

ACREX VENTURES LTD.
("Company")

THIRD QUARTER MANAGEMENT DISCUSSION AND ANALYSIS
DATED NOVEMBER 29, 2011

This quarterly MD & A covers the Company's third fiscal quarter – the period between July 1, 2011 and September 30, 2011 - and the subsequent period to November 29, 2011. It is to be read in conjunction with the Company's audited financial statements, prepared to December 31, 2010 and the quarterly unaudited financial statement of the Company prepared for the quarter ending September 30, 2011. The period between July 1, 2011 and September 30, 2011 is hereinafter referred to as the "Quarter".

1. **Overall Performance**

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

The Annual Management Discussion and Analysis dated May 2, 2011 contained information up to date on the Company's exploration work on the Spanish Mountain properties. No further work has been done on the Spanish Mountain properties since then.

(b) **Rainbow Canyon, Nevada, property**

The Annual MD & A dated May 2, 2011 contained a description of the terms of the agreement pursuant to which the Company purchased the 52 non-patented mining claims in Washoe County, Nevada known as the Rainbow Canyon property. The Purchase Agreement was accepted for filing by the TSX Venture Exchange and the Company completed the purchase of the claims.

The Company has also staked 48 non-patented mining claims which adjoin the originally purchased 52 claims - so that the Company now owns a total of 100 adjoining non-patented mining claims, which cover an area of approximately 810 hectares (approximately 2,000 acres).

Press Releases reprinted in the Q2 MD & A contained information to August 4, 2011. Printed below is a Press Release that the Company has issued updating information with respect to the property and the Company's plans with respect to it:

November 1, 2011

**Acrex Ventures Completed Mapping, Permitting and Bonding on
its Rainbow Canyon Gold Property in Nevada**

Acrex Ventures Ltd. (Acrex) is pleased to announce that it has completed a geological mapping program on its epithermal gold property at Rainbow Canyon, Nevada. The geological work program has traced out mineralization and associated alteration zones for an anticipated drill program.

The gold mineralization at Rainbow Canyon is associated with steeply dipping quartz veins within extensive areas of argillic alteration. The recent mapping program has traced argillic alteration over a broad, northeast trending zone greater than 1.0 sq. km in size.

Acrex has posted a reclamation bond with the BLM and is now permitted to proceed with drilling on the property.

In April, 2011, Acrex completed a sampling program that involved taking 30 rock chip and grab samples from quartz veins, quartz veinlets and altered wallrock material that occurs in prospect pits,

rock dumps, trenches and outcroppings of mineralization on the claims. Results showed that, of the 30 sites sampled 20 samples had greater than 0.50 g/t gold and 14 samples had greater than 1.0 ppm Au with a maximum, in one sample, of 48.2 g/t gold. Alteration around the quartz veins suggests a low sulfidation gold mineralizing event.

The Rainbow Canyon property is underlain by mafic to felsic volcanic rock of Tertiary age. The presently known gold mineralization, occurs in altered mafic volcanics of the Alta Formation and is thought to be similar in age and host rock type to the nearby Comstock Mine. The property is situated within the Walker Lane structural belt which is host to several major gold and silver deposits with historical production. These including the bonanza gold-silver vein deposits of the Comstock Mine (7.65 Moz. gold and 177.0 Moz. silver), as well as large, bulk-mineable, gold-silver deposits such as the Rawhide Mine (1.5Moz. gold), and Paradise Peak (1.6 Moz. gold and 22.0 Moz. silver).

The Rainbow Canyon property is located within a mining friendly jurisdiction.

Mr. J. Allan McNutt, P.Geo. is the Company's Qualified Person for the purpose of National Instrument 43-101.

(c) **Financing**

The Company did not do any financing during the period covered by this MD&A.

(d) **Investor relations activities**

The Company has no existing investor relations agreements. Currently, whatever investor relations activities are done by the Company are being done from its office.

(e) **International Financial Reporting Standards ("IFRS")**

In the prior quarter Management, working with the Company's Auditors, completed the necessary preliminary transition to and adoption of International Financial Reporting Standards. The IFRS rules have required that companies with fiscal years commencing on or after January 1, 2011 - as is the case with the Company - have their unaudited financial statements for the quarters following that date prepared in compliance with IFRS and that the statements contain some information as to the results of the preparation of the statements under IFRS as compared to using the formerly required Canadian Generally Accepted Accounting Principles ("GAAP"). Readers are referred to the Company's unaudited financial statements for the Quarter. It might be noted that the new rules require financial statements to be described as "Condensed ... Statements". As readers of Note 10 of the financial statements for the Quarter will see, the effect on the Company of converting to IFRS has been minimal - as the only applicable differences under IFRS are that certain accounts - i.e. portions of the accrued Deficit figure - have to be now treated as part of Share Capital.

2. **Summary of Quarterly Results**

The following information is provided for each of the 8 most recently completed quarters of the Company: The figures presented for the last three quarters were calculated pursuant to IFRS. The figures presented in the columns for the preceding quarters were calculated pursuant to Canadian GAAP. There are no material differences between the figures presented under previous Canadian GAAP and IFRS.

	Sept. 30/11	June 30/11	Mar. 31/11	Dec. 31/10	Sept. 30/10	June 31/10	March 31/10	Dec. 31/09
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(b) Loss before extraordinary items								
- total	114,954	95,481	80,775	158,624	135,271	95,886	90,793	95,643
- 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	114,954	95,481	75,920	250,199	135,271	95,886	90,793	583,113
- per share undiluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
- 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 are due principally to the varied amount of activity by the Company in each quarter - and to the fact that certain expenses which are not incurred monthly are posted in various quarters. The actual expenses for the Quarter were \$114,724 (2010 - \$137,838) – but because the Company received interest on its bank account of \$1,977, and booked an unrealized loss on marketable securities held of \$1,747, it posted a loss of \$114,954 (2010 - \$135,271). The Company also booked a non-cash non-recurring expense of \$35,504 as a result of options issued to Directors, Officers and service providers.

3. **Liquidity**

At the end of the Quarter – September 30, 2011 - the Company had cash on hand of \$522,414 and net working capital of \$523,016. The Company has no financial commitments other than to pay its monthly general and administrative expenses and monthly management and directors' fees.

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. The same expense for the Quarter - \$27,000 – was paid in the third quarter in 2010.
- (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 Quarter the legal fees were \$6,575 (2010 - \$7,475).

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, 2010 - 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 the half-yearly periods ending September 30, 2011 and September 30, 2010:

	Half-year ending Sept. 30/11 - \$	Half-year ending Sept. 30/10 - \$
Assays	-	15,784
Consulting	-	-
Lodging	-	-
Drilling	-	-
Field vehicles	-	-
Surveying, geological and linecutting	-	66,129
Geological work	41,452	-
Other	-	-
Support	-	-
Totals:	41,452	81,913

(B) General and administration expenses.

Breakdown of general and administration expenses for the 9-month periods ending September 30, 2011 and September 30, 2010:

	Half-year ending Sept. 30/2011 \$	Half-year ending Sept. 30/2010 \$
Management fees	81,000	81,000
Investor relations	47,322	68,285
Legal	22,150	20,757
Accounting	17,000	10,500
Office and general	19,234	19,666
Promotion and travel	18,336	28,989
Consulting	10,500	36,979
Advertising	12,203	12,139
Filing fees	10,867	5,000
Rent	11,430	11,575
Transfer agent fees	8,139	7,793
Insurance	500	400
TOTALS:	258,681	306,083

(c) Outstanding share data – as at November 29, 2011:

- (i) The Company has 40,760,447 common shares issued. The shares are all voting shares and rank equally with each other.
- (ii) The Company has 3,600,000 share purchase options outstanding entitling the purchase of:
- 100,000 shares exercisable at \$0.20 per share before February 7, 2012.
 - 550,000 shares exercisable at \$0.16 per share before July 2, 2012
 - 1,300,000 shares exercisable at \$0.16 per share before December 17, 2012
 - 540,000 shares exercisable at \$0.10 per share before December 11, 2013
 - 435,000 shares exercisable at \$0.10 per share before July 19, 2015
 - 675,000 share exercisable at \$0.10 per share before August 9, 2016
- (iii) The Company has no share purchase warrants outstanding.

6. Financial and Other Instruments

As at September 30, 2011, the Company's financial instruments consisted 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

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

IFRS 10 Consolidated Financial Statements - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 11 Joint Arrangements - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 Disclosure of Interests in Other Entities - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Each of the new standards, IFRS 9 to 13 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its condensed interim financial statements or whether to early adopt any of the new requirements.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after January 1, 2010, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective January 1, 2012

Amendments to IFRS 7 *Financial Instruments: Disclosures* - In October 2010, the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

IAS 12 *Income taxes* - In December 2010, the IASB issued an amendment to IAS 12 that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its condensed interim financial statements.

New accounting standards effective January 1, 2013

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

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.