

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

MARCH 31, 2006

1. NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS
2. STATEMENT OF EARNINGS AND DEFICIT
3. BALANCE SHEET
4. STATEMENT OF CASH FLOWS
5. NOTES TO FINANCIAL STATEMENTS

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

ACREX Ventures Ltd.

STATEMENT OF EARNINGS AND DEFICIT

Unaudited - See Notice to Reader

	Three months ended March 31,	
	2006	2005
EXPENSES		
Management fees	\$ 34,500	34,500
Consulting	19,345	400
Promotion and travel	16,585	4,789
Advertising	12,308	7,038
Office and general	11,170	7,259
Filing fees	5,250	6,095
Accounting	4,000	4,300
Legal	2,408	23,139
Investor relations	3,000	3,550
Rent	2,670	1,280
Insurance	2,500	-
Transfer agent fees	1,326	2,895
	115,062	95,245
Net loss before other items and income taxes	(115,062)	(95,245)
OTHER ITEMS		
Interest income	483	610
Write-down of marketable securities	-	(6,000)
	483	(5,390)
Net loss before income taxes	(114,579)	(100,635)
Future income tax recovery	-	22,263
Income taxes	-	(3,125)
NET LOSS	(114,579)	(81,497)
Deficit, beginning of period	(4,291,717)	(3,781,690)
DEFICIT, end of period	\$ (4,406,296)	(3,863,187)
LOSS PER SHARE - BASIC / DILUTED	\$ (0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	20,397,711	13,398,972

ACREX Ventures Ltd.

BALANCE SHEET

Unaudited - See Notice to Reader

	March 31, 2006	December 31, 2005
ASSETS		
Current		
Cash and short-term investments	\$ 340,025	408,332
Marketable securities	16,000	16,000
Other receivables	10,854	11,667
Prepaid expenses	8,175	-
	375,054	435,999
Mineral properties [Note 2]	1,166,993	1,152,693
	\$ 1,542,047	1,588,692
LIABILITIES		
Current		
Accounts payable and accrued expenses	\$ 40,268	33,306
SHAREHOLDERS' EQUITY		
Share capital [Note 3]	5,690,678	5,629,706
Contributed surplus [Note 4]	217,397	217,397
Deficit	(4,406,296)	(4,291,717)
	1,501,779	1,555,386
	\$ 1,542,047	1,588,692

APPROVED ON BEHALF OF THE BOARD:

"T.J MALCOLM POWELL"

Director

"CARL R. JONSSON"

Director

ACREX Ventures Ltd.

STATEMENT OF CASH FLOWS

Unaudited - See Notice to Reader

	Three months ended March 31,	
	2006	2005
OPERATIONS		
Net loss	\$ (114,579)	(81,497)
Less item not involving cash:		
Write-down of marketable securities	-	6,000
Future income tax recovery	-	(22,263)
	(114,579)	(97,760)
Changes in non-cash working capital balances:		
Decrease (increase) in other receivables	813	(9,035)
Increase in accounts payable and accrued expenses	6,962	28,085
Increase in prepaid expenses and deposits	(8,175)	(22,420)
	(114,979)	(101,130)
FINANCING		
Issuance of common shares	60,972	224,048
Increase in share subscription receivable	-	(5,025)
	60,972	219,023
INVESTING		
Mineral properties:		
Option payments	-	(5,000)
Exploration expenditures	(14,300)	(18,710)
Increase (decrease) in cash and short-term investments	(68,307)	94,183
Cash and short-term investments, beginning of period	408,332	229,231
CASH AND SHORT-TERM INVESTMENTS, end of period	\$ 340,025	323,414

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NOTES TO FINANCIAL STATEMENTS

Three months ended March 31, 2006

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1. NATURE OF OPERATIONS

The accompanying unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles but do not conform in all respects to the note disclosure requirements for its annual financial statements. The unaudited financial statements have been prepared on a basis consistent with the accounting principles and policies described in the annual financial statements, unless otherwise mentioned, and should be read in conjunction with those statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included in these financial statements.

2. MINERAL PROPERTIES

	Michaud	Spanish Mountain	Nachako	Total
Acquisition costs				
Balance, beginning of period	\$ 25,000	10,500	-	35,500
Acquisition fees	-	-	9,781	9,781
Balance, end of period	25,000	10,500	9,781	45,281
Exploration costs				
Balance, beginning of period	1,101,538	15,655	-	1,117,193
Consulting	-	2,500	-	2,500
Other	-	2,019	-	2,019
Balance, end of period	1,101,538	20,174	-	1,121,712
	\$ 1,126,538	50,848	9,781	1,166,993

Michaud gold claims, Ontario, Canada - On November 26, 2004, the Company entered into a Joint Venture Agreement with Porcupine Mines Inc. ("Moneta") for a 50% interest in the exploration, development and mining of certain mineral claims in the Michaud Township, Ontario, Canada.

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 has agreed with Moneta to acquire 50% of the net 75% interest (i.e. a 37.5% interest) in three contiguous adjoining mineral claims known to the parties as the Dyment Claims - which cover approximately 48 hectares. To reimburse Moneta for its costs of the original acquisition of interests in the Dyment Claims the Company has paid Moneta \$25,000 in cash and is committed to pay a further \$25,000 on or before December 31, 2006.

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NOTES TO FINANCIAL STATEMENTS

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2. MINERAL PROPERTIES (continued)

Spanish Mountain claims, British Columbia, Canada - 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, Canada.

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

Due Date	Cash Payment	Share Issuance
July 25, 2005 (completed)	\$ 5,000	50,000
April 25, 2006	5,000	-
July 25, 2006	10,000	50,000
July 25, 2007	20,000	50,000
July 25, 2008	20,000	50,000
July 25, 2009	40,000	-
	\$ 100,000	200,000

Nachako claims, British Columbia, Canada – On January 26, 2006 the Company signed a Letter of Intent (the "Letter") with a prospector (the "Optionor") giving it a right to negotiate option agreements on certain mineral claims, covering a total of approximately 1,200 Units (approximately 25,000 hectares) in the north central area of British Columbia. The Company earned the rights by paying the costs (aggregating \$9,781) of the Optionor filing mineral claims over the areas.

The Letter provides that the Company will sign one or more formal option agreements with the Optionor by July 31, 2006, each agreement to cover a maximum of 400 Units (a "Block"). The terms of the option for each Block will provide for the following cash payments:

Due Date	Cash Payment
On execution	\$ 10,000
March 15, 2007	\$ 10,000
March 15, 2008	15,000
March 15, 2009	30,000
	\$ 65,000

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2. MINERAL PROPERTIES (continued)

The Company will also be required to issue 200,000 shares in its capital to the Optionor in blocks of 50,000 shares spread over three years after acceptance for filing of an option agreement by the TSX Venture Exchange. An additional 200,000 shares will be issued to the Optionor on the receipt of a positive feasibility study on any of the property within a Block.

A 2.5% net smelter return royalty (NSR) will be reserved in the Optionor's favour against all the the Units comprising the Blocks. The Company will have the right to purchase 0.5% NSR back from the Optionor each for \$500,000 - to a maximum purchase of 1.5% for \$1,500,000. The rights of repurchase will continue until the date of the commencement of commercial production from Units in a Block.

3. 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:

Number	2006		2005	
	Amount	Number	Amount	
Balance, beginning of period	20,115,991	\$ 5,629,706	13,417,616	\$ 4,931,283
Shares issued for cash and other:				
Private placements	364,375	60,972	6,587,500	730,305
Property option payment	-	-	100,000	14,000
Finders fee	-	-	10,875	(23,619)
Future income taxes on expenditures renounced to shareholders	-	-	-	(22,263)
Balance, end of period	20,480,366	\$ 5,690,678	20,115,991	\$ 5,629,706

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

Exercise Price	Outstanding December 31, 2005	Exercised	(Expired)	Outstanding March 31, 2006	Expiry date
\$0.20	200,500	(125,250)	(75,250)	-	March 10, 2006
\$0.20	600,000	-	(600,000)	-	March 24, 2006
\$0.15	190,875	(70,875)	(120,000)	-	March 24, 2006
\$0.18	2,428,440	(145,000)	-	2,283,440	May 16, 2006
\$0.18	325,000	-	-	325,000	October 18, 2006
	3,744,815	(341,125)	(795,250)	2,608,440	

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4. CONTRIBUTED SURPLUS

	2006	2005
Balance - beginning of period	\$ 217,397	112,000
Stock-based compensation	-	73,884
Agents' options and warrants	-	31,513
Balance - end of period	\$ 217,397	217,397

5. STOCK OPTION PLAN AND STOCK - BASED COMPENSATION

The Company has established a stock option plan for directors, employees, and consultants. The following table summarizes the stock options outstanding at March 31, 2006:

Price	Number Outstanding	Number Exercisable	Expiry date
\$0.30	600,000	600,000	June 3, 2007
\$0.28	565,000	565,000	November 4, 2008
\$0.12	150,000	112,500	May 17, 2010
\$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
	2,000,000	1,962,500	

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 Venture Exchange. Options vest immediately when granted and expire five years from the date of the grant, unless the Board establishes more restrictive terms.

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.

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

A summary of the changes in the Company's stock options for the quarter ended March 31, 2006 and year ended 2005 is presented below:

	2006		2005	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of year	2,520,380	\$ 0.22	1,305,000	\$ 0.29
Granted	-	-	835,000	0.12
Exercised	(23,250)	0.12	(140,000)	0.30
Agent's options	-	0.12	520,380	0.12
Outstanding, end of year	2,497,130	\$ 0.22	2,520,380	\$ 0.22

No options were granted during the period (2005: Nil) and therefore no stock compensation expense has been recorded.

6. RELATED PARTY TRANSACTIONS

The Company incurred legal fees of \$3,647 from a law firm of which a director is a principal. Accounts payable includes \$3,808 due to the law firm.

The Company incurred management fees of \$27,000 and equipment rental charges of \$2,601 from a company owned by a director and management fees of \$7,500 from a company owned by another director of the Company.

7. SEGMENT INFORMATION

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

8. SUBSEQUENT EVENTS

On May 17, 2006 the Company completed a private placement of 3,000,000 units at \$0.235 per Unit for proceeds of \$705,000. Each Unit consists of 1 share of the Company and one 1-year warrant entitling the purchase of another share for \$0.30.

ACREX VENTURES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS - INTERIM DATED May 23, 2006

This Interim MD & A is intended to cover the Company's fiscal quarter from January 1, 2006 to March 31, 2006 - and the period to May 23, 2006. It is to be read in conjunction with the Company's Annual Management Discussion and Analysis dated April 20, 2006, and the audited financial statements of the Company prepared to December 31, 2005.

1. Overall Performance

Spanish Mountain, British Columbia, property

The Company has initiated a 2006 exploration programme on the Property - which is to consist of infill soil geochemical sampling and magnetometer surveying - which will be followed-up by trenching and drilling of the most favourable anomalies. The Company has signed a diamond drilling contract and is scheduling the commencement of the drilling in the early Summer, 2006.

Michaud, Ontario property

The Company and its 50% joint venturer, Moneta Porcupine Mines Inc., have recently agreed to conduct additional diamond drilling on the "55 Zone" - and on an adjoining property which is subject to the Area of Interest provisions of the Joint Venture Agreement dated November 26, 2004. It is anticipated that the programme will consist of four diamond drill holes for a total length of approximately 1,600 meters at an estimated cost of \$193,600. The Company will be responsible for 50% of the costs.

The Company has agreed with Moneta, pursuant to the Area of Interest provisions of the Joint Venture Agreement, to acquire 50% of the net 75% interest (i.e. a 37.5% interest) in three contiguous adjoining mineral claims known to the parties as the Dymont Claims - which cover approximately 48 hectares. To reimburse Moneta for its costs of the original acquisition of interests in the Dymont Claims the Company has paid Moneta \$25,000 in cash and is committed to pay a further \$25,000 on or before December 31, 2006.

Nachako area property

The Company has not yet initiated any work on the Nachako area mineral claims.

Financing

The Company has received from the issuance of equity shares since January 1, 2006 a total of \$1,259,528.50 - \$705,000 being from the sale of 3,000,000 Units at \$0.235 per Unit - which closed in May, 2006 and \$554,528.55 from the exercise of 3,273,570 previously issued share purchase warrants. This has resulted in the Company issuing, since January 1, 2006, a total of 6,273,570 shares. The warrants that were exercised constitute 100% of the warrants that the Company had previously issued. The relatively low prices at which they were exercisable, and the fact that the Company's shares traded up to \$0.40 per share on the TSX Venture Exchange, resulted in all of the warrant holders exercising their warrants.

Expenses

The Company's expenses for the quarter were marginally higher than was the average during 2005. This was as a result of increased activities by Management - primarily in relation to shareholder relations and securing the private placement financing which closed subsequent to the end of the quarter.

2. Results of Operations

Because the Company did not have any operations which produced sales revenues - i.e. did not have any business operations - no meaningful analysis can be done of the Company's operations.

3. Summary of Quarterly Results

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

	Mar. 31/06	Sept. 30/05	June 30/05	Mar. 31/05	Dec. 31/04	Sept. 30/04	June 30/04	March 31/04
(a) Net sales or total revenues	\$0.00	\$0.00	\$ 0.00	\$0.00	\$22,680	\$0.00	\$0.00	\$0.00
(b) Loss before extraordinary items								
- total	115,062	150,853	125,456	95,245	406,618	91,395	109,455	100,895
- per share undiluted	0.01	0.01	0.01	0.01	0.03	0.01	0.02	0.01
- per share diluted*								
(c) Net loss								
- total	114,579	149,688	123,701	100,635	409,347	76,612	111,473	104,887
- per share undiluted	0.01	0.01	0.01	0.01	0.03	0.01	0.01	0.01
- per share diluted*								

*As the effect of this 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 only to the amount of activity by the Company in each quarter – primarily in raising funding or supervising exploration work on its property

4. Liquidity

At the close of business on May 23, 2006 the Company had net working capital of approximately \$1,385,000. This represents sufficient funding for the Company to conduct some additional exploration work on the Michaud, Ontario and Spanish Mountain, British Columbia properties – but nothing of significance. If the Company decides to undertake major exploration programmes on its properties additional funding will be required. Some of this can be anticipated to come from the exercise of outstanding share purchase warrants and share purchase options – although the amounts that might be received from such exercises is not determinable at this time. The Company has no financial commitments other than to pay its monthly general and administrative expenses.

5. 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 Mr. Malcolm Powell – in payment for Mr. Powell’s management of the Company; and \$839 per month for the rental of computer and other equipment;
- (b) Frank Lang is paid a monthly director’s fee of \$2,500;
- (c) Carl Jonsson 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 legal services rendered;

6. **Other MD & A Requirements**

- (a) Additional information relating to the Company – including the Company’s most recent Annual Information Form - being the Form 20F filed by the Company with the United States Securities and Exchange Commission, dated April 27, 2005; and the Company’s Management Discussion and Analysis covering previous periods; and its Short Form Offering Document dated April 29, 2005 have been filed on SEDAR and are available at www.sedar.com. Information about the Company may also be seen on its website at 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 quarter ending March31, 2006 and for 2005 fiscal year:

	Quarter ending March 31/06 \$	Quarter ending March 31, 2005 \$
Assays	-	-
Consulting	2,500	3,414
Core facility	-	-
Drilling	-	11,498
Field vehicles	-	-
Lodging	-	-
Surveying and linecutting	-	1,513
Travel	-	-
Other	2,019	604
Support	-	1,681
Totals:	4,519	18,710

- (B) General and administration expenses.

Breakdown of general and administration expenses for quarter ending March 31, 2006 and for 2005 fiscal year:

	Quarter ending March 31/06 \$	2005 \$
Management fees	34,500	34,500
Consulting	19,345	400
Promotion and travel	16,585	4,789
Advertising	12,308	7,038
Office and general	11,170	7,259
Filing fees	5,250	6,095
Accounting	4,000	4,300
Legal	2,408	23,139
Investor relations	3,000	3,550
Rent	2,670	1,280
Insurance	2,500	-
Transfer agent fees	1,326	2,895
Totals:	115,062	95,245

(c) Outstanding share data:

(i) The Company has 26,389,561 common shares issued. The shares are all voting shares and rank equally with each other.

(ii) The Company has share purchase options outstanding entitling the purchase of:

- 600,000 shares of the Company exercisable at \$0.30 per share before June 3, 2007
- 565,000 shares of the Company exercisable at \$0.28 per share before November 4, 2008
- 150,000 shares of the Company exercisable at \$0.12 per share before May 17, 2010
- 485,000 shares of the Company exercisable at \$0.12 per share before July 7, 2010
- 100,000 shares of the Company exercisable at \$0.12 per share before December 5, 2010
- 100,000 shares of the Company exercisable at \$0.12 per share before October 13, 2010

so that there are now options outstanding on 2,000,000 shares.