ACREX VENTURES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2012

(Unaudited)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditors.

ACREX VENTURES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current		
Cash and cash equivalents	$ 731,799	$ 436,531
Marketable securities (Note 3)	693,680	12,772
HST recoverable	6,993	7,044
Prepaid expenses	7,219	4,273
	1,439,691	460,620
Reclamation bond	5,000	5,000
Mineral properties exploration (Note 4)	211,078	1,529,155
	$ 1,655,769	$ 1,994,775
LIABILITIES		
Current		
Accounts payable and accrued expenses	$ 27,965	$ 36,431
SHAREHOLDERS' EQUITY		
Share capital	9,064,279	9,064,279
Contributed surplus	771,117	760,617
Deficit	(8,207,592)	(7,866,552)
	1,627,804	1,958,344
	$ 1,655,769	$ 1,994,775

Going Concern (Note 2)

Approved on behalf of the Board on November 21, 2012:

"Malcolm Powell" — Malcolm Powell, Director

"Carl Jonsson" — Carl Jonsson, Director

(The Accompanying Notes Form an Integral Part of These Condensed Interim Consolidated Financial Statements)

ACREX VENTURES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30, 2012	Three months ended September 30, 2011	**Nine months ended September 30, 2012**	Nine months ended September 30, 2011
EXPENSES				
Management fees	**$ 28,000**	$ 27,000	**$ 82,000**	$ 81,000
Investor relations	**15,068**	15,791	**46,706**	47,322
Office and general	**10,018**	6,245	**22,896**	19,234
Legal	**13,475**	6,850	**22,395**	22,150
Promotion and travel	**6,152**	5,683	**19,727**	18,336
Accounting	**3,500**	3,500	**13,500**	17,000
Rent	**3,810**	3,810	**11,430**	11,430
Filing fees	**4,002**	1,615	**10,872**	10,867
Share-based expense (Note 6)	**10,500**	35,505	**10,500**	35,505
Transfer agent fees	**1,920**	6,575	**6,906**	8,139
Advertising	**501**	2,150	**3,533**	12,203
Consulting	**–**	–	**–**	10,500
Insurance	**–**	–	**–**	500
	96,946	114,724	**250,465**	294,186
Loss before other items	**(96,946)**	(114,724)	**(250,465)**	(294,186)
OTHER ITEMS				
Interest income	**1,388**	(1,977)	**3,779**	4,459
Unrealized gain (loss) on marketable securities	**(159,242)**	1,747	**(159,092)**	3,372
Gain on sale of mineral property (Note 4)	**64,738**	–	**64,738**	–
	(93,116)	(230)	**(90,575)**	7,831
NET LOSS AND COMPREHENSIVE LOSS	**(190,062)**	(114,954)	**(341,040)**	(286,355)
LOSS PER SHARE – BASIC AND DILUTED	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**40,760,447**	40,760,447	**40,760,447**	40,760,447

(The Accompanying Notes Form an Integral Part of These Condensed Interim Consolidated Financial Statements)

ACREX VENTURES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

(Unaudited)

	Nine months ended September 30, 2012	Nine months ended September 30, 2011
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$ (341,040)	$ (286,355)
Items not involving cash:		
Share-based expense	10,500	35,505
Unrealized loss (gain) on marketable securities	159,092	(3,372)
Gain on sale of mineral property	(64,738)	–
	(236,186)	(254,222)
Changes in non-cash working capital balances:		
(Increase) decrease in HST recoverable	51	25,966
Increase in prepaid expenses	(2,946)	(1,467)
Decrease in accounts payable and accrued liabilities	(8,466)	(27,191)
	(247,547)	(256,914)
FINANCING ACTIVITY		
Issuance of shares	–	–
INVESTING ACTIVITIES		
Mineral properties acquisition and exploration	(18,595)	(194,744)
B.C. mining and exploration tax credit received	61,410	–
Proceeds from sale of mineral property	500,000	–
	542,815	(194,744)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	295,268	(451,658)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	436,531	974,072
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 731,799	$ 522,414
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Shares received from sale of mineral property	$ 840,000	$ –

(The Accompanying Notes Form an Integral Part of These Condensed Interim Consolidated Financial Statements)

ACREX VENTURES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

(Unaudited)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Deficit	Total
As at December 31, 2010	40,760,447	$ 9,064,279	$ 725,112	$ (7,483,495)	$ 2,305,896
Share-based expense	–	–	35,505	–	35,505
Net loss for the period	–	–	–	(286,355)	(286,355)
As at September 30, 2011	40,760,447	$ 9,064,279	$ 760,617	$ (7,769,850)	$ 2,055,046
As at December 31, 2011	40,760,447	$ 9,064,279	$ 760,617	$ (7,866,552)	$ 1,958,344
Share-based expense	–	–	10,500	–	10,500
Net loss for the period	–	–	–	(341,040)	(341,040)
As at September 30, 2012	40,760,447	$ 9,064,279	$ 771,117	$ (8,207,592)	$ 1,627,804

(The Accompanying Notes Form an Integral Part of These Condensed Interim Consolidated Financial Statements)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Acrex Ventures Ltd. (the “Company”), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange and trades under the symbol AKV. The address of the Company’s corporate office and its principal place of business is 1066 West Hastings Street, Suite 2300, Vancouver British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North America. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related capitalized exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Going Concern

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $8,207,592 as of September 30, 2012 which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able to continue to do so in the future.

Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary, Acrex Minerals (U.S.) Inc. (“Acrex US”). Acrex US was incorporated in the State of Nevada. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

	Historical cost	Unrealized Gain (Loss)	Carrying value at market (i)
September 30, 2012	$	$	$
Shares in Canadian public companies	905,250	(223,755)	681,495
Other investments	6,659	5,526	12,185
Total	911,909	(218,229)	693,680

(i) Carrying values are based upon fair market value and any increases or decreases in fair value are recognized in income.

4. MINERAL PROPERTIES EXPLORATION

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

	Spanish Mountain	Rainbow Canyon	Total
Acquisition costs			
Balance, December 31, 2010	$ 179,826	$ –	$ 179,826
Cash paid on purchase	–	123,719	123,719
Staking and title maintenance	–	35,070	35,070
Balance, December 31, 2011	179,826	158,789	338,615
Staking and title maintenance	–	14,330	14,330
Balance, September 30, 2012	179,826	173,119	352,945
Exploration and evaluation			
Balance, December 31, 2010	1,152,460	–	1,152,460
Assays	–	2,967	2,967
Geological	2,386	30,503	32,889
Travel	–	2,224	2,224
Balance, December 31, 2011	1,154,846	35,694	1,190,540
Geological	2,000	2,265	4,265
Mining and exploration tax credit	(61,410)	–	(61,410)
Balance, September 30, 2012	1,095,436	37,959	1,133,395
Proceeds from sale of mineral property	1,340,000	–	1,340,000
Gain on sale of mineral property	(64,738)	–	(64,738)
Total	**$ –**	**$ 211,078**	**$ 211,078**

Spanish Mountain claims, British Columbia – 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. On September 22, 2008, the Company completed its obligations for payment of cash totalling $90,000 and issuance of 200,000 common shares in aggregate, and exercised the option to acquire the 100% interest in the Spanish Mountain property. The Company is to issue 200,000 common shares upon receipt of a positive feasibility study.

4. MINERAL PROPERTIES EXPLORATION (continued)

Spanish Mountain claims, British Columbia (continued)

The Agreement is subject to a 3% net smelter return (“NSR”). The Company has the right to purchase 66.67% of the NSR for $1,000,000 upon commencement of commercial production of the property.

On February 7, 2007, the Company acquired a 100% interest of two mineral tenures immediately to the west and south of the Company's existing claim group. The purchase price of these claims was $10,000 and 200,000 shares.

On August 21, 2012, the Company sold its Spanish Mountain mineral claims (the “Claims”) to Spanish Mountain Gold Ltd. (“SMG”)(TSXV: SPA.V). The total $1,340,000 sale consideration received by the Company from the sale of the Claims was comprised of:

(i) a cash payment of $500,000;

(ii) 2,000,000 shares of SMG with a fair value of $840,000

The 2,000,000 shares of SMG have been issued to the Company subject to a non-trading restriction which will expire December 22, 2012.

In the sale agreement the Company reserved the right to receive a 4.0% net smelter return royalty which will be payable from and after the commencement of production from the Claims. SMG has the right to buy down the royalty from 4.0% to 2.0% by paying a total of $2,000,000 – of which $1,000,000 will be paid to the Company and $1,000,000 will be paid to a former owner of a portion of the Claims who reserved a 3.0% net smelter return royalty in the agreement by which he sold a portion of the Claims to the Company subject to a buy-down of his royalty to 1.0% by the payment of $1,000,000. If SMG pays the $2,000,000 there will be effectively reserved to the Company a 1.0% net smelter return royalty and to the former owner of the Claims a 1.0% net smelter return royalty.

Rainbow Canyon, Nevada – By an Agreement dated March 25, 2011 the Company purchased 52 non-patented mineral claims, covering approximately 421 hectares, located approximately 40 kilometers east of Reno, in Washoe County, Nevada, USA. The purchase price for the claims was US$125,000 (CAN$123,719). A 3% Net Smelter Return royalty is reserved to the vendor subject to the Company’s right to purchase back up to a 2% NSR royalty by the payment of $500,000 for each 1% NSR royalty interest purchased.

During the year ended December 31, 2011 the Company staked an additional 48 claims (388.5 hectares) to the south and west of the purchased claims, almost doubling the size of the claim holdings.

5. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. Disclosures on any common shares issued are provided in the Statements of Changes in Equity.

(Expressed in Canadian Dollars)

6. STOCK OPTION PLAN AND SHARE-BASED EXPENSE

The Company has established a stock option plan for directors, employees, and consultants. The following table summarizes the stock options outstanding and exercisable at September 30, 2012:

Price	Number Outstanding	Number Exercisable	Expiry Date
$0.16	1,200,000	1,200,000	December 17, 2012
$0.10	465,000	465,000	December 11, 2013
$0.10	410,000	410,000	July 19, 2015
$0.10	675,000	675,000	August 9, 2016
$0.05	400,000	400,000	August 30, 2017
	3,150,000	3,150,000	

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.

The continuity of options is as follows:

	Number	**Weighted Average Exercise Price**
Outstanding, December 31, 2011	3,250,000	$ 0.13
Granted	400,000	$ 0.05
Expired	(500,000)	$ 0.17
Outstanding, September 30, 2012	3,150,000	$ 0.12

The Company uses the Black-Scholes option pricing model to estimate the value of stock options granted during the period. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

A total of 400,000 options were granted during the nine months ended September 30, 2012. All options granted have vested during the same period. The fair value of the 400,000 options vested was $10,500 using the Black-Scholes model, and are accounted for as a $10,500 share-based expense included in contributed surplus.

For purposes of the calculations, the following weighted average assumptions were used under the Black-Scholes model:

Share price at grant date	$ 0.03
Risk free interest rate	1.34%
Expected dividend yield	0%
Expected stock price volatility	145%
Expected life of options	5 years

The weighted average grant date fair value of stock options granted during the nine months ended September 30, 2012 was $0.03 per option.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

a) The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties as follows:

i) The Company incurred legal fees of $22,395 (September 30, 2011 - $22,150) from a law firm of which a director is a principal.

ii) The Company incurred equipment rental charges of $14,116 (September 30, 2011 - $13,818) from a company owned by a director.

iii) The Company incurred investor relations expenses of $58,956 (September 30, 2011 - $58,572) from a director.

iv) The Company incurred geological consulting fees of $Nil (September 30, 2011 - $2,250) from a director.

v) The Company received reimbursements for investor relations, promotions and office expenses totalling $24,500 (September 30, 2011 - $22,500) from companies controlled by common directors.

vi) The remuneration of the Company's directors and other key management:

	September 30, 2012	September 30, 2011
Management fees	$ 82,000	$ 81,000
Share-based expense	10,500	35,505
Total	$ 92,500	$ 116,505

b) At September 30, 2012, accounts payable and accrued liabilities included $16,645 (December 31, 2011 - $1,701) for amounts due to a law firm of which a director is a member.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties in Canada and the US. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2012, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of exploration and development expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period.

9. FINANCIAL INSTRUMENTS AND RISK

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution. However as at September 30, 2012 cash and cash equivalents substantially exceed the amounts covered under federal deposit insurance.

Liquidity Risk

The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term exploration, development, and general and administrative expenditures. The Company's cash equivalents are invested in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign currency denominated financial instruments and is not exposed to significant foreign exchange risk.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in the United States in the State of Nevada.