

The Resource Stock Watch

Special points of interest:

- Proven and highly focused management team.
- Proven ability to raise capital within equity markets.
- The Michaud Property is located along the historic Destor-Porcupine fault that has produced over 100 million ounces of gold.

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Acrex Ventures is well positioned to deliver shareholder value as the new bull market in gold rages on. (AKV:TSX.V)

How quickly time passes. It was just over two years ago that we began to speak of recovery within the gold sector. Based upon fundamentals, long-established cycles and the reality of the North American economy, we felt that 2001 would be a foundation building year as 2002 saw movement. And, as we often published in the latter half of 2002, we felt that 2003 would be the year during which even the skeptics would have to acknowledge that gold was once again the territory of the bulls. As we write this report on Monday, January 27th, gold is at its highest level in more than six years, a rally spurred this day by the gathering storm of war. When we began to speak of recovery, we wrote of an eventual return to the old and long-held equilibrium price of \$385 per ounce. If the present trend continues we may well surpass that level.

Now is the time to research the markets for opportunity. A junior of note that recently came to our attention is Acrex Ventures Ltd. Acrex is a Junior resource company, based in Vancouver, B. C., whose principal asset is the Michaud property located along the Destor Porcupine Fault Zone (DPFZ), lying approximately 100 km east of Timmins and 40 km west of the Quebec border, Canada. The regional fault structure is one of the most prolific gold producing belts in the world, having produced over 120 million ounces of gold.

Basic Share Data

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Share Structure:

Issued: 8,038,616
Fully Diluted: 14,462,249

Warrants Outstanding:
5,683,633

Options Outstanding:
740,000

As our readers are well aware, I have a fondness for highly focused Canadian junior resource companies. And, I likewise have a fondness for those who weathered the lean days within the resource sector. Acrex was incorporated in 1969 and, as a result, it might be fair to say that they've seen the good, the bad and the ugly that recent global trends offered within the sector.

As you read this brief report you will hopefully gain a basic knowledge of the Acrex family. In our opinion, this is a well managed firm, one that's highly focused within a region of proven potential. As always, this is a recommendation for research only, not investment advice. And, in the days and weeks to come we will present Acrex and its management team in a variety of venues throughout North America. If you receive this newsletter, you will be alerted when we are in or near your region.

The coming weeks and months are likely to be ones of great challenge for all North Americans. The market in general holds great disdain for military conflict and unrest. Yet, we, as well as the market are now faced with new realities in this Post 9-11 world. The prudent investor will seek safe havens and hedges against volatility in these times. Our task is to help our readers along that path.

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To gain a better understanding of the Acrex story, let's review the Michaud Property as well as the region that it lies within.

As is our practice, much of the following data is picked up from the Acrex Ventures website or related due diligence material. We do this as it is not our practice or policy to in any way alter, edit or enhance historical or factual data.

Michaud Gold Property, Michaud Township, Ontario

Acrex acquired the right to earn a 60% interest in the Michaud Property, on signing an agreement with Moneta Porcupine Mines Inc. of Timmins, Ontario, dated September 1, 2001. By an Amendment dated January 17, 2003, Acrex can earn a 60% interest in a portion of the Property and a 70% interest in the rest of the Property—by spending \$2,750,000 on the Property by May 15, 2007 and meeting other obligations.

The Destor Porcupine fault has produced over 100 million ounces of gold.

The Michaud property is host to the Southwest Zone of gold mineralization, where in 1996 Barrick Gold Corp. outlined a drill indicated inferred resource of 2.4 million tonnes averaging 6.07 gm/t gold to contain approximately 460,000 ounces of gold.

Acrex, in 2002, raised \$1.25 million through a Prospectus Offering and an additional \$190,000 through a Private Placement. The company subsequently commenced exploration of its Michaud Property, with an estimated \$400,000 program which included approximately 3,038.5 meters of diamond drilling.

History

Exploration in the area began in 1939, but intensified post 1944 after an Ontario Department of Mines report suggested the Destor Porcupine Fault lay under what is now Acrex's Michaud property. A succession of companies held the ground

until the 1980's. During the late 1980's Moneta Porcupine Mines and Nufort Resources Inc. in joint-venture with Moneta acquired title to most of the area. Subsequent to 1998, Moneta has assumed a 100% interest in both the old Moneta and Moneta-Nufort parcels.

The Southwest Zone of mineralization along with the adjacent South and "04" Zones were discovered by geophysical and drilling programs carried out by Moneta and UNOCAL in 1987 -- 1988. Additional programs were completed by various operators.

The property was optioned by Lac North America Ltd. (a subsidiary of Barrick) in 1994 -- 1995. Between 1994 and 1996 exploration including drilling was carried out on ground to the north of Acrex's Michaud property and in the area of the Southwest Zone. In late 1996, Barrick prepared a preliminary resource estimate of the Southwest Zone, which included information from over 65 drill holes. The preliminary estimate resulted in an inferred resource of 2.4 million tonnes averaging 6.07 gm/t to contain approximately 460,000 ounces of gold. In 1997, Barrick drilled an additional 44 holes in the area of the Southwest Zone, but this information was apparently not fully integrated into the existing resource estimate.

Barrick returned the property to Moneta in 1998 in an environment of declining gold prices, declining investor interest in the gold sector and an overall cut in funding for exploration of gold properties in North America.

Acrex entered into an agreement with Moneta in September 2001 to earn a 60% interest in the property.

General Geology and Mineralization

The Michaud property lies within the western part of the Abitibi Greenstone Belt, a metamorphosed mafic to ultramafic volcanic assemblage containing or bounded by metasedimentary basins (see Regional Geology Map). All of these units are cut by syn-volcanic to post tec-

tonic felsic to ultramafic intrusives. Deformation in the area of the Michaud property is characterized by an earlier phase of steep plunging isoclinal folds, which in turn have been refolded about a shallow plunging F2 folding event.

The Destor Porcupine structure is interpreted to be in part a thrust or high angle reverse fault, while in other places it displays a prominent strike slip component. The Destor Porcupine Fault itself is offset by a series of northerly trending high angle faults.

Gold deposits throughout the area occur in close spatial proximity to the Destor Porcupine Fault. The bulk of these are volcanic shear hosted deposits or intrusive hosted gold occurrences.

Gold mineralization on Acrex's Michaud property is somewhat unique, in that it is associated with a carbonate and quartz altered coarse clastic component of Timiskaming age metasediments. In general, gold mineralization occurs within these clastic units, proximal to a well bedded banded iron formation (BIF). The east to northeast trending Destor Porcupine Fault is sub-parallel to and lies immediately north of the trend of known gold zones on the property. The Destor Porcupine Fault in turn juxtaposes the southern package of Timiskaming metasedimentary rocks against older mafic to ultramafic metavolcanics to the north. A similar metasedimentary host to mineralization is reported to occur on the Windjammer property of Newmont Mines, which bounds Acrex's Michaud property to the east.

To date, five zones of gold mineralization have been identified through drilling on the Michaud property (see Property Geology Map). The Southwest Zone, with its inferred resource of 460,000 ounces of gold, lies near the eastern property boundary. The South Zone bounds the Southwest

Zone to the east, while the "04" and "04 Extension" zones are immediately to the west. The "55" Zone lies 1.6 km along strike to the west of the Southwest Zone and is separated from the "04 Extension" Zone by a 650 meter package of untested favourable host stratigraphy. In total, these known gold zones cover a strike extent of approximately 3.0 km. An additional 6 km of untested favourable host stratigraphy is interpreted to lie within Acrex's Michaud property to the west of the "55" zone.

Southwest Zone, South Zone and "04" Zone

The gold resource calculated by Barrick in 1996 covers the Southwest Zone, with blocks extending into the South Zone to the east and the "04" Zone to the west. Overall, the main mineralized envelope occurs to the south of the banded iron formation and extends for 2.0 km along strike, 300m in width and up to 1000m down-dip (see Schematic Section). Individual ore shoots have been interpreted to be between 1 and 10m in width within this envelop.

Acrex is seeking to exploit gold resources within a region of significant potential.

The major portion of the 460,000 ounce inferred resource was calculated to lie above a depth of 400 vertical meters. Two additional blocks of ore were included in this resource. These blocks extended to 800m and 1000m vertical meters and were based upon information gleaned from only one drill hole each.

Numerous drill intercepts returned values between 2 and 8 gm/t gold over several meters. However, several individual assays yielded significantly higher values. Some examples of these include: 51.33 gm/t over 0.9m (ddh 97-210 -- 518.9 to 519.8m); 32.38 gm/t over 1.8m (ddh 95-158 -- 201.7 to 203.5m); and 19.5 gm/t over 1.5m (ddh 87-78A -- 190.8 to 192.3m). Fine visible gold was noted in several places throughout the drill holes.

Drilling to depth in the Southwest Zone returned values to 7.96 gm/t over 10.8m, 8.24 gm/t over 4.2m and 5.81 gm/t over 3.0m at a depth of approximately 600m (ddh 96-177) and 6.08 gm/t over 8.5m and 2.1 gm/t over 68.0m at a depth of approximately 950m (ddh 96-162). These results

clearly demonstrate the strong continuity of gold mineralization to depth within these systems. A large percentage of the property below the 400 -- 500m level remains untested.

"04" Extension Zone

Drill holes in the "04" Extension area cored the same stratigraphic intervals of coarse clastic metasediments and banded iron formation as that intersected in the Southwest Zone. The style of alteration and associated gold values also appears to be similar, although this area has not been drilled to the same degree as the Southwest Zone.

Significant intercepts in this area include 6.24 gm/t over 3.3m (ddh 97-186) and 5.67 gm/t over 6.3m (ddh 96-178). Further testing would be required to determine the extent of mineralization in this area.

"55" Zone

Exploration activities in the 55 Zone have outlined two gold bearing horizons extending over a strike length of 350+ meters. The system is open along strike and to depth. Best intercepts have included: 10.08 g/t over 4.6m (Barrick Hole 97-195) and 7.5 g/t over 6.5m within 12m of 4.81 g/t (Acrex Hole MA-02-06). Acrex will press on with continued drilling in the 55 area.

Other Targets

A reinterpretation of the Barrick Model has resulted in the identification of a new target area in metasediments to the north of the Southwest Zone. In addition, a highly prospective reconnaissance target, 2.5km to the west of the 55 area will be surveyed by detailed magnetometer in preparation for a diamond drilling program.

Regional Mining Activity

The Holt McDermott Mine of Barrick Gold Corp. and the Holloway Mine of Newmont Canada Ltd. both occur along the Destor Porcupine Fault Zone, approximately 22 km to the east of Acrex's Michaud property. Both mines are currently in production, with ore from the Holloway Mine being custom milled at Barrick's facilities. Each mine contained a total outlined resource of approximately 1.2 to 1.4 million ounces (includes previous production and current reserves).

Production from the Holt McDermott in 2001 was approximately 83,577 ounces at a cash cost of US\$165 per ounce. Production was mainly from the recovery of the main South Zone rib pillars that resulted in a lower than planned average grade of 6.07 gm/t. Development of higher grade material from the lower zones (approximately 1000 meters vertical below surface) is expected to increase production to 90,127 ounces at an average cost of US\$148 per ounce.

The current gold mineral reserve at the Holt McDermott Mine is 293,000 ounces (1.4 million tonnes averaging 7.2 gm/t gold). Development of the lower ore zones will remain a priority with a 25,600 meter drill program planned to test the extensions of the South Zone and to test depth extensions and continuity between known zones.

Development at the Holloway Mine has extended to a depth of approximately 800m. The initial mineable reserve was estimated at 5.8 million tonnes averaging 6.7 gm/t to contain 1.25 million ounces of gold. In 2001, Newmont produced 552,947 tonnes averaging 6.41 gm/t or 114,000 ounces of gold. Historically (to the end of 2001), the mine has produced 2,651,761 tonnes of 6.45 gm/t or 550,000 ounces of gold.

Editor's Comments

The Michaud gold project is indeed blessed with a significant pedigree. And, Acrex is blessed to have a project of this potential on its plate in a close to home mining friendly region. To invest in any resource play requires an appetite for risk that's fueled with dreams of blue sky potential. So many juniors have hostile political climates and great distances to contend with. Canada, while sometimes subject to interest political swings, is not a region subject to armed conflict and raiding parties of rebels and dissidents.

Acrex is well managed and seems to be on solid footing within the equity markets, thus they have the resources to exploit this asset should drill results warrant this. There is potential here.

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*Dedicated to Natural Resource
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T.J. Malcolm Powell

Position: **President and CEO**

Malcolm Powell, President and CEO, has been involved in the junior resource industry for over 16 years. He has been President of Acrex Ventures Ltd. since mid 2000, and has been instrumental in successfully guiding the company back into the mining sector.

Malcolm brings a wealth of entrepreneurial, sales, financing and corporate communications experience to Acrex. For approximately 5 years he has served in the capacity of corporate communications and finance for the Lang Mining Group and has played a key role in raising millions of dollars for exploration by the various companies under the Lang umbrella.

Gregory G. Crowe, M.Sc., P. Geo., P. Geol.

Position: **Director and Vice-President of Exploration**

Gregory Crowe, Director and Vice-president of Exploration, is a registered Professional Geologist in the provinces of Alberta and British Columbia. He brings over 20 years of exploration, business and entrepreneurial experience throughout North America, Latin America, Africa and Southeast Asia to Acrex. Since graduating with a M.Sc. from the University of Calgary in 1981, he has worked for a number of major and junior exploration and mining groups and has served on the Board of Directors of several resource companies.

Carl R. Jonsson LL.B.

Position: **Director, Secretary and Chief Financial Officer**

Mr. Jonsson is a principal in the Vancouver law firm of Tupper Jonsson & Yeadon and specializes in securities, corporate and natural resources law -- primarily for public companies. He also acts as a director of numerous public companies

Frank Lang, B.A., M.A., P. Eng.

Position: **Chairman and Director**

Frank A. Lang, Chairman, holds a B.A and M.A. from the University of British Columbia, is a Professional Engineer and has been involved in the operation and financing of junior resource companies for over 30 years. Frank has created literally billions of dollars in shareholder value in companies with which he has been associated.

Arthur G. Troup, M.Sc., P. Eng.

Position: **Director**

Mr. Troup a P. Eng., has served as Vice President, Exploration of Cream Minerals Ltd. Since 1997 and as a director of the Company since 1987. He also serves as Vice President, Exploration of Valerie Gold Resources Ltd. And Emgold Mining Corporation, and President and director of Sultan Minerals Inc. Additionally, Mr. Troup was President of Archean Engineering Ltd., a firm offering project management and mineral exploration services., from 1981 through 1988.

In Summary: Now is the time to begin your research and evaluations of the Acrex Ventures story.

According to available data, drilling on Acrex's Michaud property has demonstrated an extensive envelope of gold mineralization covering an area of over 3.0 km in strike, up to 300m in width and extending to depths of at least 950m. The favourable stratigraphic host to gold mineralization is interpreted to extend for an additional 6.0 km to the west and 0.5 km to the east.

Mining at the Holt McDermott and Holloway mines has clearly demonstrated the potential for deposits in this area to host profitable mineable reserves in the order of 1.2 to 1.4 million ounces at average grades similar to those currently being encountered on Acrex's Michaud property, with drill indicated potential for increased reserves and grade to depth.

The management of Acrex strongly feels that the Michaud property has excellent potential to significantly increase the 460,000 ounce inferred resource estimated by Barrick in 1996.

Press in mid-December revealed that Acrex was about to commence a magnetometer survey to total approximately 40 line kilometers covering a highly prospective gold target (the "Western Zone") located along strike, 2.0 kilometers west of the "55" Zone. The "55" area, in turn, is located approximately 1.8 km west of the Southwest Zone, where Barrick (1996-97) reported an inferred resource of 468,000 ounces of gold (2.4 million tonnes averaging 6.07 gm/t gold). Further discussions of the target zones can be found within the center spread of this document.

When one begins to evaluate any gold play, we strongly feel that one must review management as well as ability to raise funds and the potential of the targeted regions. When electing whether to offer Acrex coverage we used all of our standard guidelines that we've reviewed within these pages for years. In every case, the Acrex story surpassed our guidelines for coverage.

Soon, the PDAC will be upon us and we will have our usual receptions there. And, as the bull market rages you will also see us, as well as the Acrex team, in Las Vegas, New Orleans, New York, San Francisco, Vancouver and Toronto. As always, we will do our best to assist you in your research and due diligence efforts. Acrex is well worth the effort.