ACREX VENTURES LTD.
(“Company”)

ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS DATED MAY 2, 2011

This annual MD & A covers the Company’s fiscal year which ended December 31, 2010 - hereinafter the “Fiscal Year” - and the period to May 2, 2011. It is to be read in conjunction with the Company’s audited financial statements, prepared to December 31, 2010 - which can be read on the Company’s website: www.acrexventures.com

1. Overall Performance

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

Management has been monitoring the work done – and the results being achieved and announced – by Spanish Mountain Gold Ltd. (formerly Skygold Ventures Ltd.) on its mineral claims which lie between the two blocks of claims which comprise the Company’s property. Because the Skygold property adjoins the Company’s property the results of Skygold’s exploration of its property are very valuable to Management and the Company’s geological consultants in planning the details of further work on the Company’s property.

In 2010 the Company conducted work on the Spanish Mountain property which was in two phases. The first phase was a programme which consisted of approximately 15 kilometers of line surveying, the taking of 589 soil geochemical samples, and trenching. The positive results received from assaying the samples established drill targets. The second phase of the work was conducting a drilling programme. Printed below is a copy of the Company’s November 8, 2010 Press Release which describes in detail the results of the drill programme.

> **Acrex Ventures Ltd.** ("Acrex" or "Company") is pleased to announce the results of its 2010 diamond-drilling program on its West Block Spanish Mountain claims, located near Likely, British Columbia (the “Property”). A total of 862 metres of drilling was completed in 7 drill holes. The results obtained from the drill program have confirmed the presence of a significant gold bearing structure on Property. Confirmation of gold on the Property is very meaningful following Acrex having identified a 1,200 metre long by 400 metre wide zone of greater than 100 ppb gold-in-soils, including isolated values up to 1,000 ppb. Acrex’s airborne geophysical survey had also previously indicated an electromagnetic (EM) anomaly that coincided with the strong gold-in-soil results, extending from Spanish Mountain Gold’s (“SPA”) main zone northwestward across the Acrex Property onto Tiex Inc. nearby gold discovery.
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> Drilling was initiated within the southern extent of the target zone. Hole SpM1001 intersected altered sedimentary and volcanic rocks with carbonate and quartz veining. The hole carried 0.751 g/t gold across 1.5 metres within a 6.10 metre wide zone of gold enrichment (see table). Holes SpM1002 and SpM1003 did not penetrate water saturated overburden and no bedrock samples were obtained as a specialized type of diamond drill was required but was not available at the time. Drill holes SpM1004 through SpM1007 tested the target zone from south to north for a distance of over 1.5 kilometres with three of these holes intersecting zones of gold enrichment. The following table summarizes the gold-bearing intersections from the 2010 drill program:

Drill Hole	From (m)	To(m)	Width(m)	Au g/t
SpM1001	82.46	85.2	**2.74**	**0.514**
and	173.1	179.2	**6.10**	**0.390**

Including	176.2	177.7	**1.50**	**0.751**
SpM1004	103.3	115.2	**11.90**	**0.203**
SpM1006	48.2	61.5	**13.30**	**0.214**
Including	60	61.5	**1.50**	**0.634**
and	87.3	87.7	**0.40**	**0.786**
and	139.6	140.3	**0.70**	**0.454**
SpM1007	32.9	48.6	**15.70**	**0.677**
including	42.1	45.1	**3 00**	**1.140**

Drill hole SpM1007 returned the most significant intersection to date on the Acrex property. This hole intersected 1.140 g/t gold over a 3.0 metre core length within a 15.70 metre wide zone that assayed 0.677 g/t gold. Additional drilling as step-outs from this drill hole are required to further define this potential target zone.

The results from the 2010 drill program indicate that the volcanic and sedimentary rocks tested by drilling along the target trend contain areas of significant gold concentration. These areas of elevated gold in bedrock are considered to be good exploration targets for bulk-mineable gold mineralization similar to that found on the adjacent Spanish Mountain Gold property.

Acrex is currently investigating methods of drilling to allow further testing of areas where overburden problems inhibited bedrock penetration. In particular, follow-up drilling along the strong gold in soil anomaly extending southward from drill hole SpM1001 is warranted. The use of specialized drill equipment should also allow Acrex to penetrate through the water saturated overburden present in holes SpM1002 and SpM1003 in order to reach bedrock.

Acrex is excited about the results from its 2010 drilling program at the Property and remains well funded to be in a position to aggressively continue to drill the Property in 2011. Acrex's geological team is currently evaluating these results and will be devising a 2011 drill program well in advance of the beginning of the drilling season. Acrex currently has approximately $1.1 million in the treasury.

All drill core was logged and sampled at a facility located near the property. Samples were split from the core and shipped to Acme Labs Ltd in Vancouver, BC. The remaining half of the core is stored in the Company's core storage facility in Likely, BC.

Mr. Perry Grunenberg, P.Geo. of P&L Geological Services is the Company's supervisor for the Spanish Mountain Project and "Qualified Person" for the purpose of National Instrument 43-101.

Since the end of the 2010 work programme detailed in the above Press Release the Company has conducted no further work on the property.

(b) *Grizzly-Kellar, Quebec property*

The Company, in the Spring of 2010, optioned the Grizzly-Kellar gold property in Quebec. The Company carried out a drilling programme on the property. While the drilling intersected some significant gold-bearing sections the property was not up to the expectations of Management and the option was terminated December 22, 2010.

(c) *Rainbow Canyon, Nevada property*

The Company has entered into an agreement dated March 25, 2011 to purchase 52 non patented mining claims known as the Rainbow Canyon property. Printed below is a Press Release that the Company issued dated March 31, 2011 describing the agreement and providing some information with respect to the property.

Acrex Ventures Ltd. (the “Company”) has entered into a Purchase and Sale Agreement to purchase a contiguous block of 52 non-patented mineral claims, located 40 kilometres east of Reno, in Washoe County, Nevada. The property - known as “Rainbow Canyon” - has an area of approximately 421 hectares (approximately 1040 acres). The claims are easily accessed by a series of gravel roads from Highway I-80 approximately 1 km south of the property.

The vendor, Gold (U.S.A.) Invest, Inc. (“Vendor”), is a wholly owned subsidiary of Entrée Gold Inc. (“Entrée”). Mr. Greg Crowe, a Director of the Company, is the President, CEO and a director of Entrée and a director and President of the Vendor.

The purchase price of the claims is $125,000 (US) cash. A 3.0% NSR royalty is reserved to the Vendor subject to the Company’s option to purchase up to a 2.0% NSR royalty by the payment of $500,000 for each 1.0% NSR royalty purchased.

The Agreement is subject to acceptance for filing by the TSX Venture Exchange.

The Rainbow Canyon property is underlain by mafic to felsic volcanic rock of Tertiary age. Gold mineralization, known in several areas of the property, has been found in altered mafic volcanics of the Alta Formation. Gold mineralization is associated with narrow steeply dipping quartz veins that are enveloped by 1 to 10 metre wide zones of bleaching and iron staining, within a more extensive area of argillic alteration.

Previous exploration work on the property has discovered a number of quartz veins that carry significant gold values. Alteration around the quartz veins suggests a low sulfidation mineralizing event. In a surface prospecting program by a previous owner rock chip samples taken from quartz vein float and outcrops exposed in historic prospecting pits are also reported to have produced assayed significant gold values.

The Rainbow Canyon gold mineralization 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 records - including the bonanza gold 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 Company has not independently verified the historical work done on or in the area of the property or the historical results. The Company plans to undertake a program of geological mapping, geochemical sampling, geophysical surveying, trenching and sampling to prepare the property for an initial drill program.

Arthur Troup, P.Eng. is the Company’s “Qualified Person” with respect to the property.

The Company is awaiting recommendations from its geological consultants as to the initial exploration programme that the Company intends to carry out on the property. The Company is working on getting the agreement accepted for filing by the Exchange - but such acceptance has not yet been received.

(d) *Financing*

The Company did not do any financing in 2010 or during the period since then.

2. **Summary of Quarterly Results**

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

	Dec. 31/10	Sept. 30/10	June 30/10	March 31/10	Dec. 31/09	Sept. 30/09	June 30/09	March 31/09
(a) Net sales or total revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
(b) Loss before extraordinary items								

- total - per share undiluted - per share diluted*	158,624 0.00	135,271 0.00	95,886 0.00	90,793 0.00	95,643 0.00	70,002 0.00	80,535 0.00	60,340 0.00
(c) Net loss (gain) - total - per share undiluted - per share diluted*	250,199 0.01	135,271 0.00	95,886 0.00	90,793 0.00	583,113 0.01	528,844 0.00	67,249 0.00	60,340 0.00

*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 loss figures shown in the quarter ending December 31, 2010 are substantially higher than the figures for previous quarters as a result of the Company, in the quarter, incurring higher than average costs for promotion, travel and investor relations, higher accounting charges and office and general, booked in anticipation of the year-end. The Company also booked, in the Quarter, a property write-down of $107,652 as a result of dropping its option on the Grizzly-Kellar, Ontario, property.

The differences in the figures between the various other quarters have been due only to the amount of activity by the Company in each quarter – primarily in raising funding or supervising exploration work on its properties. In addition some year-end expenses were booked which were not recognized proportionately in earlier quarters.

The abnormally high net loss in the quarter ending September 30, 2009 was as a result of the Company booking, in that quarter, a write-down of its property assets by $460,357 as a result of surrendering its option on the Don's Lake, Ontario, property. The abnormally high loss in the quarter ending December 31, 2009 was as a result of the Company having booked, in that quarter, a loss of $491,389 on the sale of the interests it formerly held in the Michaud, Ontario, property.

3. Liquidity

At the fiscal year-end – December 31, 2010 - the Company had cash on hand of $974,072 and net working capital of $968,610. At the close of business May 2, 2011 the Company had working capital of approximately $695,000 and cash on hand of approximately $700,000. The Company has no financial commitments other than to pay its monthly general and administrative expenses and monthly management and directors' fees.

4. Selected Annual Information

The following information is given for the last three fiscal years of the Company:

	December 31, 2010 - $	December 31, 2009 - $	December 31, 2008 - $
(a) Net sales or total revenues	Nil	Nil	Nil
(b) Net income or (loss) before other or extraordinary items: – total – per share undiluted - per share diluted *	(480,574) (0.01)	(306,520) (0.01)	(417,511) (0.01)
(c) Net income or (loss) - total - per share undiluted - per share diluted *	(572,149) (0.01)	(1,239,546) (0.03)	(417,511) (0.01)
(d) Total assets	2,363,368	$2,861,457	$4,108,875
(e) Total long-term financial liabilities	Nil	Nil	Nil
(f) Cash dividends declared per share	Nil	Nil	Nil

* As the effect of any dilution is to reduce the reported loss per share, diluted loss per share information has not been shown.

The above data was prepared in accordance with Canadian Generally Accepted Accounting Principles.

Differences in the annual figures were largely due to the different amounts of property write-down figures the Company had in the various years.

5. **Transactions with Related Parties**

There have been no transactions with related parties in the past fiscal year – except that:

(a) the Company paid $9,000 per month - total $108,000 (2009 - $108,000) to a company which is wholly owned by the President Mr. Malcolm Powell – in payment for Mr. Powell's management of the Company. With the same company the Company incurred equipment rental charges of $16,535 (2009 - $13,128).

(b) The Company incurred rent expenses of $9,035 (2009 - $16,680) and office and general expenses of $Nil (2009 - $3,354) with a company which has a common director.

(c) Carl Jonsson, a director, is a principal in Tupper Jonsson & Yeadon, 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 fiscal year covered by this Statement the legal fees were $23,300 (2009 - $14,900).

6. **Fourth Quarter**

There were no events or items in the Company's fourth quarter which significantly affected its financial condition, cash flow or results of operations.

7. **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 last two completed fiscal years ending December 31, 2009 and December 31, 2010:

	2010 $	2009 $
Assays	42,681	-
Consulting	-	4,088
Lodging	-	-
Drilling	99,065	-
Surveying, linecutting and geological	149,605	-
Other	-	-
Support	-	-
Totals:	291,351	4,088

(B) General and administration expenses.

Breakdown of general and administration expenses for the last two completed fiscal years ending December 31, 2010 and December 31, 2009:

	2010 $	2009 $
Management fees	108,000	108,000
Investor relations	99,995	64,982
Promotion and travel	51,793	19,045
Consulting	25,500	500
Office and general	40,774	10,287
Accounting and audit	30,500	37,000
Legal	24,086	21,335
Advertising	15,760	13,148
Rent	15,385	16,680
Transfer agent fees	8,549	9,088
Filing fees	5,968	6,160
Donations	3,000	-
Insurance	700	295
Totals:	430,010	306,520

(c) Outstanding share data – as at May 2, 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 3,750,000 share purchase options outstanding entitling the purchase of:

- 100,000 shares exercisable at $0.30 per share before June 19, 2011.
- 50,000 shares exercisable at $0.30 per share before June 29, 2011.
- 100,000 shares exercisable at $0.20 per share before February 7, 2012.
- 650,000 shares exercisable at $0.16 per share before July 2, 2012
- 1,400,000 shares exercisable at $0.16 per share before December 17, 2012
- 565,000 shares exercisable at $0.10 per share before December 11, 2013
- 100,000 shares exercisable at $0.10 per share before January 12, 2015
- 200,000 shares exercisable at $0.10 per share before April 12, 2015
- 485,000 shares exercisable at $0.10 per share before July 19, 2015
- 100,000 shares exercisable at $0.10 per share before August 28, 2012

(iii) The Company has no share purchase warrants outstanding.

8. <u>Financial and Other Instruments</u>

The Company’s financial instruments consist of cash and cash equivalents, marketable securities and accounts payable. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

9. **Controls**

(a) *Evaluation of disclosure controls and procedures*

Public companies are required to perform an evaluation of disclosure controls and procedures annually and to disclose management's conclusions about the effectiveness of these disclosure controls and procedures in its annual Management's Discussion and Analysis. The Company has established, and is maintaining, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is disclosed in annual filings, interim filings or other reports, and is recorded, processed, summarized and reported within the time periods specified as required by securities regulations.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2010 and, given the size of the Company and the involvement at all levels of the Chief Executive Officer, and the Chief Financial Officer, believes that they are sufficient to provide reasonable assurance that the Company's disclosures are compliant with securities regulations.

(b) *Internal controls over financial reporting*

As at December 31, 2010 management of the Company is responsible for evaluating the design of internal control over financial reporting. The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with Generally Accepted Accounting Principles as of December 31, 2010, have not identified any changes to the Company's internal control over financial reporting in the latest reporting period that would materially affect, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

10. **Change in Accounting Policies including Initial Adoption and Recent Accounting Pronouncements Not Yet Adopted**

(a) In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, "Business Combinations", which replaces Section 1581, "Business Combinations". The AcSB also issued Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests", which replace Section 1600, "Consolidated Financial Statements". These new sections are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, "Business Combinations". These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect the adoption of this standard will have a significant impact on its financial statements.

In August 2009, the AcSB issued amendments to Section 1625, Comprehensive Revaluation of Assets and Liabilities, for consistency with new Section 1582, Business Combinations. The amendments require that, when push-down accounting is used following the acquisition of an enterprise, the assets and liabilities are to be measured at the values used in accounting for the purchase transaction or transactions in accordance with Section 1582. The amendments also require that, when a future income tax asset that arose prior to the date of a comprehensive revaluation and that was not recognized in the comprehensive revaluation is subsequently recognized, the benefit should be recognized in accordance with Section 1582 and Section 3465, Income Taxes. The Company is currently assessing the future impact of this standard on its financial statements.

The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582.

Also in August 2009, the AcSB issued amendments to Section 3251, *Equity*, as a result of issuing Section 1602, *Non-controlling Interests*. The amendments require non-controlling interests to be recognized as a separate component of equity.

The amendments apply only to entities that have adopted Section 1602.

(b) Securities regulators and the Canadian Accounting Standards Board have edicted that all public Canadian companies must adopt and comply with IFRS effective January 1, 2011 with restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010 and for all interim periods reported within 2010. The Company is currently assessing the adoption of IFRS for 2011. However the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. At this point, due to the limited nature of the Company's activities, it is not expected that the transition to IFRS will have a significant impact. Management has formulated a changeover plan. Although companies are, in some cases, entitled to adopt certain new accounting policies that will comply with IFRS prior to 2011, the Company has not concluded that it would be appropriate for it to adopt any of the new accounting policies prior to the date they will be required.

11. **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

12. **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.