

BC FORM 51-901F
QUARTERLY REPORT

Incorporated as part of: Schedule A
 Schedule B & C

ISSUER DETAILS:

NAME OF ISSUER ACREX VENTURES LTD.
FOR QUARTER ENDED JUNE 30, 2001
DATE OF REPORT AUGUST 20, 2001
ISSUER ADDRESS 9131 JASKOW GATE ,RICHMOND,
BRITISH COLUMBIA , V7E 5H6
ISSUER TELEPHONE NUMBER 604-664-7723
CONTACT PERSON MALCOLM POWELL
CONTACT'S POSITION PRESIDENT
CONTACT TELEPHONE NUMBER 604-664-7723
CONTACT EMAIL ADDRESS MPOWELL@HOME.COM
WEB SITE ADDRESS

CERTIFICATE

THE SCHEDULES(S) REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS QUARTERLY REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

"T.J. MALCOLM POWELL"

NAME OF DIRECTOR *SIGN (TYPED)*

01/08/20

DATE SIGNED (YY/MM/DD)

"CARL R. JONSSON"

NAME OF DIRECTOR *SIGN (TYPED)*

01/08/20

DATE SIGNED (YY/MM/DD)

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

JUNE 30, 2001

1. NOTICE TO READER
2. STATEMENT OF EARNINGS AND DEFICIT
3. BALANCE SHEET
4. STATEMENT OF CASH FLOWS
5. NOTES TO FINANCIAL STATEMENTS

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

MICHAEL J. BEDFORD INC.

NOTICE TO READER

We have compiled the balance sheet of ACREX Ventures Ltd. as at June 30, 2001 and the statement of earnings and deficit and cash flows for the period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, British Columbia, Canada
July 3, 2001

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

ACREX Ventures Ltd.

STATEMENT OF EARNINGS AND DEFICIT

Unaudited - See Notice to Reader

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
EXPENSES				
Accounting	\$ 1,215	-	4,483	3,075
Office and general	462	163	573	180
Transfer agent fees	398	742	1,089	1,504
Legal (recovery)	(81)	5,612	5,485	6,794
Business investigation costs	-	-	8,000	-
Filing fees	-	2,600	4,420	3,879
Net loss before income taxes	(1,994)	(9,117)	(24,050)	(15,432)
Income tax recovery	(451)	-	(451)	-
NET LOSS	(1,543)	(9,117)	(23,599)	(15,432)
Deficit, beginning of period	(2,612,468)	(2,529,795)	(2,590,412)	(2,523,480)
DEFICIT, end of period	\$ (2,614,011)	(2,538,912)	(2,614,011)	(2,538,912)
LOSS PER SHARE	\$ (0.001)	(0.003)	(0.008)	(0.001)

ACREX Ventures Ltd.

BALANCE SHEET

Unaudited - See Notice to Reader

	June 30, 2001	December 31, 2000
ASSETS		
Current		
Cash	\$ 6,299	11,644
Accounts receivable	685	1,359
Income taxes recoverable	-	9,595
	\$ 6,984	22,598
LIABILITIES		
Current		
Accounts payable	\$ 30,386	22,401
SHAREHOLDERS' DEFICIENCY		
Share capital [Note 4]	2,515,609	2,515,609
Share subscriptions [Note 5]	75,000	75,000
Deficit	(2,614,011)	(2,590,412)
	(23,402)	197
	\$ 6,984	22,598

APPROVED ON BEHALF OF THE BOARD:

Director

Director

ACREX Ventures Ltd.

STATEMENT OF CASH FLOWS

Unaudited - See Notice to Reader

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
OPERATIONS				
Net loss	\$ (1,543)	(9,117)	(23,599)	(15,432)
Changes in non-cash working capital items:				
Increase (decrease) in accounts payable	(4,641)	31,975	7,985	42,975
Decrease (increase) in accounts receivable	(537)	(13,039)	674	(19,166)
Decrease in income taxes recoverable	9,595	-	9,595	-
	2,874	9,819	(5,345)	8,377
Increase (decrease) in cash	2,874	9,819	(5,345)	8,377
Cash, beginning of period	3,425	419	11,644	1,861
CASH, end of period	\$ 6,299	10,238	6,299	10,238

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2001

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

ACREX Ventures Ltd., incorporated in British Columbia, is a public company listed on the Canadian Venture Exchange.

The Company is in the process of investigating business opportunities.

The ability of the Company to realize assets at their carrying values and to discharge liabilities in the normal course of business is dependent on future profitable operations and/or the obtaining of additional debt or equity financing.

As of June 30, 2001 the Company had a working capital deficiency of \$23,402 and had incurred an operating loss of \$23,599 for the period then ended. The Company's ability to continue as a going concern is dependent upon achieving profitable levels of operations and, if necessary on the ability of the Company to obtain necessary financing.

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 in the preparation of financial statements - The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reporting period. Actual results could differ from those estimates.

Financial instruments - The Company's financial instruments consists of cash, accounts receivable and accounts payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from its other financial instruments mentioned and that their fair values approximate their carrying values, unless otherwise noted.

Income taxes - The Company follows the liability method of accounting for income taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements and their respective tax bases using enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs.

3. PROPOSED RE-ORGANIZATION

By an agreement dated September 5, 2000 the Company agreed to purchase 100% of the the outstanding shares of Rapid Response Systems Inc. ("Rapid") by the issue of 6,000,000 common shares of the Company. Rapid is developing products for use in disaster response, emergency preparedness fire fighting, rescue operations, marine oil spill recovery and environmental industries.

In May, 2001 management of both companies agreed that the agreement would not likely be closed and should be terminated.

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Six months ended June 30, 2001

4. SHARE CAPITAL

The Company has authorized share capital of 25,000,000 common voting shares without par value. The issued share capital is as follows:

	June 30, 2001		December 31, 2000	
	Number	Amount	Number	Amount
Balance, beginning and end of period	3,056,516	\$ 2,515,609	3,056,516	\$ 2,515,609

5. SHARE SUBSCRIPTIONS

The Company has received \$75,000, pursuant to a private placement financing of 150,000 units. Each unit entitles the holder to one common share and one share purchase warrant, exercisable at \$0.75 for two years. The Company is awaiting approval of the financing from the Canadian Venture Exchange.

6. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2001 the Company incurred legal fees of \$5,485 (2000: \$6,794) from a law firm of which a director is a member.