

GEOLOGICAL REPORT

On the

MICHAUD GOLD PROPERTY

Michaud Township, Ontario

Larder Lake Mining Division – Matheson Area

Latitude: 48° 28' North
Longitude: 80° 05' West

NTS Block 42A / 09

Prepared for

ACREX VENTURES LTD.

By

Henry M. Meixner, P.Geo.
November 5, 2001

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GEOLOGICAL REPORT on the MICHAUD GOLD PROPERTY

SUMMARY

Acrex Ventures Ltd. has entered into an option agreement with Moneta Porcupine Mines Inc. to acquire a 60% interest in the Michaud Gold Property in Michaud Township, Ontario in order to conduct further exploration of this advanced gold project. The claims are situated just south of Highway 101, about 25 km east of Matheson in central - eastern Ontario near the Quebec border. Patented, leased and staked claims comprising 76.91 contiguous claim equivalents cover an area of approximately 1244.97 hectares. The property is close to existing infrastructure, easily accessible by conventional roads and numerous secondary drill access roads.

This report, prepared at the request of Acrex Ventures Ltd., is based on a personal examination of the optioned claims area undertaken during the period October 10th to 18th 2001, and upon a review of the extensive database of past exploration. An examination of selected drill cores was also undertaken. Most information is archived at the offices of Moneta Porcupine Mines Inc. in Timmins, Ontario. Other relevant information used in this report is generally available in the public domain.

Iron Formation-hosted gold mineralization occurs within Timiskaming type clastic strata, adjacent to or within the Destor Porcupine Fault Zone (DPFZ). These horizons cover a southwesterly-trending strike length of 2.5 kilometres throughout the central part of the Acrex claims block. Past exploration has outlined a number of gold mineralized zones within this predominantly greywacke sequence, including the easternmost South Zone, Southwest Zone, 04 Zone, 04 Extension Zone and the 55 Zone.

The Southwest Zone is the most extensively explored, having been delineated with about 65 drillholes. This drill information was used to estimate an inferred resource of 2.4 Mt averaging 6.07 g/t Au over a width of 6.4 metres for a total of 468,400 ounces of gold.

Gold mineralization occurs primarily as fine grains of native gold and as coatings over euhedral pyrite grains, along with minor sulfide-encapsulated gold, in mesothermal quartz-carbonate veinlets and stockworks within distinct carbonatized and silicified alteration zones. Gold grades are highest in the greywackes and conglomerates of the Timiskaming assemblage, at or near to its contact with the hematitic iron formation.

Widely spaced exploratory drill holes, located over a strike length of about 2 km southwesterly from the Southwest Zone and situated within the 04 Zone, the 04 Extension Zone and 55 Zone, have returned numerous elevated gold grades. Cored intervals, generally greater than 3 g/t Au over 3m, indicate that a significant exploration potential exists for discovering and delineating additional gold mineralization by further drilling in these zones.

Numerous northwest-trending faults, that cut the Timiskaming clastics + iron formation, are thought to be conduits for gold-bearing mineralizing solutions. These have not been specifically drilled as exploration targets in the past.

The writer recommends that further core drilling be carried out in the area of the 04 Extension Zone and in the 55 Zone to test the favourable IF + Timiskaming assemblage for additional gold mineralization.

It is further recommended that drilling be conducted across a number of northwesterly faults which transect the favourable stratigraphic interval, in order to test these areas for gold mineralization.

A program of 9 drillholes at 6 locations, totaling 2600 metres, is recommended to test both the favourable stratigraphy and the structures on the 04 Extension Zone and on the 55 Zone.

It is further recommended that a comprehensive review of historic drill data be carried out, including re-logging of selected core. This information should be compiled to a common scale, so as to allow a re-interpretation of the subsurface geometry of mineralized intervals at Southwest Zone. It is also suggested that three dimensional computer modeling of mineralized drill intervals be done, to achieve a better understanding of the complexity of potential ore zones, and to increase the confidence level of lithologic correlations and grade continuities between drillholes. This computer model would also serve as a guide for further drilling. An allowance of \$ 40,000.00 has been included in the cost estimate for this work.

The cost estimate for drilling and drill data compilation is \$ 343,275.00.

INTRODUCTION and TERMS OF REFERENCE

Acrex Ventures Ltd. has entered into an option agreement with Moneta Porcupine Mines Inc. to acquire a 60% interest in the Michaud Gold Property. In 1996-97 Barrick Gold Corporation outlined, by drilling of the Southwest Gold Zone, an inferred resource of about 2,400,000 tonnes with an average grade of 6.07 g/t Au, containing 468,400 ounces of gold. This resource is not fully nor adequately delineated, remaining open along strike and to depth. Acrex has optioned the claims with the intention of conducting further drilling and other geological studies in order to outline additional tonnage, to elevate the average gold grade and to and to explore additional sparsely tested subsurface gold indications along strike within the favourable stratigraphic assemblage of iron formation and Timiskaming clastics.

The author of this report was retained by Acrex Ventures Ltd. to review and assess the results of exploration work carried out on the optioned claims in the past and to lay out a program of further drilling combined with other appropriate exploration work in order to expand upon the presently known volume and grade of this gold prospect.

This technical report was prepared in compliance with the requirements of National Instrument 43 – 101 and Form 43 – 101F and is intended to be used as a supporting document to be filed with the British Columbia Securities Commission and the Canadian Venture Exchange.

The information used in preparing this report includes a summary report entitled “Report on the Michaud Property of Moneta Porcupine Mines Inc.” by J.R. Reddick and D. G. Cargill of Southampton Associates Inc. for Moneta Porcupine Mines Inc. dated February 12, 1998. This report gives a succinct overview of the geology and past exploration results and it assesses the results of exploration drilling carried out by Barrick between 1994 and 1997. Additionally, four successive reports, written between January 1996 and October 1997, detailing the results of exploration drilling and including a preliminary gold resource estimate were completed by Lac Exploration Inc. (subsidiary of Barrick Gold Corporation) and this information is referred to here. These were authored principally by Maurice Carre and Yueshi Lei (1997) as well as by A. Vachon and Denis Chenard (1996). A separate Barrick Gold Corporation report entitled “Moneta and Nufort Projects – Southwest Zone – Preliminary Resource Inventory” by Maurice Carre and Yueshi Lei, dated October 10, 1996 sets out the details of the resource estimate calculations. A 1988 report on the Michaud Township Property by Dr. George Cargill of Roscoe Postle Associates Inc. prepared for Unocal Canada Limited and a subsequent 1989 report by A. W. Knox of Unocal’s 1989 Exploration Program added to the information base. Discussions with Ben Berger of the Ontario Geological Survey, who has mapped the geology in Michaud township and adjacent townships and also has examined core from the Moneta property, greatly clarified important aspects of the regional geological setting and associated gold mineralization. This information is contained principally on the 1999 OGS Map P 3398 at 1:100,000 scale. Citations to the above mentioned sources as well as others are contained in the References section.

The author spent one day on the property examining claim posts, drill site locations and grid line locations – there is no outcrop on the property. Several days were spent examining core from key drill intercepts stored within a secure fenced facility near Timmins and 8 days were spent examining the voluminous data archived at Moneta Porcupine offices in Timmins during the period October 9 to 18, 2001. Rainer Skeries, Exploration Manager at Moneta Porcupine, greatly facilitated examination of the voluminous archived data as well as the compilation of illustrations that are included in the present report. The illustrations were taken from the above-mentioned reports and were modified, where appropriate, by the author.

DISCLAIMER

For information relating to ownership of claims and permitting requirements for drilling on the property I have relied on information provided by Moneta Porcupine Mines Inc., which to the best of my knowledge and experience is correct. However, I disclaim responsibility for such information.

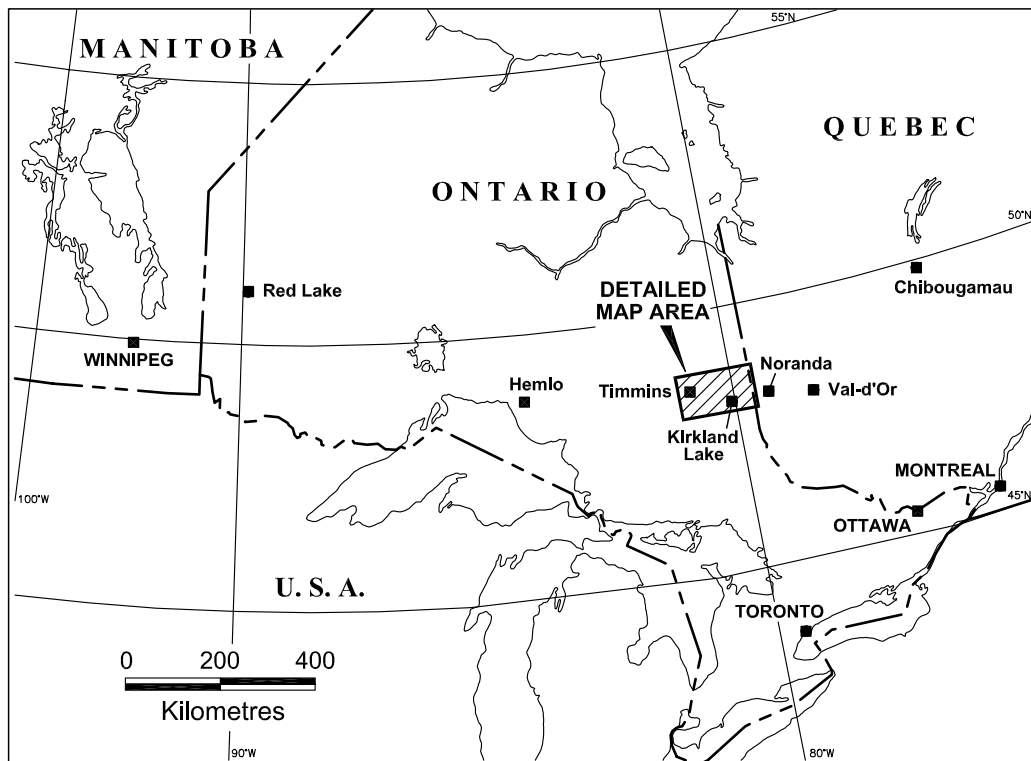
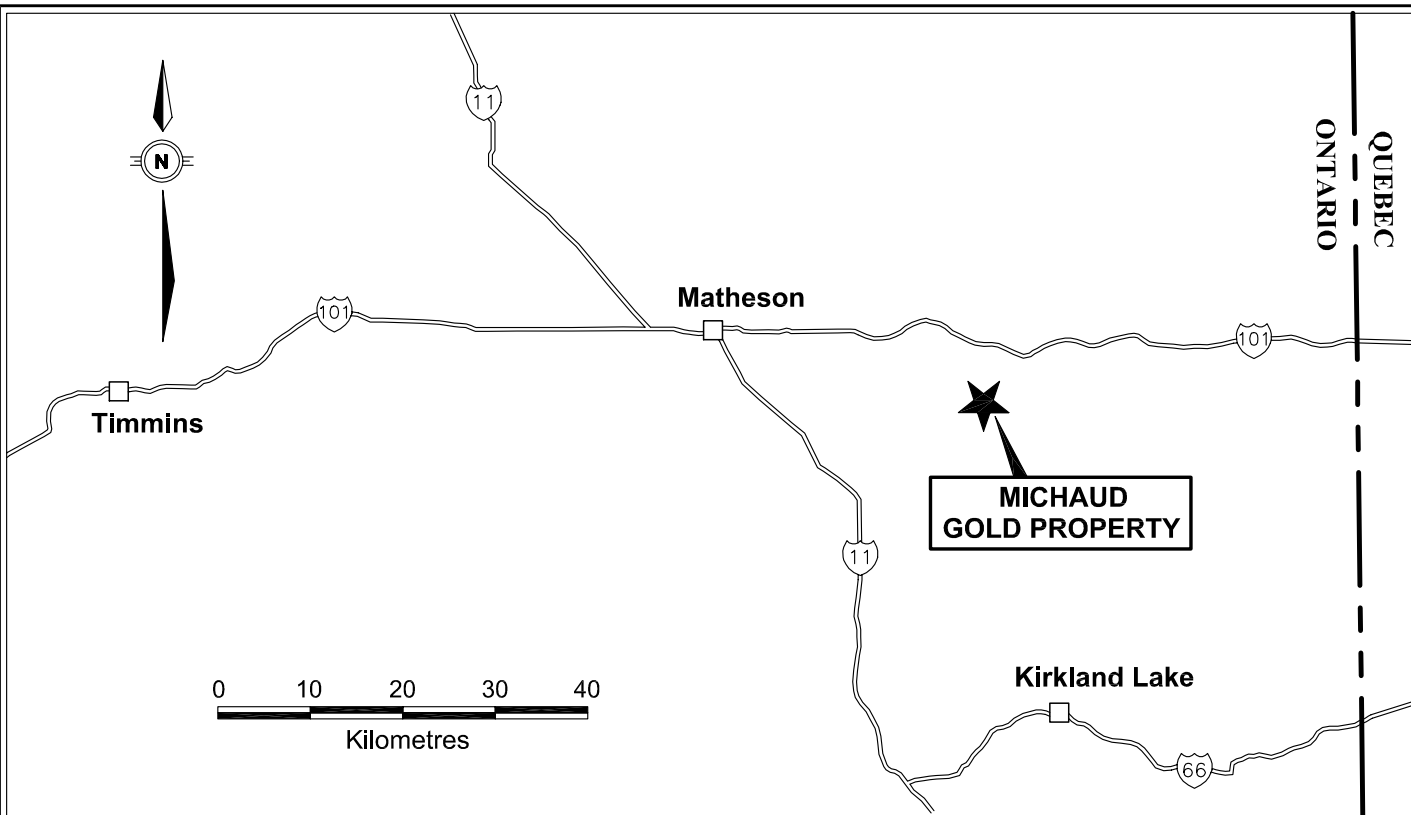
The resource estimate inventory of the Southwest Zone, made by Barrick in 1996, lists Probable, Possible and Potential tonnages. These categories, in total, are taken by the author to indicate an “inferred resource” as defined by the CIM Standards on Mineral Resources and Reserves in National Instrument 43 – 101. The author disclaims responsibility for such information.

PROPERTY DESCRIPTION and LOCATION

The Acrex-optioned claims block of the Michaud Gold Property consist of 76.91 contiguous claim unit equivalents situated within the southern part of Michaud Township in the Larder Lake Mining Division about 100 kilometres east of Timmins and 30 kilometres west of the Ontario – Quebec border in east - central Ontario (Figure 1). The group is comprised of 9 patented claims, 29 leased claims and 18 staked claims, all of various sizes, and comprises 1244.97 hectares.

The property is located within NTS block 42 A/09 and a central point within the claims block, common to claims 1238680, 1225644 and 1235305, corresponds to 48⁰ 28' North Latitude and 80⁰ 05' West Longitude. The central 3 claims numbered 1225544, 1225545 and 1167280 are privately owned and excluded from the option agreement.

The configuration of the various claims are shown in Figure 2 and the details are listed in the Claims Description table below:



ACREX VENTURES LTD.

MICHAUD GOLD PROPERTY
Michaud Township, Ontario

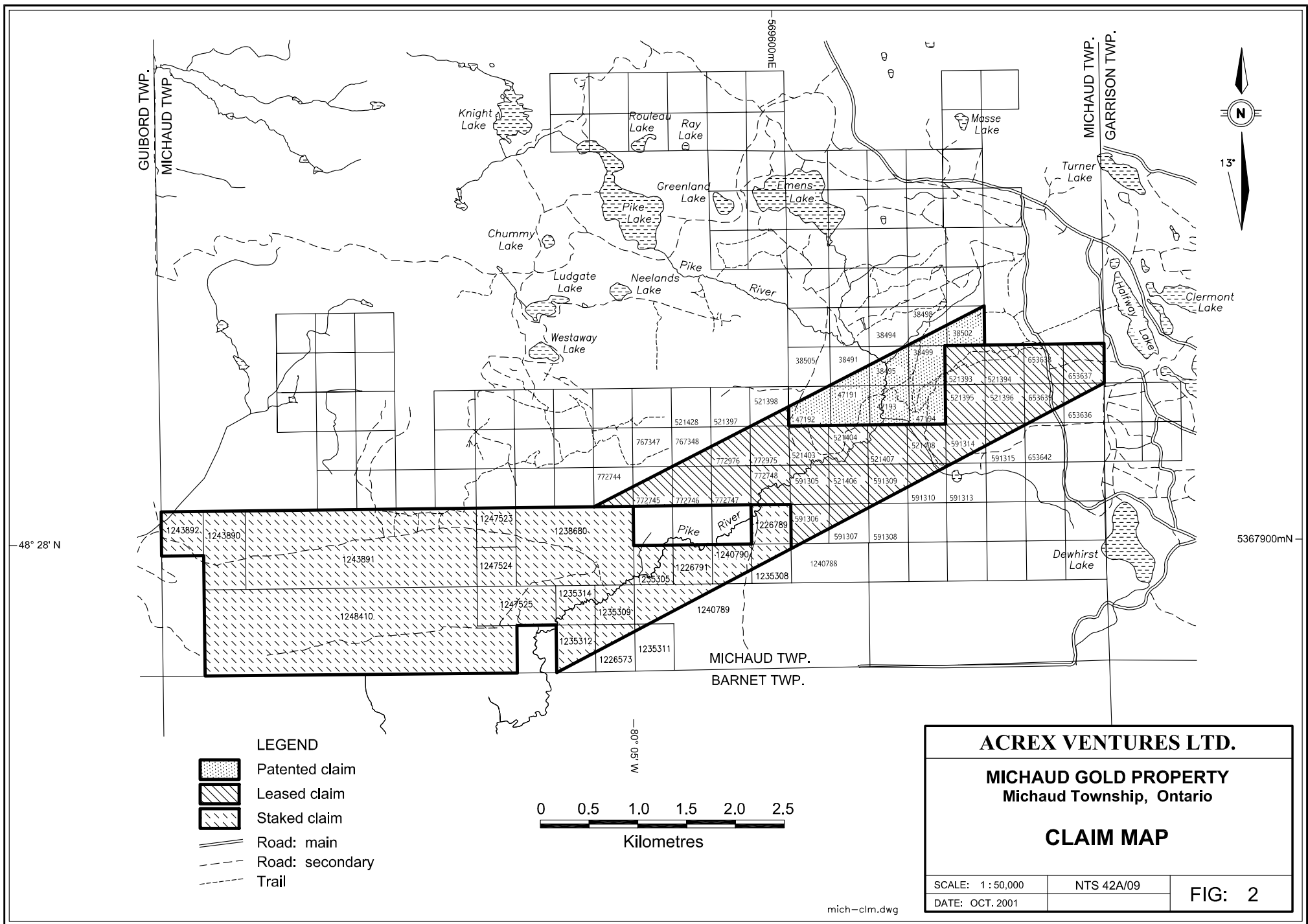
LOCATION MAP

SCALE: AS SHOWN

NTS 42A/09

DATE: OCT. 2001

FIG: 1



CLAIMS DESCRIPTION

Claims	# Units	Hectares	Claims	# Units	Hectares	Expiry
Patented			Staked			
38520	0.75	12.14	1226673	0.25	4.05	March 31, 2002
38499	1.00	16.19	1226789	1.00	16.19	March 31, 2002
38498	0.25	4.05	1226791	1.00	16.19	March 31, 2002
38495	0.75	12.14	1235305	1.00	16.19	March 31, 2002
38491	0.25	4.05	1235308	0.25	4.05	March 31, 2002
47194	1.00	16.19	1235309	1.00	16.19	March 31, 2002
47193	1.00	16.19	1235312	0.75	12.14	March 31, 2002
47191	1.00	16.19	1235314	1.00	16.19	March 31, 2002
47192	0.75	12.14	1238680	6.00	97.14	May 31, 2003
			1243890	2.00	32.38	May 03, 2003
			1243891	12.00	194.28	May 03, 2003
			1243892	1.00	16.19	May 03, 2003
			1247523	1.00	16.19	May 03, 2003
			1247524	1.00	16.19	May 31, 2003
			1247525	2.00	32.38	May 31, 2003
			1240789	0.91	14.73	June 27, 2002
			1240790	0.75	12.14	June 27, 2002
			1248410	15.00	242.85	August 01, 2003
Leased						
521393	1.00	16.19				
521394	1.00	16.19				
521395	1.00	16.19				
521396	1.00	16.19				
521398	0.25	4.05				
653636	0.25	4.05				
657637	1.00	16.19				
653638	1.00	16.19				
653639	0.75	12.14				
591314	0.75	12.14				
591315	0.25	4.05				
521403	1.00	16.19				
521404	1.00	16.19				
521406	1.00	16.19				
521407	1.00	16.19				
521408	1.00	16.19				
591305	1.00	16.19				
591306	0.75	12.14				
591307	0.25	4.05				
591309	0.75	12.14				
591310	0.25	4.05				
772975	1.00	16.19				
772976	0.75	12.14				
767348	.025	4.05				
772744	.025	4.05				
772745	0.75	12.14				
772746	1.00	16.19				
772747	1.00	16.19				
772748	1.00	16.19				

All claims are 100% owned by Moneta Porcupine Mines Inc. by right, title and interest. Certificates of ownership for the patented claims were provided by Moneta, as were the Transfer Deed of Land for the leased claims. A listing of the staked claims is on record at the Mining Recorder showing these to be in good standing with the expiry dates noted in the Claims Description table. A certificate of Mining Land Taxes for 2001 for the patented claims was also provided. The claims have not been surveyed, however Michaud Township itself has been legally surveyed in 1905 and all claims within the township are referenced to the fabric of the north-south and east-west concession lines and lot boundaries, which legally define the township.

The easterly claims 47193 and 47194 are located over the gold - mineralized Southwest Zone. Claims 47191, 521404, 521403, 772975, 772748, 772747 and 772746 all are situated along strike over the southwesterly extent of favourable stratigraphy, on which additional drilling is proposed in this report.

There are no royalties, back-in rights or other agreements or encumbrances to these claims with respect to Moneta's ownership or of Acrex's option rights to them known to the author. Moneta advises that no environmental liabilities exist on the property.

Moneta Porcupine Mines Inc. foresees no permitting obstacles for a winter drilling program. Moneta has carried out drilling programs in the past and monitored the drilling of other operators throughout this area from 1987 to 2001. Permits from the Fisheries and Forestry Departments are required if an area of greater than 2500 metres is necessary for stripping. A potential river crossing requires a permit from the Fisheries Department. Normal drill roads, such as those used in the past and such as those envisioned for any future drilling along the 04 Extension Zone, require no permits. The author, upon advice from Moneta, is not aware of any environmental liabilities to the optioned claims.

Acrex Ventures Ltd. has signed a letter of intent with Moneta Porcupine Mines Inc. to acquire a 60% interest in the Michaud Gold Property claims block by completing work commitments totaling \$ 1,000,000 over a period of 3 years as well as completing a bankable feasibility study within 5 years. Upon earning a 60% interest Acrex will become a joint venture partner with Moneta.

The schedule requires a \$ 500,000 work program to be completed within 24 months of Regulatory Approval and not less than \$ 250,000 of this sum is required to be spent by December 31, 2002. An additional \$ 500,000 work program must be expended within 36 months of the Approval Date.

Acrex may elect, at any time within 36 months of the approval date of the agreement, not to have the joint venture created and take a 1% net smelter return interest against the property. Moneta will have the right to purchase that 1% interest for \$ 1,000,000 for a period of one year after financing of the property is completed by Moneta.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

The property is easily accessible by truck from Timmins (100km to the west). Locally it lies approximately 32 km easterly along Highway 101 from Matheson, and thence southerly over an extensive network of logging and drilling roads which cover the greater area of the claims (Figure 1). The area is primarily muskeg and comprised of low stands of spruce, fir, alder and birch. Drilling operations are best carried out over the winter months from January to April when the ground is frozen.

Climate is typical of northeastern Ontario with below freezing temperatures (-5° to 40° C) from November to April and brief periods of hot weather in the summer from 10° to 30° C. Precipitation averages 80 centimetres a year, with a substantial portion in the form of snow averaging 2.4 metres per year.

Topography is generally flat with less than 25 metres of relief. The southern portion of the property is swampy whereas the northern portion, overlain by sands and outwash from an esker, has slightly higher relief.

A skilled labour force for mining and exploration is available in Matheson, Kirkland Lake and Timmins. Timmins and Kirkland Lake are also major supply and service centers for the mining industry.

Communications and power are available along highway 101.

The Perry Lake Lodge on Highway 101 provides accommodations and meals for seasonal tourists.

HISTORY

The first recorded claims in this area were staked in 1944 as a consequence of an Ontario Department of Mines report which suggested that the Destor-Porcupine Fault Zone (DPFZ) passes through the Moneta property in Michaud Township. Various portions of the property have been held by a succession of companies since that time. Moneta Porcupine Mines Inc., before 1998, held a northern parcel of claims called the Michaud Parcel, and a southern block of claims held under option from Nufort Resources Inc., i.e. the Nufort Parcel. At present the Moneta – Acrex agreement covers only the southern part of the Michaud Parcel, a significant portion of the central part of the Nufort Parcel and a large staked area to the south of the Nufort Parcel, all within Michaud township. Moneta's land position was primarily acquired through staking and by a series of joint venture agreements in the late 1980's. Subsequent to 1998, Moneta assumed a 100% interest in both the Michaud and Nufort parcels.

1939 - 1978

Between 1945 and 1947 magnetic and geological surveys were carried out and 15 diamond drill holes, totaling 11,402 feet (3,475 metres), were completed on the Miller Occurrence. This prospect is located to the east of and alongside the presently known Twin Creek Zone and both are located geologically within the Destor Porcupine Fault Zone of altered basic volcanics, as shown on Figure 4. The Miller Zone is also located approximately 1200 m to the north of the present day Southwest Zone of gold mineralization which lies on the Acrex-optional claims. Local high-grade gold mineralization is present in drilled intercepts over relatively narrow widths. Some of the better intervals include 19.2 g/t Au over 0.8 metres and 6.9 g/t Au over 1.8 metres (OGS OFR 5735). From the late 1940's to the 1980's there was little work carried out in this area.

Anglo-Huronian Ltd., in the 1939 to 1946 period, drilled 17 holes for a total of 2,105 metres within Michaud township. Seven of these holes were drilled on ground that now covers the Acrex optional claims (UNOCAL 1989).

Wright-Hargreaves Mines Ltd. drilled 2,655 metres in 10 diamond drill holes on a portion of the Nufort ground west of the Southwest Zone. These reportedly returned low gold values of less than 3.5 g/t Au. Iron formation was cored in two of the holes (OGS OFR 5735). The assay results from these holes, if any, are not known.

Dunmar Mining reportedly drilled 7 holes in 1946 (Lac Exploration Inc. 1997).

In 1969 Amax Ltd. drilled two holes in the western part of the Nufort block. No mineralization was reported from this work (UNOCAL 1989).

1978 - 1987

In 1978 Redstone Resources Inc. staked most of the area of what was the Nufort parcel. Redstone and Nahanni Mines Ltd. carried out a series of geophysical surveys and short drilling programs (OGS OFR 5735). A total of 2,743 metres of drilling in 28 reverse circulation and diamond drill holes was completed.

Moneta Porcupine Inc. obtained the option on the Nufort parcel in 1987.

1987 -2001

In 1987 Moneta carried out magnetometer, induced polarization and VLF - EM surveys which were followed by diamond drilling as well as reverse circulation drilling. By the end of February 1988 some 93 cored holes and 125 RC holes had been completed (UNOCAL 1989). With this work Moneta discovered the Southwest Zone of gold mineralization as well as the two adjacent mineralized zones named the South Zone (immediately northeast of Southwest Zone) and the 04 Zone (immediately southwest of Southwest Zone) situated within Timiskaming sediments.

MPH compiled and interpreted the geophysical data in a report written in March 1988.

In 1989 UNOCAL Canada Ltd. optioned the property and completed two phases of drilling comprising 9,246 metres in 44 holes. Some power stripping, hydraulic washing, mapping and limited sampling were also carried out. This work outlined three new discoveries of gold mineralization named the Landing Zone, Twin Creeks Zone and the Last Chance Zone, all situated within altered mafic volcanics in the DPFZ. UNOCAL withdrew from the option in the same year.

In 1990 Independence Mining Corporation optioned the property and carried out additional IP, VLF – EM, and magnetic surveys followed by drilling 12 holes on the Michaud parcel for a total of 3,439 metres.

Lac North America Ltd. (a subsidiary of Barrick) optioned the Michaud parcel from Moneta in 1994 and then optioned the Nufort parcel in 1995 in a separate agreement.

From December 1994 to April 1995 Barrick drilled 4,583 metres in 11 holes on the Michaud parcel. Three of these were drilled on mineralized zones associated with the DPFZ, whereas the remaining 8 holes were drilled on the Southwest Zone now under option to Acrex.

Barrick's 1995 –96 exploration program included cutting a new grid over the Southwest Zone to facilitate a detailed ground magnetometer survey, drilling 11,534 metres in 23 diamond drill holes, and locating all drill hole collars with a GPS survey. Ten holes were drilled on the Southwest Zone, nine holes were drilled on the Last Chance Zone and 4 holes were drilled as exploration holes in what is herein termed the 04 Extension Zone.

In 1996 Barrick prepared a preliminary resource estimate for the Southwest Zone of 2,400,000 tonnes @ 6.07 g/t Au over a 6.4 m width for a total of 468,400 ounces of gold. This was based on information of some 65 drillholes from Moneta's 1987 drillholes and from Barrick's drilling completed in 1995 and 1996. Initial metallurgical tests indicated that gold recoveries to 95% were possible and that the free gold and minor low-sulfide ore could be readily treated at Barrick's Holt – McDermott mill nearby.

This resource estimate is contained in Barrick's company report on the Moneta property written in March 1997. Probable, possible and potential categories of potential ore were estimated using 25m, 50m and 100m as radii of influence and a density of 2.7 cubic metre/tonne. A 9.0 g/t Au x m (gold grade x horizontal thickness) cut off was used and the highest gold values were cut to 34.28 g/t Au. These parameters were used in a polygon method volume and grade estimation and these are deemed as reliable and appropriate. The gold resource for the Southwest Zone is thus herein considered as an "inferred mineral resource" in accordance with the reporting system specified National Instrument 43 -101.

In 1997 Barrick drilled an additional 44 holes (22,270m) exclusively on the Southwest Zone. Information from this drilling was apparently not integrated into existing resource estimate of 2.4 Mt @ 6.07 g/t Au, done in 1996, and the property was subsequently returned to Moneta in 1998.

In 2001 Moneta Porcupine Mines Inc. completed 385 metres of diamond drilling on the Twin Creek and Landing Zones, north of the Southwest Zone. An orientation IP survey was also carried out.

GEOLOGICAL SETTING

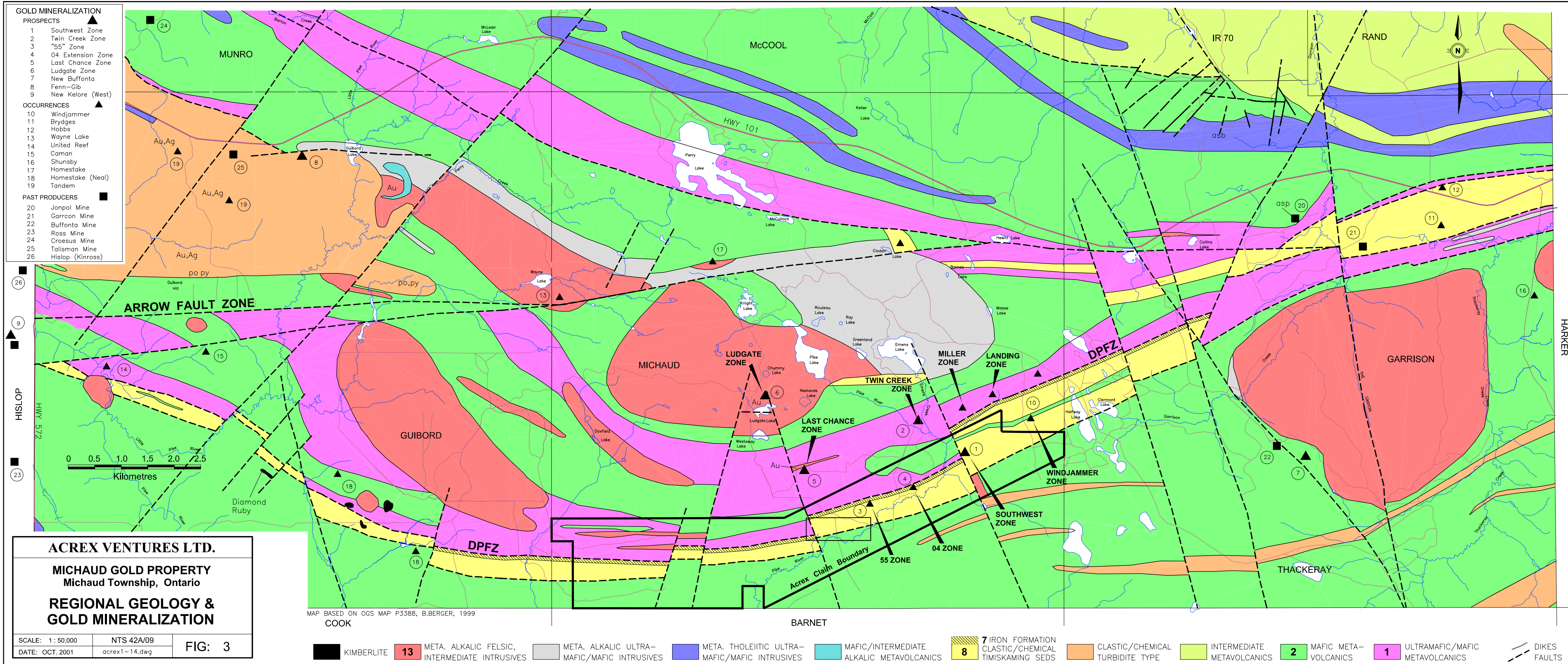
REGIONAL GEOLOGY

Michaud Township is situated within the western part of the Abitibi Greenstone Belt, here comprised of mafic to ultramafic volcanic assemblages which contain or are bounded by sedimentary basins. Syn-volcanic to post tectonic felsic to ultramafic intrusives are abundant in the volcano-sedimentary assemblage.

The Destor Porcupine Fault Zone (DPFZ) is a most prolific gold – bearing structure in this part of the belt. Several gold deposits have been discovered along its strike length and within splays and extensive alteration zones. In the general area of the property the Holt McDermott mine (1.89 Mt prov. + prob. @ 6.67 g/t Au – 406,429 oz Au, [OGS OPFR 6051, 2001]) and the Holloway Mine (3.9 Mt prov+prob; 2001 production of 101,353 oz Au from 489,568 tonnes milled i.e. 6.44 g/t Au) are prominent producers east of Michaud Township. Gold prospects under present or past exploration occur also at Ludgate, Ross Mines, Fenn – Gib and Glimmer. Figure 3 depicts the regional geology in Michaud and adjacent townships together with the more prominent gold occurrences. The abbreviated legend used on this figure corresponds to the sequence of units tabulated on the most recent geological map, OGS Map P3398, described below.

Acrex's Michaud Gold Property is located within Archean Timiskaming – type clastic strata south of the main east-west DPFZ. This regional structural break is an important geological feature, which hosts numerous and geologically varied gold deposits in this part of the Abitibi greenstone belt.

Geological models for this complex belt are rapidly changing and latest mapping is depicted on OGS Map P 3398 (Ayer, Berger, Trowell, 1999). Recent work in the southern area of the belt points to an autochthonous stratigraphic model, that when unfolded, reveals a coherent stratigraphic succession with similar ages and rock types. An understanding of the distribution of stratigraphic units has significant exploration importance since gold deposits are typically restricted to specific stratigraphic entities, such as the Timiskaming clastics + iron formation (IF) assemblages on Acrex's claims; or to chronological events over +70 million years, such as at the nearby syenite-hosted gold occurrence of the Last Chance Zone, to the northeast of the claim block.



Within and around Michuad Township, three sequences of strata are predominant, together with a number of intrusive plutons, and all rock types contain or are associated with gold mineralization of varying intensity.

The oldest sequence (map unit 1) consists of mafic to ultramafic volcanic rocks, either as flows or intrusions and these are variously pillowed, polysutured or spinifex textured as well as being schistose. Basaltic komatiites and komatiites form a significant component of this sequence. It is distributed predominantly along east-west strikes with apparent thicknesses of 100 metres or more. It may, or may not, be conformable to the overlying volcanic sequence but in Michaud township and surrounding areas appears to be disconformable, or in fault contact with younger Timiskaming clastics.

Map unit 2 is areally the most extensive of all the assemblages and consists of mafic to intermediate volcanic rocks and intrusive rocks. It is made up of mainly a variety of volcanic flows with lesser tuffs and lesser tuff breccias and pyroclastic breccias. This sequence has a general east-west strike (i.e. 070° to 090°) with steep southerly dips and south-facing pillow tops. In Michaud Township this sequence has a strike pattern that is concave to the north.

Map unit 7 is described as chemical metasedimentary rocks which include iron formation of oxide and sulfide facies and silicate (chert) and graphite facies. This unit, although described as a discrete sequence in the map legend on OGS Map P 3398, is not plotted as a separate unit on the regional geology map in Figure 3, but appears as a discrete sub-unit of the Timiskaming assemblage. In Michaud Township the iron formation is of the oxide (hematite, rarely magnetite) type as seen in drill core. Magnetite oxide facies iron formation has been cored in Garrison township to the west, however. It is typically only some metres thick reaching thicknesses of tens of metres in some drillholes. It appears to occur in fault contact within fault of the DPFZ on the Acrex ground and the overlying Timiskaming sediments grade southerly away from it. The presence of iron formation appears to be a fundamental stratigraphic marker and a controlling feature of gold mineralization within Timiskaming clastics.

Map unit 8 consists of Timiskaming – type clastic metasedimentary rocks which include arenites, wackes, conglomerates mudstones and siltstones. They are dated at 2685 Ma (B. Berger, pers. comm.). Within the local and general map area surrounding the Michaud Gold Property these clastics appear to be in fault contact, or at least unconformable contact, with underlying mafic volcanics of unit 2. It is thought that the Timiskaming clastics originated within a fault bounded half-graben. The sediments appear to grade from a hematite-chert iron formation southwards into pyritiferous greywackes and fine sandstones. These greywackes and sandstones are the host to gold mineralization in quartz-carbonate veins within hydrothermally altered zones on the Acrex claim group.

An alkalic intrusive suite of plutons, consisting of syenite, monzonite and granite (map unit 13) is prominent in Michaud Township and in adjacent townships to the east and west. These syenites are frequently mineralized with gold at their contact zones such as at Ludgate Zone, to the north of the property and at Buffonta Mine in neighbouring Garrison township. Syenites are also host to gold mineralization in the Kirkland Lake camp.

All rock types have been metamorphosed to greenschist facies so that talc and chlorite are typical in ultramafics and chlorite is typical in mafic rocks. The DPFZ trends 070° from Garrison township towards the Acrex claims in the southern portion of Michaud Township from whence it continues along a strike of 090° westwards into Guibord Township. Gold mineralization occurs in all of the rock types described above, and exploration has been carried out at numerous localities along this important structure.

The oldest assemblages, which are predominantly volcanic, with local minor chemical and clastic sedimentary units, are considered by OGS geologists to have been deposited by continuous volcanism from about 2745 Ma to 2700 Ma. The Timiskaming assemblage is considered to be 2785 Ma in age and was deposited in subaerial, alluvial-fan fluvial environments that were closely associated with regional-scale faults.

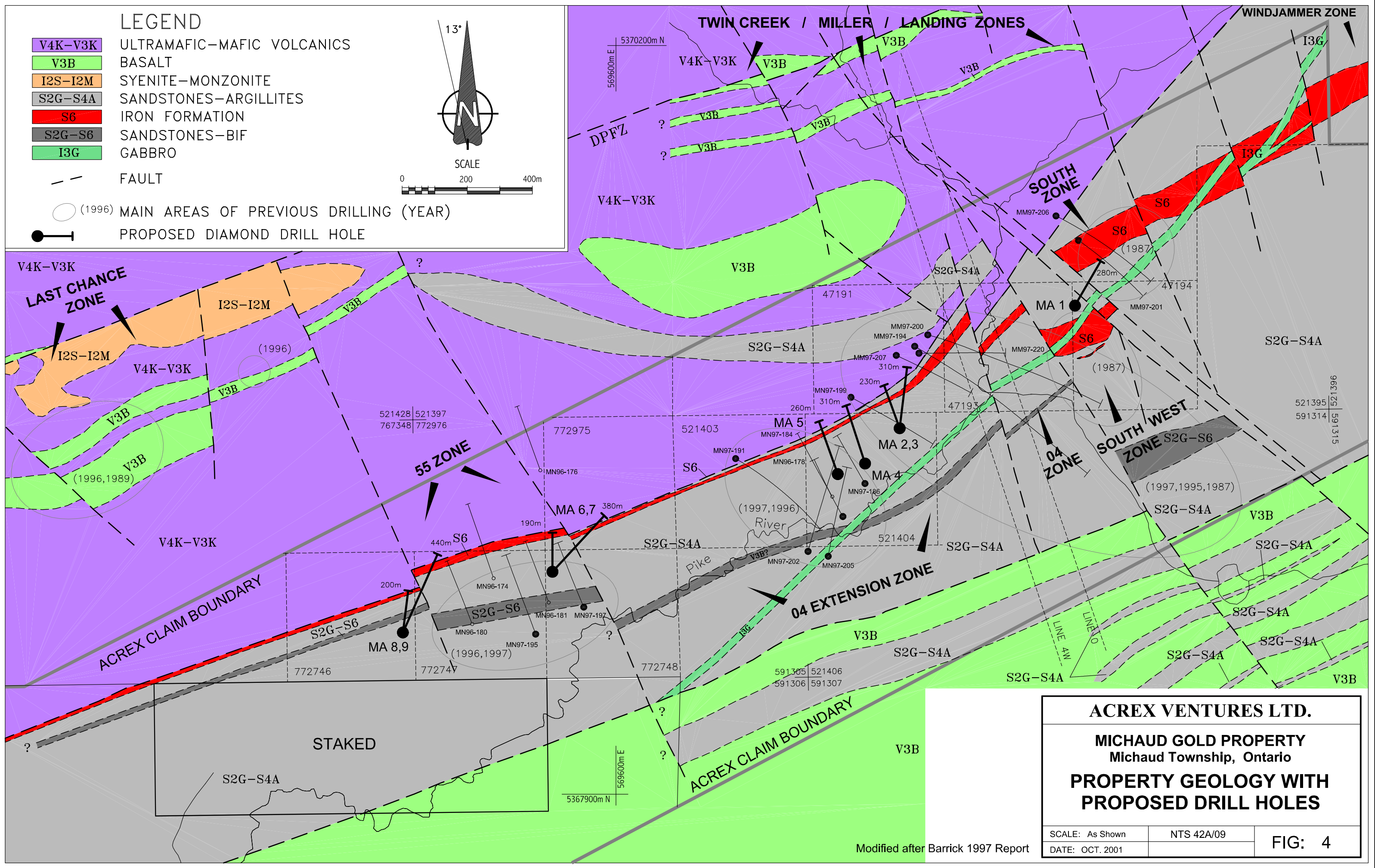
LOCAL and PROPERTY GEOLOGY

There are few outcrops on the Moneta property and none on the Acrex ground. The existing geological information is derived from interpretations of drill core intercepts and regional geological knowledge. This knowledge base has been cumulatively compiled by a succession of explorationists who have explored this property and written the reports that are referenced at the end of this report.

The main lithological units strike 070° in the eastern claims to 090° in the central and western part and dip subvertically to steeply to the south (Figure 4).

The assemblage of ultramafic flows in unit 2 occurs north of the DPFZ, in the northeastern part of the Acrex claims, and has been recognized in numerous drillholes. Rocks are black, very fine-grained, massive, and contain occasional spinifex textures. Moderate to intense chlorite, talc and carbonate alteration is present. Calcite may be replaced by ankerite in some localities. This unit is marked V4K on Figure 4 and occurs outside the claims boundary.

Unit V3B (a Barrick geologic unit designation for the Moneta property) is interlayered with ultramafic flows and consists of basalts that are massive to brecciated and occasionally pillowed. These are silicified and carbonatized with rare hematite and sericite.



S3G is a greywacke unit and is the host for gold mineralization in the Southwest Zone. The rocks are green-grey, fine-grained, massive to well bedded at decimeter scale or greater. Some argillite beds have been noted. The rock is silicified and sericitized with weak hematite staining within the mineralized zones. Alteration zones are generally characterized by intense brecciation and fractures are filled by quartz-pyrite veinlets, which contain occasional visible gold grains. This unit is from 500m to 900m thick.

S2G is a conglomeratic greywacke unit and is present throughout the claims area within the Southwest, and 04 and 04 Extension Zones. It is the host to the gold mineralization in the 04 Zone. The strata are grey to pink-grey, medium grained and well bedded with 15% sub-angular to sub-rounded lithic fragments of quartz with lesser feldspar, argillite, jasper and mafic fragments averaging about 3 mm. Locally the unit is brecciated and fractures are filled with stockworks of quartz up to 10% in volume. Alteration is moderate to intense and consists of sericite, silica and hematite. Elevated gold values have been assayed from these mineralized breccia zones.

S6 is bedded iron formation which comprises three distinct zones of jasper and magnetite or hematite iron formation and is interbedded with decimetric to metric bedded greywacke beds. The rock is brick-red in appearance and very fine grained and always prominently bedded. In some holes jasper bands have been replaced by magnetite bands. The rock is typically strongly silicified and hematized. Pyrite is present locally in concentrations of 5% to 10% as veins and fine disseminations. This unit is some 10m to 100m thick.

Correlation from drillholes and subtle magnetic contours suggest the curved strike of these lithologies is cut by numerous northwesterly faults. These faults have offset adjacent blocks by as much as 100 to 200 m. Numerous faults are recorded in the core and some displacements have been inferred from geophysical interpretations. A spatial relationship between crosscutting faults of major lithological units and gold mineralization has been noted by explorationists of the property as well as by regional government mappers who have noted a similar relationship at nearby gold occurrences. The Southwest Zone of gold mineralization was most intensely drilled because this spatial relationship continued to produce “ore grade” drill intercepts.

Barrick geologists (1997) determined that 3 phases of folding could be interpreted from drill core. An east-west syncline may be postulated within the Timiskaming sediments on the Acrex claims because bedding tops face southerly in the northern beds and the reverse pertains in the southern beds. Metre and decameter scale isoclinal folds are postulated in a repetition of iron formation/conglomerate sequence in the area just north of the Southwest Zone. Centimetre sized isoclinal folds were noted by the author in iron formation in the 04 Zone and the 55 Zone – these may be portions of drag folds within the limbs of larger decameter scale folds in the iron formation.

Southwest Zone

Figure 5 shows the density and distribution of drillholes along a 1.4 km section of the Timiskaming + IF sequence, from the Southwest Zone in the east to the 04 Extension Zone in the west. Figures 6 and 9 show the subsurface stratigraphy and mineralized altered zones in the Southwest Zone as these were interpreted from the drill core. However, these are meant to be schematic representations and the actual geometry of the geology and the associated mineral zones may be more complex. It is surmised by past workers and the present author that the Timiskaming clastics and the gold-mineralized alteration zones within it may be folded and faulted in a much more complex fashion and at differing scales than that schematically depicted. It is rare that bedding tops can be recognized or confidently determined in NQ size core and thus reversals in stratigraphy have likely been undetected. Folds are not shown on the geology maps but are alluded to in some written descriptions. However, vertical cross-sections through the Southwest Zone show multiple IF horizons and changes in dip ranging from steeply south to steeply north. Barricks 1996 report describes isoclinal folds noted in some holes in the clastic sediments and iron formation. Mapping by provincial geologists in adjacent townships has shown Timiskaming clastics to be folded at 10 metre amplitudes. Figure 9 is a cross section of the distribution of the mineralized zones within the Southwest Zone.

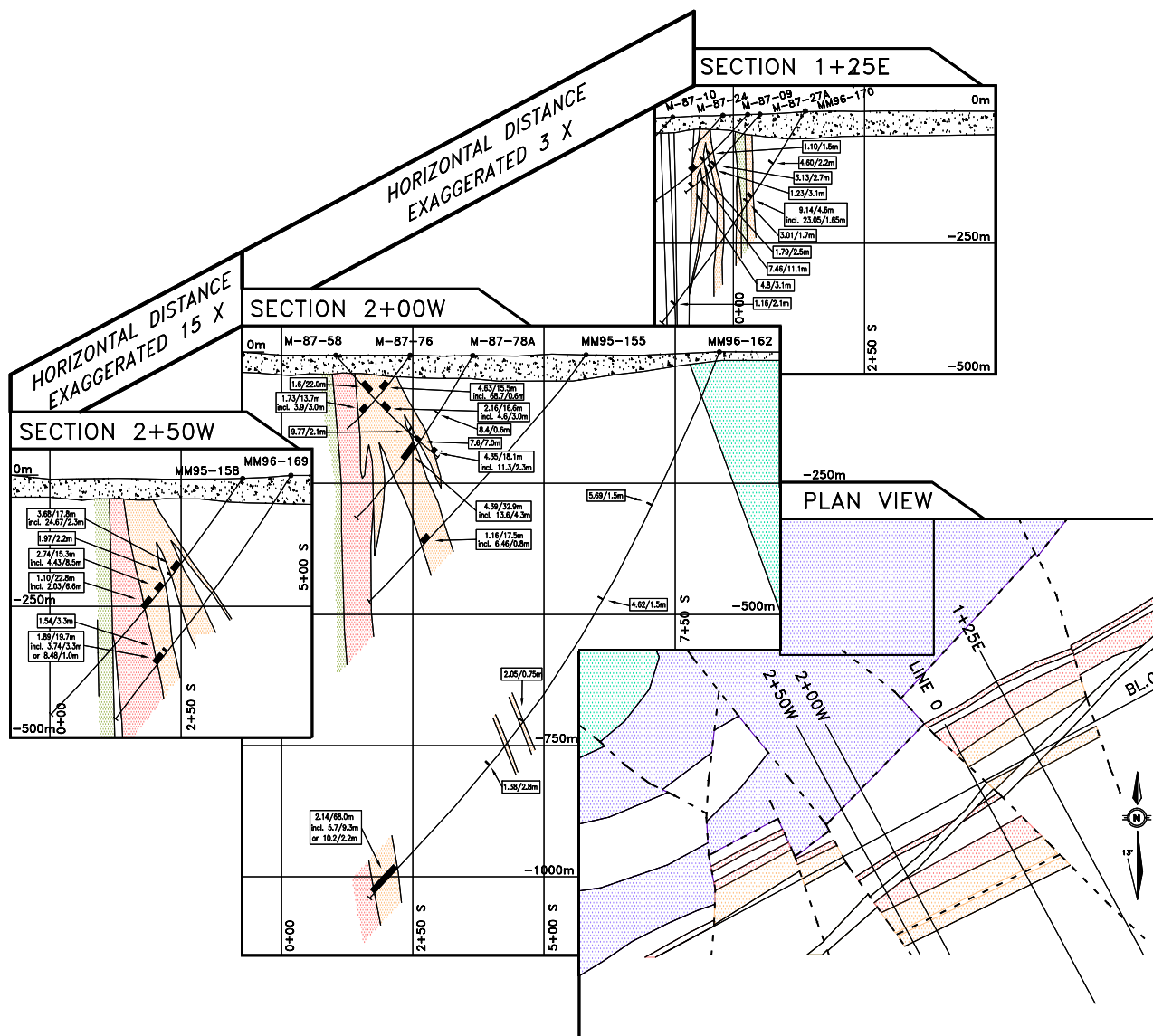
Some exploratory holes have tested the Timiskaming + iron formation stratigraphy in the 04 Zone, the 04 Extension Zone and in the 55 Zone. These are discussed below.

04 Zone

This zone is southwesterly adjacent to the main Southwest Zone and is contained in a faulted block of Timiskaming clastics + iron formation which here has been penetrated by several Moneta holes and Barrick holes. Hole M87-86 cored 3.03 g/t Au over 3.5m; 2.51 g/t Au over 6.0m and 3.49 g/t Au over 11.0m, at a depth of 200 metres. This mineralization is present in conglomeratic greywacke and jasper iron formation that contains a stockwork of pyritic and auriferous quartz veins. It is brecciated, silicified and sericitized. Hole MM95-153, drilled by Barrick nearby to test these gold values, returned 5.71 g/t Au over 9.75m within a larger interval of 38.5m (28m true thickness) averaging 2.34 g/t Au.

Hole MM97-200 tested the eastern up dip continuity of mineralization encountered in Hole MM97-194 (11.56 g/t Au over 5.7m at a depth of 204m and 5.82 g/t over 8.7m at 600+m depth) at a depth of 160m between holes M87-86 and MM97-153. Hole MM97-200 returned 2.09 g/t Au over 5.4m and 2.32 g/t Au over 2.5m at depths of 230 to 249m. Here the gold mineralization appears to be related to a fault, but is contained in quartz-carbonate-pyrite veinlets.

Figure 5 is missing due to size



04 Extension Zone

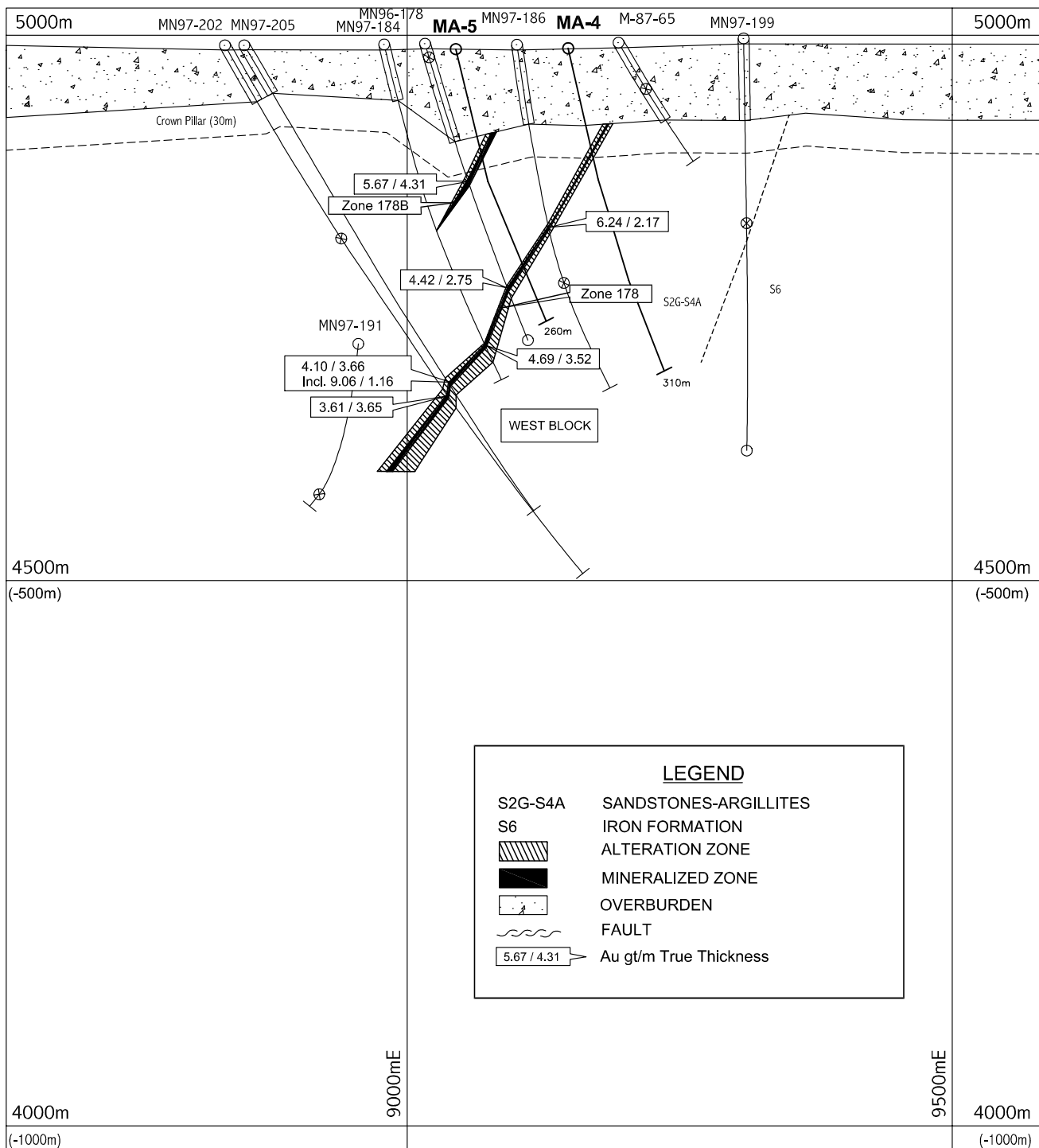
Further southwest, here termed the 04 Extension zone, drillhole MN97-186 (6.24g/t Au over 3.3m) and drillhole MN96-178 (5.67 g/t Au over 6.3m) cored the same stratigraphic interval of conglomerate and iron formation containing altered and mineralized quartz-carbonate-pyrite veinlets with gold at depths of about 180m. Hole MN97-191 cored lesser mineralization at deeper levels of 311m and 404m within the Timiskaming sandstones – 2.23 g/t Au over 3.0m and 2.92 g/t Au over 3.4m. This zone of gold mineralised Timiskaming+iron formation extends over about 1.2 kilometres and its eastern boundary is about 1.6 km from the central part of the main Southwest Zone. Figure 7 shows the trend of favourable mineralized units in relation to the drilled mineralized intervals in this zone. Figure 7 depicts two mineralized zones in this area.

55 Zone

The 55 Zone is approximately 500 metres long and lies about 2 km southwesterly from the Southwest Zone. Figure 8 depicts the down-dip trend of IF and clastics. Barrick has put down some 5 holes in this area, with generally average to low gold grades. Better intervals include, 4.5 g/t Au over 6.2m and 10.6 g/t Au over 1.1m, within the longer section of 15.8 metres (51.4m to 67.2m) that averaged 2.1 g/t Au – all in hole MN96-174. Hole MN96-181 averaged 2.3g/t Au over 16.1m, including a section of 8.6 g/t Au over 2.7m at a depth of about 50m. These values were cored in medium to coarse sandstones of the Timiskaming clastics near their contact with iron formation. Figure 8 shows the mineralized intercepts in 55 Zone.

DEPOSIT TYPES

On the Acrex claims of the Moneta Porcupine property, gold mineralization of the mesothermal vein type occurs in clastic rocks in a unique manner. This style of mineralization is atypical of the numerous nearby volcanic-shear-hosted gold and intrusive-hosted gold occurrences of this portion of the Abitibi Greenstone Belt. Native gold grains and minor sulfide-bearing gold mineralization occurs in quartz-carbonate vein stockwork zones within Timiskaming clastic rocks which have been hydrothermally altered and mineralized in distinct zones, either vertically aligned or folded to depth. These mineralized zones occur to depth and southerly from and always adjacent to a persistent widespread oxide iron formation. This sequence in turn is situated adjacent to a major fault comprising a part of the Destor Porcupine Fault Zone.



0 100 200
Metres

ACREX VENTURES LTD.

MICHAUD GOLD PROPERTY
Michaud Township, Ontario

SCHEMATIC SUBSURFACE GEOLOGY 04 EXTENSION ZONE

SCALE: AS SHOWN

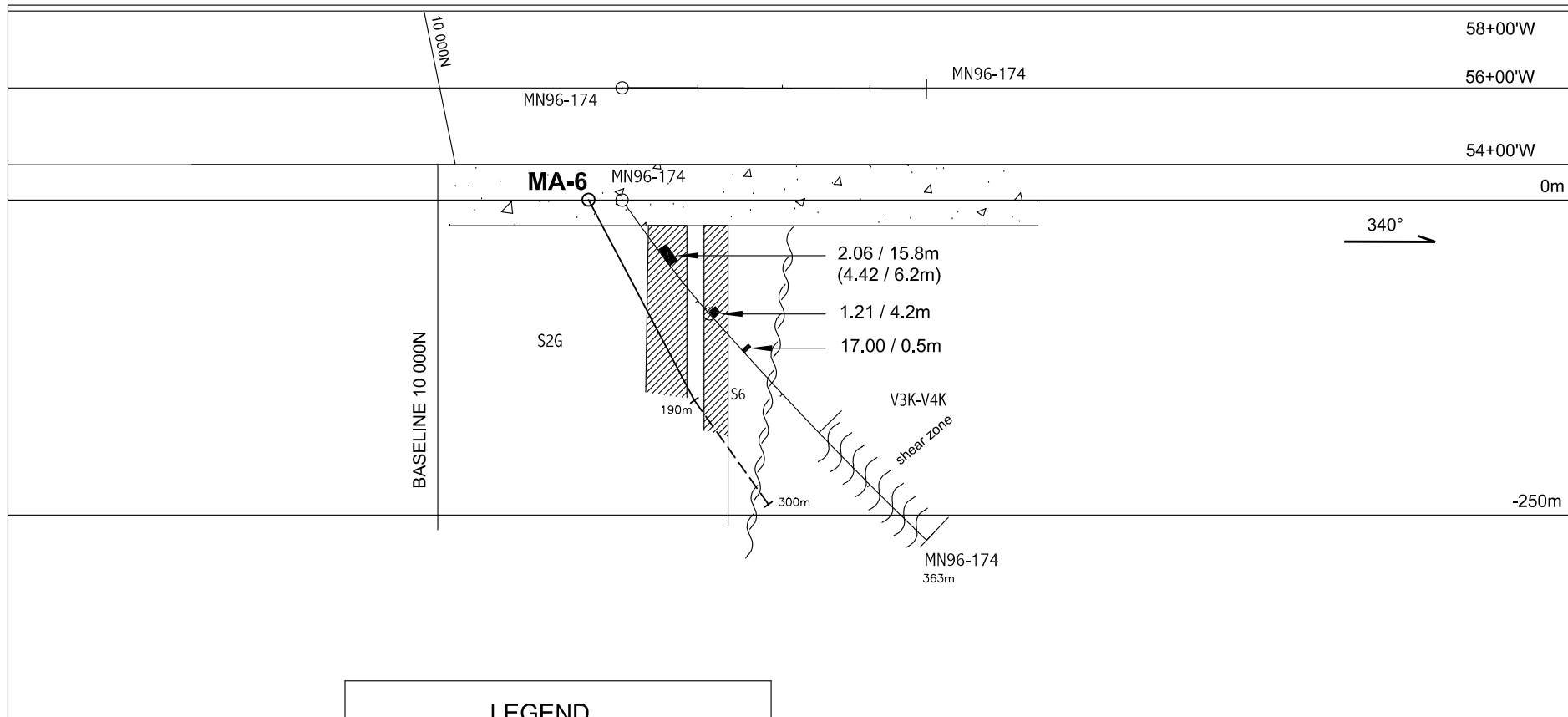
NTS 42A/09

DATE: OCT. 2001

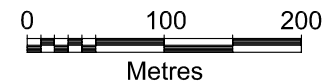
FIG: 7

Modified from Lac Exploration Inc. 1996 report
(Composite section 10400mN, Az 30°, zone 178, 178B)

comp-178-14.dwg



LEGEND	
V3B	Basalt
V4K	Ultramafic flow
S1C	Conglomerate
S1G	Sandy conglomerate
S1A	Argillitic conglomerate
S2K	Arkose
S2G	Sandstone
S3G	Greywacke
S4A	Argillite
S6	Bedded Iron Formation
I3G	Magnetic jasper
8.48/1.0	Gabbro
~	Fault Zone
(g/tAu / length (m))	
▨	Alteration zone



ACREX VENTURES LTD.

MICHAUD GOLD PROPERTY
Michaud Township, Ontario

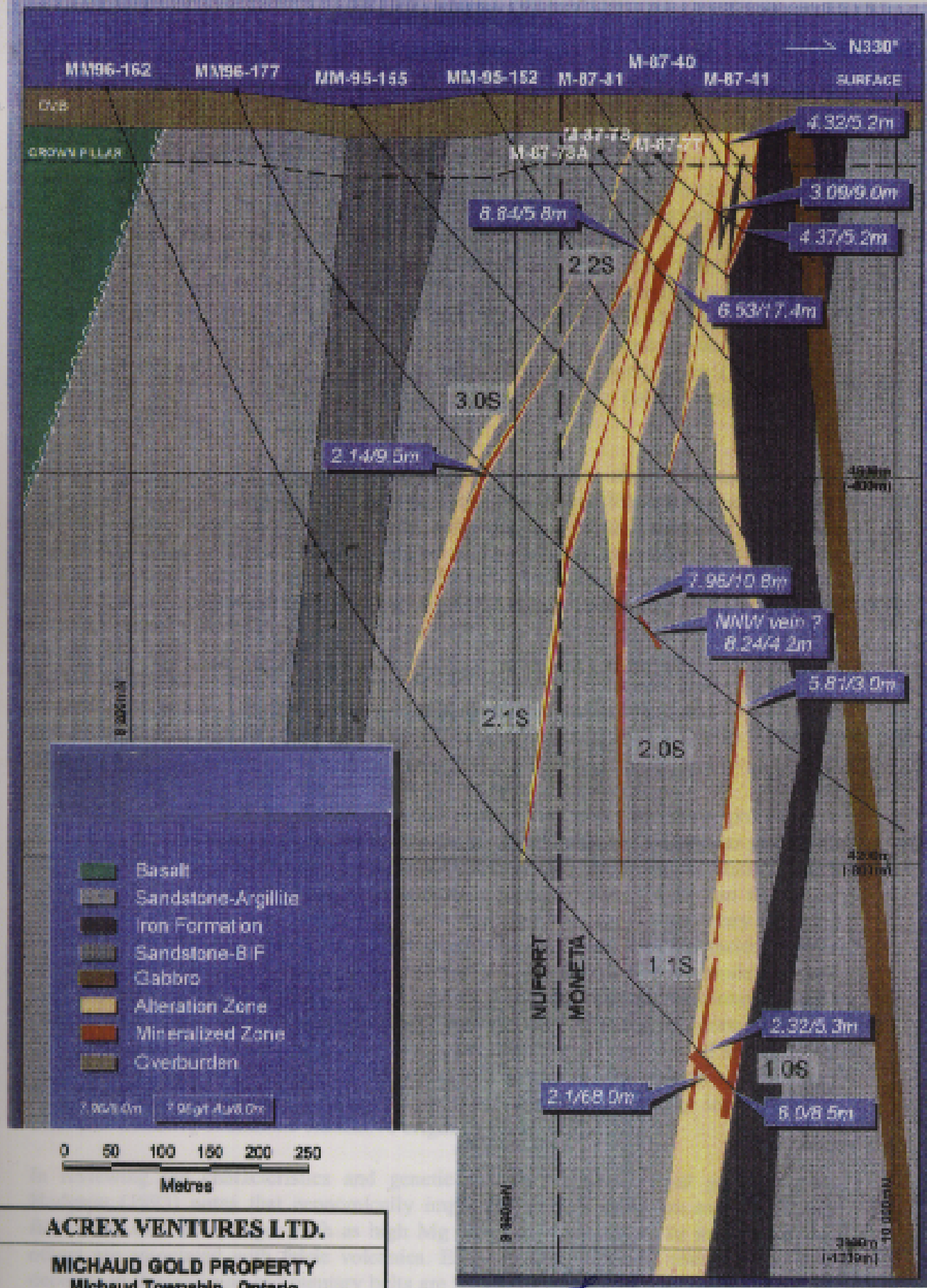
SCHEMATIC SUBSURFACE GEOLOGY
55 ZONE

SCALE: AS SHOWN

NTS 42A/09

DATE: OCT. 2001

FIG: 8



Handwritten: H. H. M. MEXNER P. Geo.



Modified from Barrick 1996 Report

Iron Formation-hosted gold deposits of Archean age occur at numerous localities worldwide. Their characteristics are summarized by McMillan (1996) and Thorpe and Franklin (1984), who cite examples of gold mines of the various types that fall under this broad category. They are categorized by whether gold deposits are hosted by carbonate oxide iron formation or by arsenical sulphide-silicate iron formation. The Geraldton and Pickle Crow districts in Ontario and the Vubachikwe deposit in Zimbabwe are examples of the carbonate-oxide iron formation type host. The Lupin Mine and Contwoyto Lake in N.W.T. and the Homestake Mine in South Dakota are deemed to be examples of arsenical sulphide-silicate iron formation type. Stratiform pyrite type (Eagle Mine, Dumagami Mine, Quebec) and chert-sulphide types (Detour Lake, Ontario) are also given as gold hosts.

Gold mineralization is contained in cross-cutting veins or fine disseminations associated with pyrite, pyrrhotite and arsenopyrite within the various iron formations and also in the adjacent rocks which consist of mafic volcanics and metasedimentary sequences. Structures and geometry of the deposits are highly variable since the rocks have been deformed. Axial plane cleavages often developed as well as a thickening of fold hinges with the remobilization of minerals along them. Gold may be encapsulated in sulfides or occur as native grains within crosscutting quartz veins. Principal minerals are native gold, pyrite, arsenopyrite, magnetite and pyrrhotite –chalcopyrite, sphalerite and galena are present in minor amounts. Gangue minerals are vein quartz, chert, and carbonate (calcite, dolomite, ankerite). Alteration usually consisting of carbonatization (ankerite or ferroan dolomite) and sulphides (pyrite, arsenopyrite, pyrrhotite), is common in wallrocks adjacent to the veins.

Ore controls observed in the above examples illustrate that gold favours the proximity of iron formations as a depositional environment. Most gold deposits occur near prominent regional structural and stratigraphic breaks, however the gold mineralization is often related to local secondary structures and not the main structure. McMillan states that contacts between ultramafic (komatiitic) rocks tholeiitic basalts or sedimentary rocks are important. All known deposits are in Precambrian rocks. Pinch outs and facies changes within the favourable units are important loci for gold deposition. Genetic models are less well understood. An epigenetic origin considers that gold mineralization may emanate from depth in metamorphogenic or magmatic hydrothermal solutions as a consequence of deformation late in the orogenic cycle of a greenstone belt. These mineral solutions are deposited into a brittle-ductile transition zones that have sufficient available open spaces and favourable chemistry. A syngenetic model, which is currently less favoured, considers an active submarine exhalative origin.

In reviewing the characteristics and genetic models of mesothermal gold deposits, Hodgson (1993) notes that economically important gold deposits are associated with favourable rock assemblages such as high Mg volcanics (komatiites) or intrusive rocks; others are associated with felsic volcanics. Economically important mesothermal gold deposits in Precambrian sedimentary belts are hosted in iron formation. Hodgson further suggests that the general geotectonic environment of mineralization is a prograding arc-

trench complex such as may have prevailed during the formation of the Timiskaming and iron formation assemblages. The overall suggestion is that gold and Timiskaming type rocks occur together because both the gold and the sediments are genetically related to the major tectonic zone, i.e. the DPFZ. Whatever the case, the association of gold deposits and major faults is a critical combination for the formation of a gold deposit within Precambrian volcano-sedimentary assemblages. The significance of iron formation in the model is unclear, except that iron formation is always present whether gold occurs within it or adjacent to it. Also, it has been noted that gold ore bearing horizons occur typically at, or close to, a lithologic change in the stratigraphic section. This is evident at the Lupin deposit, in N.W.T., where best gold mineralization occurs where turbidites of sandstone composition change to turbidites of mudstone composition. Similarly, at Homestake, in South Dakota, the change is from finely laminated graphitic phyllites to massive phyllites and thick-bedded quartzites. At Morro Velho, in Minas Gerais, Brazil, there is a sedimentary change from mafic volcanic dominated strata in the lower Nova Lima formation to the upper clastic dominated part. It appears significant that economically important gold deposits do not occur in Precambrian sedimentary assemblages where iron formation is absent, such as in the Pontiac and Quetico belts of the Superior province, in Ontario.

No precise geological analogue to the Southwest Zone gold occurrence has been noted in the literature or on maps of the southern Abitibi belt. Nevertheless, the fundamental geological environment which is permissive for gold deposition in Precambrian sedimentary assemblages, is present in the Southwest Zone, 04 Zone, 04 Extension Zone and 55 Zone over a strike length of 2.4 kilometres within the Acrex claim block. The coincidence of Timiskaming clastics with oxide iron formation within or adjacent to a major parallel fault structure, indicates that ore controls are in place which favour the delineation of a more extensive gold deposit than is presently outlined at the Southwest Zone. It is thus reasonable to assume that further gold mineralization is very likely present within the favourable stratigraphy to the southwest of it, as exemplified by a sparse number of mineralized exploratory holes.

MINERALIZATION

Gold Mineralization in the Southwest Zone, 04 Zone and 04 Extension Zone

Gold mineralization occurs along a southwesterly striking unit of Timiskaming clastic rocks that lie immediately south of an iron formation unit associated with the DPFZ on the Acre claims. This mineralization has been traced by cored drillholes along a strike length of about 2.4 kilometres and over an assumed "stratigraphic thickness" of 100 to 300m, from the eastern claims border towards the western boundary. The area of the easterly-situated Southwest Zone has been drill tested with some 100+ drillholes and found to contain and gold inferred resource of 2.4 million tonnes with an average grade of 6.07 g/t Au over a 6.4m width (468,400 ounces). The 04 Zone and 04 Extension Zone of gold mineralization lie westerly along strike and have been drill tested by a few exploratory drillholes. However, the transecting northwesterly cross faults have not been explored by drilling.

Mesothermal quartz-carbonate veins, within greywacke, conglomeratic greywacke and sandstone and containing predominantly free gold occur at a variety of scales from centimeter, metre, tens of metres to 100 metres or more, southerly from the iron formation contact. Gold mineralization is generally within 100 m of the iron formation but has been noted up to 500 m distant. Gold zones in greywackes are generally 1m to 10m thick and are interpreted to extend over 400 metre vertical intervals. It has been noted however, that higher grades prevail near the IF contact. Barrick geologists have noted, for example, that higher gold grades may occur near or at the IF contact where mineralization is characterized by pyrite enrichment. Proximal to the contact grades may attain a tenor of 7 to 12 g/t Au over 4 to 5m, whereas distal to the contact grades may drop to 3 to 6 g/t Au over 3 to 4m.

Four mineralized vein types have been noted

1. millimeter to centimeter quartz-ankerite-chlorite-pyrite veinlets and locally to decimeter scale
2. pyrite-rich stringers 2mm
3. millimeter feldspar-quartz-ankerite-hematite-pyrite veinlets
4. millimeter to centimeter ankerite-quartz-hematite veinlets

Five distinct vein networks of quartz-ankerite-chlorite-pyrite-Au veinlets were determined in the mineralized zones from oriented core sections, they are:

150°/60° SW; 255°/55° N; 260°/20° N; 180°/80° W and 40°/90°.

The quartz-ankerite-chlorite-pyrite-Au veinlets and pyrite rich stringers are sub-parallel to the core axes, whereas the quartz-ankerite-hematite-pyrite-Au veinlets are flat lying.

Ankeritization, sericitization and pyritization are the main hydrothermal alteration products within the gold zones at the Southwest Zone. Silicification, chloritization and hematization, although widespread, are weak. Alteration changes the grey-green of the clastics to buff brown in the veined mineralized zones. Host rocks are bleached for 1 to 2 metres away from the veins. Ankerite is typically present up to 30% and pyrite up to 10%. Best gold grades occur at the juncture of two or more vein networks, as noted in the detailed logging of core in hole MN96-162. Here a close correlation between gold grade and quartz-ankerite-chlorite-pyrite veinlets was noted in a section grading on average 2.1 g/t Au over 68m from 1170m to 1238m, at a vertical depth of -1025m. This interval included including 6.0 g/t Au over 8.5m; and 10.2 g/t Au over 2.2m, with the 2.2m interval of 10.2 g/t Au occurring in altered conglomerate + iron formation.

Microscopic examinations were carried out by Barrick (1996), on 23 polished sections taken from the better grade gold zones in 12 different drillholes. Observation of some 3,329 gold grains has shown that gold mineralization occurs as native gold grains. This examination further showed that 80% of free gold is in quartz-carbonate veins, in feldspar-quartz-carbonate veinlets and pyrite stringers. The gold grains are typically

arrayed along vein margins so that gold grades are dependent on density and number of veinlets and not on the percentage of disseminated pyrite in altered sediments. Most grains are in the fractures of quartz and pyrite, indicative of a late phase of hydrothermal alteration. The size of gold grains varies from 1 to 15 microns with the 1 to 5 micron range being the most prominent and accounting for 52% of the grain population. Approximately 20% of the grains were 5 to 10 microns in size and 15% were less than 1 micron.

EXPLORATION

Exploration programs carried out on the Michaud Gold Property are listed and described in the History section of this report.

DRILLING

Some 224 drillholes have been completed on the greater Moneta property with most of these drilled on the Acrex claims. Drilling program statistics are contained in the History section of this report.

The majority of drilling was done by Barrick, who drilled 82 holes between 1995 and 1997 using NQ size core. Prior to this, Moneta had drilled 125 reverse circulation holes and 93 diamond drillholes using BQ and NQ core.

Benoit Diamond Drilling of Val-d'Or, Quebec, carried out the Barrick drilling. All drill collars were surveyed by GPS.

SAMPLE PREPARATION, ANALYSES and SECURITY

The sample preparation procedures used by Barrick are not described in their reports, however, it is known that after logging core was split using a diamond saw and then bagged and sent for analysis. It is assumed that Lac North America Ltd. and Barrick Gold Corporation would have followed standard industry practice and professional guidelines for this process.

In the 1996 drilling program a total of 877 core samples representing 902 metres were assayed for gold at the Swastika Laboratory located in Swastika, Ontario. Samples were first fire assayed and then analyzed by atomic absorption with a 5 ppb detection limit. Samples with gold values greater than 500 ppb were re-assayed using a standard gravimetric fire assay technique. Check assays were sent to Chimitec Ltd. in Val-d'Or, Quebec; of the 877 samples sent, 196 checks were done.

In the 1997 program Barrick assayed 4,227 core samples for gold at Swastika Laboratory following the method described above. Additionally, 12 check assays of rejects from holes MM97-208 and MM97-222 were done, using pulps and in some cases (4 samples) with the metallic sieve method so as to negate the nugget effect. The check assay values confirmed the repeatability of the original assay results.

DATA VERIFICATION

Data used in the preparation of the is report were accessed and examined at Moneta's offices, at a secure core storage facility near Timmins and on the property itself. There appears to be no reason to doubt the accuracy or veracity of the considerable amount of geological exploration data that is presented as written material and as illustrations on maps, sections or diagrams. No split cored intervals were taken by the author for re-assaying.

Since 1987, when Moneta Porcupine Mines Inc. began exploring the property, drilling has been the main exploration tool in delineating a gold resource. A ground magnetometer survey and a limited induced polarization survey provided some focus for drill targets, however the drilling strategy has been to prospect by drilling the stratigraphy and then following better grade intercepts along strike or down dip with follow-up holes.

Documentation of this work, primarily by Barrick and UNOCAL along with summary reports assessing these programs by Southampton Associates Inc. and Roscoe Postle Associates, show that this work was carried out to a good standard of competency and completion. Paper records such as assay sheets and drill logs, geophysical sections, maps and cross sections are properly archived at Moneta's offices and readily available for inspection. Drill core is well and securely stored in an orderly way and assayed sections of core have been halved by diamond saw and appropriately marked by tags in the boxes. It is easy to refer to a drilled and assayed intercept in a report or cross section and view the same core interval in the box at the storage site.

In the field the author and Moneta's exploration manager Rainer Skeries were able to readily locate various grid lines and specific points along them by using a map and a GPS unit. Drill collars were identified readily where casing had been left in the hole because these had been capped and marked with brazed numbers on steel plates. Corner claim posts were located in a similar way.

ADJACENT PROPERTIES

Several differing gold deposit types occur in the vicinity of Acrex's property and these are grouped as follows:

1. Gold in mesothermal quartz-carbonate veins within Timiskaming clastics adjacent to iron formation and DFPZ such as at the Southwest Zone, O4 Zone, O4 Extension Zone: all occurring on the Acrex's claims. The Windjammer zone, just east of the Acrex claim block, has an identical geological setting and style of mineralization as at the Southwest Zone.
2. Gold mineralization hosted by altered ultramafic and mafic volcanic rocks along the DPFZ to the north of Acrex's claims, such as at Twin Creeks Zone, Miller Zone and Landing Zone, north of Acrex claims.

3. Gold mineralization hosted by syenite intrusives marginal to the DPFZ, just north of Acrex's property, such as at the Last Chance Zone and Ludgate Zone.

The Windjammer Zone, just east of the claims, occurs in an identical geological setting to that of the Southwest Zone, namely, iron formation and Timiskaming clastics. Best intercepts in drillholes yielded 14.6 g/t Au over 3m and 5.4 g/t Au over 19.6m (OGS 5735).

The Windjammer Zone lies outside the Acrex claims and is included here only for descriptive purposes. Mineral grades and thickness occurring in this zone are not necessarily indicative of those that may occur on Acrex claims.

The Twin Creeks Zone, Miller Zone, Landing Zone, Last Chance Zone and Ludgate Zone all occur outside the Acrex – optioned claims and are geologically dissimilar to the geologic setting and mineralization described on the Acrex ground.

The Twin Creeks Zone, Landing Zone and Miller Zone all occur along the DPFZ which here consists of a wide zone of deformation and carbonate alteration. Altered ultramafic volcanics contain fuchsite, a green chromium mica, whereas sericite, silica and carbonate alteration is pervasive in mafic volcanic rocks. This zone is described as 200m x 2100m ankerite alteration envelope enclosing the fault zone at this locality. Gold mineralization is in breccia zones and stockworks of quartz veinlets with 2 – 5% very fine pyrite and occasional visible gold. Barrick concluded that this type of mineralization was erratic and difficult to correlate on strike and dip.

UNOCAL, Independence Mining Corp and Barrick have collectively drilled 34 holes on these zones from 1989 to 1997, some of the better results include:

MU89-94	5.8 g/t over 2.8m
MU89-95	16.5 g/t Au over 3.7m
MU89-101	9.3 g/t Au over 6.0m
MU89-120	7.5 g/t over 2.1m
MU91-142	2.0 g/t Au over 16.9m, including 6.0g/t over 2.7m
MU91-148	5.5 g/t Au over 2.4m
MU91-149	5.7 g/t Au over 1.6m

The Last Chance Zone, discovered by UNOCAL in 1989, is a syenite hosted gold occurrence. It occurs in the lower of two porphyritic syenite intrusives in contact with unaltered ultramafic and mafic rocks on the south side of the DPFZ. UNOCAL drilled 11 holes and Barrick drilled 9 holes in 1996.

The syenite porphyries dip southwest and the lower boundary of the lower syenite is in fault contact with ultramafic rocks. Gold occurs in quartz-carbonate stringers together with hematite alteration and up to 5% pyrite. Some of the better drill intercepts are as follows:

MU89-108	11.3 g/t Au over 3.7m And 20.6 over 1.2m
MU89-133	8.6 g/t Au over 2.5m
MU89-126	13.0 g/t Au over 3.1m
MU89-129	13.0 g/t over 1.8m

MINERAL PROCESSING and METALLURGICAL TESTING

Preliminary grinding and cyanide leach tests were done on gold ore from an interval in hole MM97-177, which averaged 8.0 g/t Au over 10.8m. The test was done at Barrick's East-Malartic mill in order to determine the head gold grade and optimal grinds. Recoveries of 95% were achieved and it was demonstrated that the tails grade directly follows the grind liners. A grind of 99% -200 mesh; 85.6% -400 mesh was tested in a beaker with agitator for 72 hours. Cyanide consumption was 0.35 kg/t and lime was 7.41 kg/t.

Fractional assays on the tails indicate a turning point at about -500 mesh, shifting from about 0.6 g/t Au to 0.25 g/t Au. The averaged assay results of 8.09 g/t Au confirms the Swastika Laboratory assay of 8.0 g/t Au and indicates that gold particle sizes are homogeneously distributed.

MINERAL RESOURCE and MINERAL RESERVE ESTIMATES

In 1996 Barrick Gold Corporation calculated a preliminary resource inventory on a set of interpreted cross sections, level plans and on polygonal longitudinal sections on the various mineralized zones of the Southwest Zone. Data from approximately 65 diamond drill holes (Moneta 1987 drillholes and Barrick 1995, 1996 drillholes) were used to evaluate this preliminary resource.

This work is contained in two Barrick company reports entitled "Moneta and Nufort Projects, Southwest Zone – 1996 Intergrated Report", dated October 9, 1996 and "Moneta and Nufort Projects, Southwest Zone – Preliminary Resource Inventory", dated October 10, 1996 and written by Maurice Carre and Yueshi Lei.

Computer sections were created at a scale of 1:1,000, level plans also at a scale of 1:1,000 and longitudinal sections were made up at 1:2,000 scale so that volumes could be computed by the polygon method.

Radiuses of influence for various categories of potential ore were:

- Probable – 25 metre radiuses (50m x 50m)
- Probable + Possible – 50 metre radiuses (100m x 100m)
- Probable + Possible + Potential – 100m x 200m (vertical)

Criteria used to calculate the preliminary resource inventory are given as follows:

- 9.0 g/t x metre (gold grade x horizontal thickness) cut off
- No composite less than cut off was used unless geological continuity was noted
- Cut off factor of 34.287 g/t (greater than 1.0 oz/ton)
- Density of 2.7 m³/t
- Horizontal width of each composite calculated from vertical core angle deviation
- For all category resources – 30 metres crown pillar

The Southwest Zone resources calculated were:

PROBABLE	0.8Mt @ 5.70 g/t over 6.4m (146,606 oz)
PROBABLE + POSSIBLE	1.7Mt @ 6.01 g/t over 6.5m (324,307 oz)
PROBABLE + POSSIBLE + POTENTIAL	2.4Mt @ 6.07 g/t over 6.4 m (468,424 oz)

Statistical work demonstrated some important features of the distribution of gold mineralization:

- The Southwest Zone is comprised of 6 mineralized sub-zones
- 82% of the Probable resource, 57% of the Possible resource and 25% of the Potential resource is located in the upper part (above-400m)
- The Central block contains 67% of the Probable resource, 69% of the Possible resource and 75% of the Potential resource
- The quality of the gold resource is dependent on the density of drill holes

INTERPRETATION and CONCLUSIONS

Iron Formation - hosted gold mineralization occurs within Timiskaming clastic strata over a strike length of about 2.5 kilometres throughout the central part of the Acrex claim block in Michaud Township. Past exploration, most specifically since 1987, has outlined a number of gold mineralized zones within this greywacke sequence including the easternmost South Zone, Southwest Zone, 04 Zone, 04 Extension Zone and the westernmost 55 Zone.

Of these, the Southwest Zone is the most extensively explored, with an inferred resource of 2,400,000 tonnes averaging 6.07 g/t Au (468,400 ounces) having been outlined by drilling carried out by Barrick in 1995 - 1997.

The 04 Zone, the 04 Extension Zone and the 55 Zone have been partially tested by a number of exploration drillholes, which have returned significant mineralized core widths in the general range of over 3 metres and gold grades of over 3 g/t Au. These zones are significant in that gold mineralization is contained in the same geological environment as that hosting the Southwest Zone and indicate that additional drill testing is warranted in these areas.

Gold mineralization, at Southwest Zone, occurs primarily as free gold grains within and along edges of quartz-carbonate-pyrite veins in stockworks as well as coatings on euhedral pyrite grains within carbonatized and silicified alteration envelopes. These gold-mineralized zones range up to 10m widths or more and may reach depths of several hundred metres. The Southwest Zone contains at least 6 such gold zones, at depths to 400m and beyond, and one is interpreted at an approximate 1000m depth.

The convergence of Timiskaming calstics with oxide iron formation occurring within a fault of the Destor Porcupine Fault Zone is here considered to be a highly favourable geological environment for mesothermal vein type gold mineralization. This is a unique gold occurrence in this part of the Abitibi Greenstone Belt where gold is commonly found within mafic volcanic rocks. Broadly analogous Archean iron formation hosted gold deposits, somewhat similar to Acrex's Moneta occurrence, occur on a global scale and constitute a significant gold resource.

The source and mechanisms of gold deposition are not well understood, however, global evidence points to a major structure as being a fundamental condition for gold deposition to take place in the receptive sedimentary + iron formation host rocks.

Further drill testing of the favourable IF + Timiskaming sedimentary assemblage at 04 Extension Zone and at 55 Zone is warranted to explore both the stratigraphy for gold mineralization and also to test the cross-cutting faults where they intersect the clastic/iron formation contact zones.

It is thought that cross-cutting faults may have been conduits for ascending gold-bearing mineralizing solutions and thus their intersections with the favourable stratigraphic interval constitute sites of possible gold deposition and are therefore desirable exploration targets.

The subsurface geometry of the IF stratigraphy and mineralized zones is poorly understood due to its complexity or because it has not been pierced at optimal angles by drills. Compilation to common scales of the voluminous historical drill data, including magnetometer and induced polarization geophysical data, combined with re-logging of selected cored sections, and followed by computer modeling in three dimensions of fold and fault geometries would greatly aid in guiding future exploration.

This study is necessary also to direct further definition and infill drilling of the Southwest Zone prior to undertaking any revised resource inventory.

RECOMMENDATIONS

Further drill testing of the Michaud Gold Property of Acrex Ventures Ltd. is warranted to test the on-strike favourable stratigraphy and the areas where cross cutting faults transect this stratigraphy. A program of NQ diamond drilling at 9 locations, for a total of 2,600 metres, is proposed to carry out this exploration. These holes are located on the 04 Extension Zone and 55 Zone, with one hole positioned near the Southwest Zone. The drillholes are plotted on Figure 4 and depicted on cross sections on Figures 5, 7 and 8.

A re-appraisal of past drilling and geophysical information is warranted and necessary to guide future exploratory drilling and any subsequent definition drilling at the Southwest Zone. This work involves compilation of plans and sections to common scales, re-logging of core, 3-D computer modeling and interpretation of mineralized stratigraphic sections, in an attempt to establish geologic continuity and grade continuity from hole to hole and to discern the geometry and scale of mineralizing structures. This will guide future exploration programs.

PROPOSED DRILLHOLES

MA - 1 - at 030° azimuth and -55° dip; 280 length.

This hole is positioned to cut 2 NW faults and core through Timiskaming clastics and terminate in IF at a depth of about 220m. It is meant to test for fault-related mineralization as well the favourable stratigraphy to NE of Southwest Zone.

MA - 2 - at 340° azimuth and -55° dip; 230m length.

This hole tests the clastics and iron formation and terminates in the DPFZ to the north at a depth of 250m; to test the eastern part of 04 Extension Zone.

MA - 3 - at 010° azimuth and -55° dip; 310m length.

This hole, drilled from the same set-up as MA – 2, tests the IF, clastics and terminates in the DPFZ at a 300m depth. To test eastern part of 04 Extension Zone.

MA – 4 - at 340° azimuth and -55° dip; 310 length.

This hole tests the favourable stratigraphic sequence in central on strike to the southwest of MA – 3, in central 04 Extension Zone, at a depth of about 300m, terminates in DPFZ.

MA –5 - at 340° azimuth and -55° dip; 260m length.

This hole tests favourable stratigraphy and DPFZ to 250m depth in 04 Extension Zone.

MA – 6 – at 045⁰ azimuth and -55⁰ dip; 190m length.

This hole tests favourable stratigraphy into the IF and DPFZ in eastern 55 Zone at a depth of 200m in eastern 55 Zone.

MA – 7 – at 00⁰ azimuth and –55⁰ dip; 380m length.

This hole tests favourable stratigraphy in the eastern 55 Zone and westernmost 04 Extension Zone at a depths to 350m and terminates in DPFZ. It also tests the NW fault, which cuts favourable stratigraphy.

MA – 8 – at 010⁰ azimuth and –55⁰ dip; 200m length.

This hole tests the favourable stratigraphy west of 55 Zone and the western part of this zone terminating in DPFZ at a depth of 200m.

MA – 9 – at 025⁰ azimuth and –55⁰ dip; 440m length.

This hole tests favourable stratigraphy west of and within the western part of 55 Zone and tests the NW fault for potential gold mineralization ; it terminates in iron formation or DPFZ at a depth of 350m.

The drilling is intended to be carried out in a flexible and judicious way so that if well mineralized stratigraphy or structures are encountered at any one locality then additional metreage should be drilled at that location at the expense of metreage relegated to the other proposed locations.

COST ESTIMATE

Compilation of data, interpretation, modeling, allow	\$ 40,000.00
Drilling, 2600 metres NQ core @ \$ 90.00 per metre *	\$ 234,000.00
Assays, allow	\$ 6,500.00
Drill data compilation, reporting, travel, overheads, allow	<u>\$ 18,000.00</u>
Sub – total	\$ 298,500.00
Contingencies @ 15%	<u>\$ 44,775.00</u>
TOTAL	\$ 343,275.00

- **Note:** Drilling costs include mobilization and de-mobilization from Timmins; casing left in the hole; core boxes; drillsite preparation and access; core logging and diamond saw core splitting. The drill program is geared toward the winter months of January to April when access is easiest and least deleterious to the environment. Drillsite supervision and logistics by Moneta Porcupine Mines Inc. is also included.

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CERTIFICATE

I, Henry M. Meixner, P. Geo., Consulting Geologist, with residence and business address at 675 West 32nd Avenue, Vancouver, British Columbia, do hereby certify that:

1. I am a graduate of the University of British Columbia with a BSc. in geology in 1969.
2. I have practiced my profession as a geologist in the private sector primarily in western Canada and parts of the United States, Mexico, South America, Iran and Southern Africa for more than 30 years. Work has included property scale mineral prospect investigations, regional scale mapping and mineral potential assessments, supervision of mineral exploration programs and mineral property evaluations.
3. I have been registered with the Association of Professional Engineers and Geoscientists of British Columbia since 1993. I am A Fellow of the Geological Association of Canada.
4. From 1969 to 1976 I have been involved in mineral exploration for mercury, copper, molybdenum and silver, lead and zinc in western and eastern Canada and parts of the United States. During 1976 to 1979 I was involved in regional mapping and minerals potential assessment in eastern Iran. In 1979 – 1983 I directed a drilling program to assess the mineral exploration potential of the supracrustal sequences of the Kapvaal craton in the Western Kalahari region of Botswana. Since 1986 I have been carrying out mineral property investigations and evaluations for nickel, gold, silver, and base metals in Canada, Mexico, Bolivia, Guyana and Argentina and Kazakhstan.
5. As a result of my experience and qualification I am a Qualified Person as defined in National Instrument 43 – 101.
6. I am presently a Consulting Geologist and have been so since June 1986.
7. I personally examined the Acrex claims block on Michaud Gold Property on October 12, 2001. I reviewed the extensive exploration data archived at the office of Moneta Porcupine Mines Inc. in Timmins, and examined core from the property during the period October 10 to 18, 2001.
8. I have prepared all the sections of this report as well as all the illustrations. Sources of information are noted on the illustrations and any modifications by myself are noted.

9. Some of the information respecting ore reserves, or information contained in the report, was derived from the reports of previous explorationists. Sources of information not based on personal examination are quoted in the report. The information provided by others is to the best of my knowledge and experience correct.
10. In the disclosure of information relating to permitting and title to the optioned claims I have relied on information provided to me by Moneta Porcupine Mines Inc. The author disclaims responsibility for such information.
11. As of the date of the certificate, I am not aware of any material fact or material change with respect to the subject matter of this technical report that is not reflected in this report, the omission to disclose which would make this report misleading.
12. I am independent of Acrex Ventures Ltd. in accordance with the application of Section 1.5 of National Instrument 43 – 101
13. I have read National Instrument 43 –101 and Form 43 –101F1 and the foregoing technical report has been prepared in conformity with this instrument and Form 43 – 101F1 and generally accepted Canadian mining industry practice.

Dated at Vancouver, British Columbia, this 5th day of November, 2001

Henry M. Meixner, P. Geo.