related Parties

There have been no transactions with related parties in the past fiscal year – except that:

- (a) the Company pays \$9,000 per month to a company which is wholly owned by the President Mr. Malcolm Powell – in payment for Mr. Powell’s management of the Company. Mr. Powell’s company was also paid \$3,282 (2009 - \$3,282) during the quarter for equipment rental.
- (b) Carl Jonsson, a director, is a principal in the law firm which acts as the Company’s Solicitors – and accordingly receives a benefit from the fees paid to the law firm for services rendered – which are rendered almost exclusively by Mr. Jonsson. In the quarterly period covered by this Statement the legal fees were \$7,475 (2009 - \$2,450).
- (c) The Company incurred rent expenses of \$4,170 (2009 - \$4,170) during the quarter with a company which has a common director.

#### 5. Other MD & A Requirements

- (a) Additional information relating to the Company – including the quarterly financial statements and MD&As for the fiscal year ended December 31, 2009 - have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com). Information about the Company may also be seen on its website at [www.acrexventures.com](http://www.acrexventures.com).
- (b) As the Company has not had any revenue from operations in its last two financial years the following additional information is provided:
  - (A) Breakdown of exploration costs for the quarterly periods ending September 30, 2010 and September 30, 2009.

	Quarter ending Sept. 30/2009 \$	Quarter ending Sept. 30/2010 \$
Assays	-	15,784
Consulting	-	-
Lodging	-	-
Drilling	-	-
Field vehicles	-	-
Surveying, geological and linecutting	-	66,129
Other	-	-
Support	-	-
Totals:	Nil*	81,913

\* During the quarter ended September 30, 2009 the Company conducted no exploration activities.

- (B) General and administration expenses.

Breakdown of general and administration expenses for the two completed quarters September 30, 2010 and September 30, 2009:

	Quarter ending Sept. 30/2010 \$	Quarter ending Sept. 30/2009 \$
Accounting	3,500	4,500
Consulting	10,448	-
Filing fees	-	-
Investor relations	28,760	21,742
Legal fees and disbursements	7,479	307
Management fees	27,000	27,000
Office and general	8,554	6,297
Promotion and travel	12,273	441
Rent	3,235	4,170
Transfer agent fees	5,864	4,495
Advertising	1,246	1,050
Insurance	3,000	-
Donations	300	-
Totals:	111,660	70,002

(c) Outstanding share data – as at November 29, 2010:

(i) The Company has 40,660,447 common shares issued. The shares are all voting shares and rank equally with each other.

(ii) The Company has 3,850,000 share purchase options outstanding entitling the purchase of:

- 100,000 shares exercisable at \$0.12 per share before December 5, 2010.
- 100,000 shares exercisable at \$0.30 per share before June 19, 2011.
- 50,000 shares exercisable at \$0.30 per share before June 29, 2011.
- 100,000 shares exercisable at \$0.20 per share before February 7, 2012.
- 650,000 shares exercisable at \$0.16 per share before July 2, 2012
- 1,400,000 shares exercisable at \$0.16 per share before December 17, 2012
- 565,000 shares exercisable at \$0.10 per share before December 11, 2013
- 100,000 shares exercisable at \$0.10 per share before January 12, 2015
- 200,000 shares exercisable at \$0.10 per share before April 12, 2015
- 485,000 shares exercisable at \$0.10 per share before July 19, 2015.

(iii) The Company has no share purchase warrants outstanding.

## 6. Financial and Other Instruments

As at September 30, 2010, the Company's financial instruments consist of cash and cash equivalents and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

## 7. Controls and Procedures

(a) As the Company is a venture issuer it is not required to certify the design and evaluation of its Disclosure Controls and Procedures and Internal Controls on Financial Reporting - and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

8. **Change in Accounting Policies including Initial Adoption and Recent Accounting Pronouncements Not Yet Adopted**

(a) 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. The Company is currently assessing the future impact of this standard on its financial statements.

In August 2009, the AcSB issued amendments to Section 1625, Comprehensive Revaluation of Assets and Liabilities, for consistency with new Section 1582, Business Combinations. The amendments require that, when push-down accounting is used following the acquisition of an enterprise, the assets and liabilities are to be measured at the values used in accounting for the purchase transaction or transactions in accordance with Section 1582. The amendments also require that, when a future income tax asset that arose prior to the date of a comprehensive revaluation and that was not recognized in the comprehensive revaluation is subsequently recognized, the benefit should be recognized in accordance with Section 1582 and Section 3465, Income Taxes. The Company is currently assessing the future impact of this standard on its financial statements.

The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582.

Also in August 2009, the AcSB issued amendments to Section 3251, *Equity*, as a result of issuing Section 1602, *Non-controlling Interests*. The amendments require non-controlling interests to be recognized as a separate component of equity.

The amendments apply only to entities that have adopted Section 1602.

(b) Securities regulators and the Canadian Accounting Standards Board have edicted that all public Canadian companies must adopt and comply with IFRS effective January 1, 2011 with restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010 and for all interim periods reported within 2010. The Company is currently assessing the adoption of IFRS for 2011. However the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. At this point, due to the limited nature of the Company's activities, it is not expected that the transition to IFRS will have a significant impact. Management expects to, before the end of 2010, formulate a changeover plan. Although companies are, in some cases, entitled to adopt certain new accounting policies that will comply with

IFRS prior to 2011, the Company has not concluded that it would be appropriate for it to adopt any of the new accounting policies prior to the date they will be required.

9. **Risks and Uncertainties**

Resources exploration is a speculative business and involves a high degree of risk which even a combination of professional evaluation and management experience may not eliminate. There is no certainty that expenditures made by the Company on the exploration of properties will result in discoveries of commercial quantities of minerals. Significant expenditures are required to locate and estimate reserves, and further the development of a property. Capital expenditures to bring a property to commercial production are also significant. There is no assurance that the Company will be able to arrange sufficient financing to bring a property into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time.

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties or Aboriginals to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

10. **Environmental Risk Disclosure**

Conducting mineral exploration activities give rise to a risk that environmental damage could be done - which, for the Company, would be principally:

- (a) inadvertently causing a fire - which could become a forest fire - in the area of the exploration activities; and
- (b) fuel or chemicals - or equipment containing fuel or chemicals - could spill or fall into a stream which could result in downstream damage to fish or fish habitat.

The Company, in engaging contractors to carry out exploration activities on its behalf, requires that the contractors commit to using industry-best practices to ensure that the work that they perform on behalf of the Company does not result in any environmental damage, and that they are equipped, in case environmental damage should occur, to immediately eliminate the risk or mitigate the damage. Nevertheless, as the work being done is under the control of independent contractors and not under full or constant supervision by representatives of the Company, activities could be undertaken by the contractors or their employees which would be considered environmentally hazardous or which could cause environmental damage.

The Company, through reports from its independent contractors and geologists that it has periodically on the site of work being done by the Company, is satisfied that the Company and the contractors engaged in the past have not caused any material environmental damage and that if the contractors have caused any non-material environmental damage it has been remediated promptly and effectively.

To the best of the knowledge of the Company's Management and Directors the Company is not subject to any potential existing environmental liabilities. The Company has therefore not set up in its financial statements any reserve against potential liability for environmental damage.

The Company maintains a \$2,000,000 public liability insurance policy which, it is expected, would cover any environmental damage for which the Company was responsible up to the maximum of \$2,000,000.