PROSPECTUS DATED: February 20, 2002

ACREX VENTURES LTD.

(hereinafter called the "Company")
9131 Jaskow Gate, Richmond, B.C. V7E 5H6

OFFERING: Up to 4,166,667 Flow-Through and Non-Flow-Through Units, each consisting of 1 common share of the Company and a Warrant entitling the purchase of an additional share of the Company, to raise gross proceeds of up to $1,250,000, in the Provinces of British Columbia, Alberta and Ontario. The offering will remain open until November 22, 2002 or until all of the Units are sold, whichever shall first occur, subject to the Minimum Subscription being reached within 90 days of the date of the final receipting of this Prospectus.

DISTRIBUTION: The Units offered hereby with flow-through entitlement will be sold at a price of $0.35 per Unit. Units that are sold which do not have flow-through rights attached to them will be sold at a price of $0.30 per Unit. The figures in the following table relative to the sale of the whole offering are presented on the assumption that investors purchase 1,671,429 Flow-Through Units for a total of $585,000 (i.e. approximately 46.8% of the offering) and 2,216,667 Non-Flow-Through Units for a total of $665,000 (approximately 53.2%). If the Units are sold on this basis a total of 3,888,096 Units will be sold. If no Flow-Through Units are sold, so that all of the Units are sold as Non-Flow-Through Units at $0.30 each, 4,166,667 Units will be sold. The Warrants are exercisable on the terms described in Item 1 – Summary of Prospectus.

For the purpose of the following table it is assumed that if only the Minimum Subscription amount of Units are sold, raising aggregate gross proceeds of $1,011,000, $343,000 will be from the sale of 980,000 Flow-Through Units and $668,000 will be from the sale of 2,226,667 Non-Flow-Through Units.

With respect to Flow-Through Units	Price to the Public	Commission	Net Proceeds to the Company if offering fully sold	Net Proceeds to the Company if only Minimum Subscription(2) sold
Per Security .... Total	$0.35 $585,000(2)	$Nil(1) $Nil	$0.35 $585,000	$0.35 $343,000
With respect to non-Flow-Through Units				
Per Security …………… Total …………………...	$0.30 $665,000(2)	$0.564(1) $125,000	$0.2436 $540,000	$0.2546 $566,900
TOTALS	$1,250,000	$125,000	$1,125,000	$909,900

(1) In consideration of Pacific International Securities Inc. (the "Agent") making the within offering on behalf of the Company, the Agent will receive:

(a) cash commissions of 10% of the gross proceeds of the Units. Commissions payable with respect to Flow-Through units sold will be paid from the proceeds received from the sale of Non-Flow-Through units.

(b) a corporate finance fee of $20,000, plus applicable taxes, payable on completion of the offering;

(c) Agent's Warrants entitling the Agent to purchase up to 20% of the total number of shares sold pursuant to this Prospectus for a period of one year from the Closing Date. Each Agent's Warrant will be exercisable to purchase one share of the Company at a price of $0.30. The distribution of the Agent's Warrants will be qualified by this Prospectus; and

(d) Reimbursement of all of the Agent's reasonable expenses.

(2) The within offering is being made by the Company through the Agent on a "best efforts" basis. There is therefore no assurance that any Units will be sold pursuant to this offering. The offering is subject to a minimum subscription of $1,011,000, of which $658,725 must be raised through the sale of non-Flow-Through Units. Commissions may not be paid from the proceeds received from the sale of Flow-Through Units and, accordingly, commissions payable with respect to sales of Flow-Through Units must be paid from the proceeds received from the sale of Non-Flow-Through Units.

THERE IS NO MARKET THROUGH WHICH THE WARRANTS WHICH WILL BE PART OF THE UNITS WHICH WILL BE SOLD, AND PURCHASERS MAY NOT BE ABLE TO RESELL WARRANTS PURCHASED UNDER THIS PROSPECTUS.

THE PRICE TO THE PUBLIC OF THE SECURITIES OFFERED FOR SALE HEREUNDER AND THE AGENT'S COMMISSION WERE DETERMINED BY NEGOTIATION BETWEEN THE COMPANY AND THE AGENT.

AN INVESTMENT IN NATURAL RESOURCE ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY WHERE THE ISSUER'S PROPERTIES ARE IN THE EXPLORATION AS OPPOSED TO THE DEVELOPMENT STAGE. INVESTORS SHOULD NOT INVEST IN SECURITIES OF THE COMPANY UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE "RISK FACTORS" UNDER ITEM 18 HEREIN.

AN APPLICATION HAS BEEN MADE TO REINSTATE TRADING OF THE COMPANY'S SHARES ON THE CANADIAN VENTURE EXCHANGE ("EXCHANGE"). THE EXCHANGE HAS CONDITIONALLY APPROVED THE REINSTATEMENT SUBJECT TO THE COMPANY FULFILLING THE EXCHANGE'S NORMAL LISTING REQUIREMENTS. SEE "PLAN OF DISTRIBUTION" UNDER ITEM 17 HEREIN.

NO PERSON IS AUTHORIZED BY THE COMPANY TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE ISSUE AND SALE OF THE SECURITIES OFFERED HEREBY.

IN THE EVENT ALL SECURITIES OFFERED FOR SALE HEREUNDER ARE SOLD, THE AGGREGATE NUMBER AND PERCENTAGE OF OUTSTANDING VOTING SECURITIES THAT WILL BE HELD BY THE PUBLIC AND BY PROMOTERS, INSIDERS, HOLDERS OF PERFORMANCE SHARES OR ESCROW SECURITIES AND THE AGENT AS A GROUP UPON THE COMPLETION OF THE OFFERING WILL BE AS FOLLOWS:

	Aggregate Number of Voting Securities[1]	**Percentage of Total Issued and Outstanding Voting Securities**[1]
Public Shareholders	5,873,601	81.24%
Promoters, Insiders, Holders of Performance Shares or Escrow Securities and the Agent	1,356,711	18.76%
TOTAL:	7,230,312	100.0%

(1) The foregoing numbers are based on the assumption that 53.2% of the within offering is sold by way of Units at $0.30 each and 46.8% by way of Units at $0.35 each – which will result in the Company issuing 3,888,096 shares. They do not take into account any shares that may be issued pursuant to the Warrants which are included in the Units, or pursuant to the Agent's Warrants, or pursuant to share purchase warrants that the Company already has outstanding – as disclosed in Item 10.

VARIOUS OF THE DIRECTORS OF THE COMPANY MAY HAVE AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCE COMPANIES. SEE "CONFLICTS OF INTEREST" UNDER ITEM 14 ("DIRECTORS AND OFFICERS") HEREIN FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

THESE SECURITIES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE *UNITED STATES SECURITIES ACT OF 1933,* AND SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO ANY U.S. PERSON, AND THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF SUCH SECURITIES WITHIN THE UNITED STATES.

We, as Agent, conditionally offer these securities subject to prior sale if, as and when issued by the Company and accepted by us, in accordance with the conditions contained in the Agency Agreement referred to under Item 17 ("Plan of Distribution") herein.

AGENT:

Pacific International Securities Inc.

1900 – 666 Burrard Street
Vancouver, British Columbia, Canada V6C 3N1

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ITEM 1 – SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

THE COMPANY

The Company has been inactive, and has not held any assets for more than two years – until it entered into an option agreement to acquire an interest in the Michaud, Ontario property described in Item 4 "Description of the Business". The Company proposes to conduct exploration and testing of the Michaud property with the funds raised pursuant to this Offering and to thereby earn a 60% interest in the Michaud property. The Company holds no other assets and does not propose to carry on any other business.

OFFERING

Offering:	Units – each to consist of one share of the Company and a warrant entitling the holder to purchase an additional share of the Company. Warrants issued in Flow-Through Units will be exercisable for one year at an exercise price of $0.35 per share. Warrants issued in Non-Flow-Through Units will be exercisable during the first year of their term at $0.35 per share and at $0.40 per share during the second year of their term.
Subscription prices:	Units may be subscribed for on a flow-through basis at $0.35 per Unit. Units may be subscribed for which do not have flow-through rights attached at $0.30 per Unit. Shares purchased through the exercise of the Warrants included in the Units will not have flow-through rights attached.
Maximum Offering:	$1,250,000
Minimum Subscription:	$1,011,000 – including a minimum subscription of $658,725 of Non Flow-Through Units.
Term of Offering:	The offering will terminate on November 22, 2002 or when the offering is fully sold, whichever shall first occur; Provided that it will expire 90 days after the date of the final receipting of this Prospectus if the Minimum Subscription has not been reached by that date. The Company may also terminate the offering at any time at its discretion.
Agent and Agent's Compensation:	The Agent, Pacific International Securities Inc., will receive compensation as detailed on the cover page hereof.
Conditions of Closing:	No subscriptions hereunder will be closed unless simultaneously the Canadian Venture Exchange reinstates trading of the shares of the Company so that the shares issued under this offering will become simultaneously freely tradeable through the facilities of the Exchange. Unless such reinstatement occurs, subscriptions hereunder will be cancelled and subscription proceeds will be returned to subscribers without interest or deduction. Subscriptions made pursuant to this offering will also not be closed unless and until the Minimum Subscription level has been reached.

Use of proceeds:	The proceeds will be used to pay Company debt and expenses, fund work on the Property, pay commissions and to create a working capital reserve. Reference is made to Item 5 for details.
Risk factors:	An investment in the Units should be considered speculative due to the nature of the Company's involvement in mineral exploration. There is no known body of commercial ore contained within the Property. The Property is subject to a lien registered by a judgment creditor of Moneta. The Company's operations are subject to all of the risks normally incidental to the exploration and development of mineral properties, including encountering unexpected formations or pressures, cratering, flooding, cave-ins, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks, nor are all such risks insurable. The regulation of the natural resource industry by various levels of government, the marketing of minerals, and the effect of fluctuations in the market price and demand for such resources may affect the success of the Company's business endeavours. The Company competes with other corporations which have greater technical and financial resources. Certain directors of the Company are associated with other natural resource companies which may give rise to conflicts of interest. Reference is made to Item 18 which contains a detailed description of the anticipated risk factors.
Summary financial information:	The Company has outstanding debts, no working capital and has had no income from operations in the past 5 years. For details reference is made to Items 6.1 and 6.2.

ITEM 2 – CORPORATE STRUCTURE

2.1 Name and Incorporation

The Company was incorporated under the British Columbia Companies Act August 1, 1969 under the name St. Elias Explorations Ltd. (N.P.L.). The Company's name was changed to Cutlass Exploration Ltd. (N.P.L.) on October 6, 1972, and to Great Hercules Resources Inc. (N.P.L.) on April 27, 1977. The name was further changed to Pacific Coast Funding & Resources Inc. April 4, 1979, and then to Alliance Resources Ltd. June 12, 1986. On February 7, 1994 the name was changed to the present name, Acrex Ventures Ltd.

The Head Office of the Company is located at 9131 Jaskow Gate, Richmond, B.C. V7E 5H6. The Records and Registered Offices of the Company are located at 1710 – 1177 West Hastings Street, Vancouver, B.C. V6E 2L3.

When the name of the Company was changed from Cutlass Exploration Ltd. (N.P.L.) to Great Hercules Resources Inc. (N.P.L.) in April 1977 the then issued shares were consolidated on a 1 new for 25 old basis. When the name of the Company was changed in 1993 from Alliance Resources Ltd. to the present name of the Company the then issued and outstanding shares were consolidated on a 1 new for 5 old basis.

ITEM 3 – GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

In mid 1998 the Company initiated a proposed reverse take-over transaction to acquire 100% of the issued shares of a private company Voice Mobility Inc. ("VMI"). In anticipation of the successful closing of that transaction the Company advanced approximately $1,750,000 to VMI which the Company had raised as private placement share subscription proceeds. As difficulties were encountered in meeting all of the conditions of closing the transaction the other parties to the transaction terminated the agreement in mid-1999. As a result the proposed share purchasers released the Company from any obligation to issue shares to them or return their monies in exchange for VMI undertaking to satisfy their claims. The Company simultaneously released VMI from its obligations to repay the monies the Company had advanced to it. Carl R. Jonsson, who was acting as the Company's Solicitor, was appointed a Director of the Company November 30, 1998. No further business activities were undertaken by the Company until September 2000.

The people who comprised previous management of the Company (except Mr. Jonsson) resigned as directors and officers in August, 2000 – at which time the Company's President, T.J. Malcolm Powell, was appointed Director and President and assumed management of the Company.

By an agreement dated September 5, 2000 the Company agreed to purchase 100% of the issued shares of a private company named "Rapid Response Systems Inc." ("RR") in what would have been considered by the Policies of the Exchange to be a reverse take-over. The Company was unable to have the agreement accepted for filing by the Exchange because the vendors of RR were unable to supply the material required by the Exchange. The agreement to purchase the shares of RR was formally cancelled by a termination agreement dated July 25, 2001.

3.2. Significant Acquisitions and Dispositions

(1) Dispositions. The Company has not undertaken or completed any significant dispositions during the last completed fiscal year or during the current fiscal year.

(2) Acquisitions. The Company has not completed any significant acquisitions during the last completed fiscal year or during the current fiscal year except as disclosed above. However, the Company has signed the "Moneta Agreement" referred to and described in more detail in Item 4.2 below, and its objective is to complete and close that Agreement.

3.3 Stock Exchange Listing and Suspension

The Company's shares are listed for trading on the Canadian Venture Exchange ("Exchange") – formerly the Vancouver Stock Exchange. However, trading on the exchange has been suspended since December 1994. The suspension was imposed because the Company, under previous Management, proposed a Reserve Take-Over Transaction ("RTO"). The Exchange's Rules required a trading suspension in such a case. The proposed RTO was never completed – and the Company has never, since then, succeeded in having trading reinstated. The Company has now applied to have trading reinstated but the Exchange still has the application under consideration. The closing of this offering and the reinstatement of trading by the Exchange will not occur except simultaneously.

ITEM 4 – DESCRIPTION OF THE BUSINESS

4.1 General

(1) Stated Business Objectives.The objective of the Company is to raise the financing

necessary, and to satisfy the requirements of the Exchange to have its shares reinstated for trading on the Exchange. The other principal objective of the Company is to satisfy the requirements of the Moneta Agreement so as to thereby acquire a 60% interest in the Moneta Property. If funds are raised in the amount of at least the minimum subscription - $1,011,000 – the Company will initiate the exploration work on the Property which has been recommended to it by the geological consultant referred to in Item 6. If the exploration results are favourable and the Company has or can raise the necessary funding it will continue exploration work on the Property as the consultants may recommend from time to time. If the funds are not raised the Company will not be able to proceed with the proposed work on the Property or maintain the Moneta Agreement.

(2) Operations and Products. As the Company does not hold any assets other than its interests in the Moneta Agreement it does not carry on any operations nor has it had any products during the last completed fiscal year or in the current fiscal year.

4.2 Property Agreement

The only property in which the Company proposes to acquire an interest is the Moneta Property (“Property”) – described below. The Company has signed an Agreement dated September 1, 2001 (the “Agreement”) with Moneta Porcupine Mines Inc. (“Moneta”) of Timmins, Ontario. The Agreement grants to the Company the right to earn a 60% interest in the Property by:

(a) expending not less than $500,000 on work on the Property within 24 months of the date that the Agreement is accepted for filing by the Exchange (“Approval Date”);

(b) of the work referred to in sub-clause (a), not less than $300,000 will have to have been completed prior to December 31, 2002, which is a binding and not an optional obligation on the part of the Company;

(c) completing additional work so that the Company will have spent at least $1,000,000 in work on the Property by 36 months following the Approval Date;

(d) committing to and completing a bankable feasibility study on the Property within 60 months after the Approval Date.

To maintain its rights beyond December 31, 2002, if the Company has satisfied the requirement in sub-clause (b) above but has not by that date performed at least $500,000 of work on the Property, the Company must prior to December 31, 2002 give to Moneta a commitment that it will, prior to December 31, 2003, do such additional work on the Property so that it shall have prior to December 31, 2003 done not less than $500,000 of work on the Property.

The Agreement also requires the Company to carry out and record assessment work, pay fees or otherwise do such things as are necessary to maintain the Property in good standing during the currency of the Agreement. While the Company will be the “operator” of all work done on the Property in satisfaction of its obligations under the Agreement it has agreed to contract Moneta to coordinate, supervise and carry out all surface exploration work on the Property.

The Agreement provides a 2 kilometer area of interest from the present outside boundaries of the Property provided that this will not cover any property or property interest which, at the date of the Agreement, was already owned or held by Moneta.

Upon the Company satisfying all of the above requirements it will become an owner of an undivided 60% interest in the Property, and the Company and Moneta will thereafter form a joint venture to own 100% of the Property, in which the Company will have a 60% interest and Moneta will have a 40% interest.

If Moneta or the Company wish to sell any of their interests in the Property the other will have a 30-day first right of refusal to purchase such interests.

If the Company shall satisfy the requirements in sub-clause (a) – (c) above it may, at any time thereafter and in lieu of satisfying the other obligations, within 36 months of the Approval Date, elect not to have the joint venture created and to instead, take a 1% net smelter return ("NSR") interest against the Property. If the Company takes the NSR, Moneta will have an option to purchase the NSR from the Company for $1,000,000 for a period of one year after project financing for the Property is completed by Moneta.

If the Company shall fail to satisfy any of its requirements under the Agreement Moneta may give the Company a notice terminating the Agreement. In such case the Company will lose all its rights to acquire an interest in the Property.

The Company has signed a Finder's Fee Agreement dated October 1, 2001 with Lomali Holdings Limited and Dunrowan Management Ltd. (the "Finders"), two private arm's-length companies, which assisted the Company in identifying the Michaud Property and negotiating the Moneta Agreement. The Company has agreed to give the Finders consideration having a value of $25,020 – by way of the issuance to them (each as to 50%) of 83,400 shares of the Company. The shares will be issued within five business days following the date that the Exchange confirms in writing that it has accepted the Moneta Agreement for filing.

The Company has had a Report prepared with respect to the Property by Henry M. Meixner, P.Geo., dated November 5, 2001 ("Meixner Report").

4.3 Encumbrance on Property

The Property is subject to an encumbrance – being a Writ of Execution issued against Moneta and its property by Charles Gryba - who holds an outstanding Court Judgment ("Judgment") which was in the principal amount of $136,366 as at November 17, 1998 and on which interest is accruing at a rate of 7% per annum. The Company has calculated that, with the accrued interest, the amount payable pursuant to the Judgment will be, as of November 1, 2003, approximately $190,000.

Moneta has advised that it is both attempting to appeal the Judgment and negotiate a settlement. However, there is no certainty that either of those outcomes will be achieved. The Company recognizes that if Mr. Gryba proceeds with the execution against the Property the Company may, if it wishes to retain the Property, be forced to retire the Judgment on behalf of Moneta. If it does it will claim reimbursement of any amounts paid from Moneta – but the Company has no assurance it will recover such funds. To enable the Company to retire the Judgment if it becomes, in the opinion of Management of the Company, necessary to do so, a reserve of $190,000 ("Reserve") will be established from the proceeds of this offering. The funds comprising the Reserve will be deposited in the trust account of the Company's Vancouver, British Columbia solicitors, Tupper Jonsson & Yeadon ("Solicitors") pursuant to a trust agreement dated December 31, 2001, which provides that the Solicitors will hold the Reserve for the purpose only of it being used to satisfy the Judgment or, if the Company decides not to pay the Judgment or Moneta pays it, to pay the said amount with any accrued interest to the Company.

If Management of the Company considers at some point that it will have to pay off the Judgment to preserve Moneta's title to the Property – and hence to protect the 60% interest in the Property to be acquired by the Company – a decision will have to be made as to whether or not results being realized from work on the Property justify making the required expenditure – using the Reserve for such purpose.

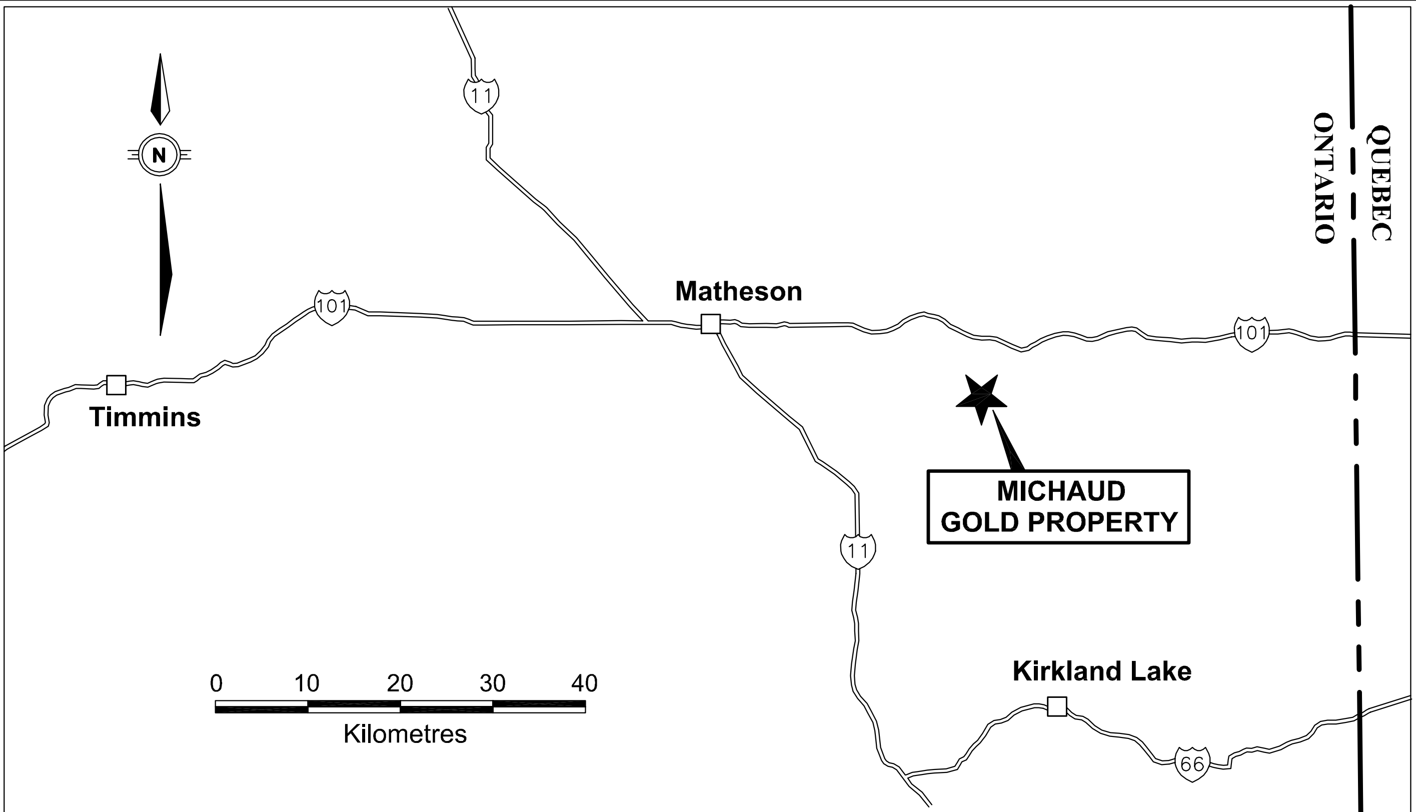
4.4 Property

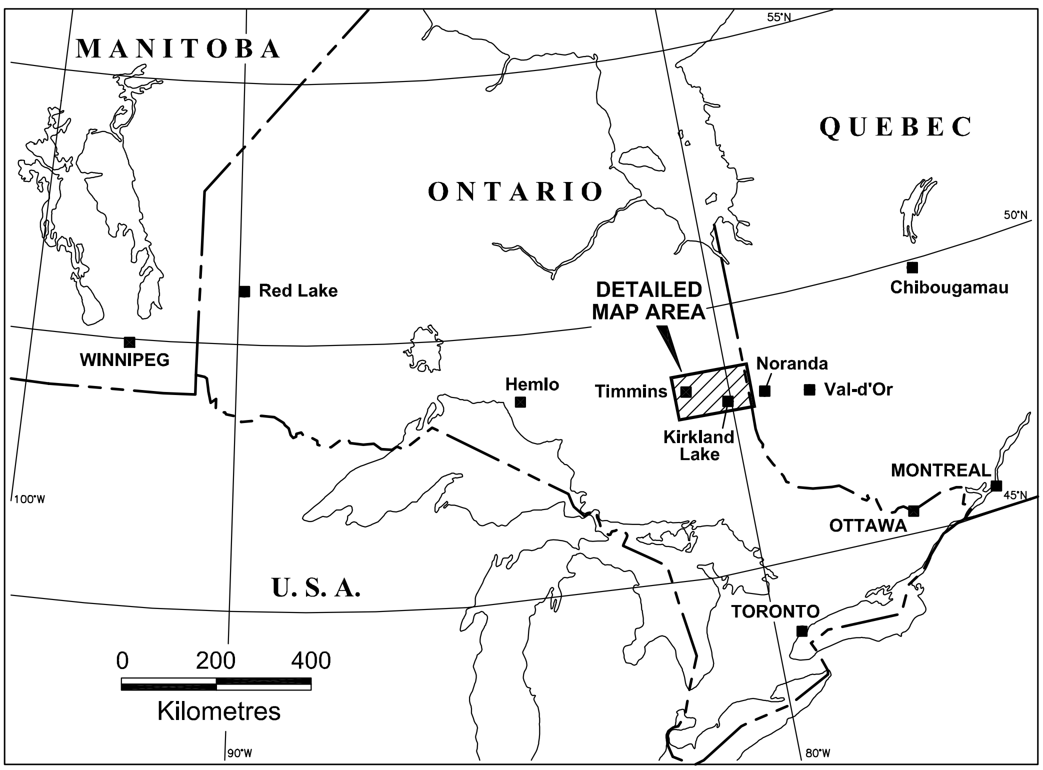
(a) Property Description and Location

The Property is located in Michaud Township, Ontario approximately 100 kilometres east of Timmins and 30 kilometres west of the Ontario - Quebec border (see Figure 1 – Location Map). It is situated within the National Topographic System ("NTS") block 42A/9 and lies within the Larder Lake Mining Division. It consists of 76.91 claim equivalents constituting 1,244.97 hectares detailed in (see Figure 2 – Claim Map and Table 1 – Claims Description).

The Property is not subject to any other known royalties or claims nor is it subject to any known environmental liabilities.

Several zones of mineralization have been documented to lie within the Property boundaries. The main areas of interest include the South, Southwest, "04", "04" Extension and "55" gold zones. Lac drilled these zones in 1994 and 1995. Barrick Gold Corp. continued extensive drilling over the Southwest Zone in 1995-96 and from the results of this drilling estimated a resource for the Southwest Zone of 2.4 million tonnes at a grade of 6.07 gm/t gold to contain approximately 14.57 million grams or approximately 468,400 ounces of gold





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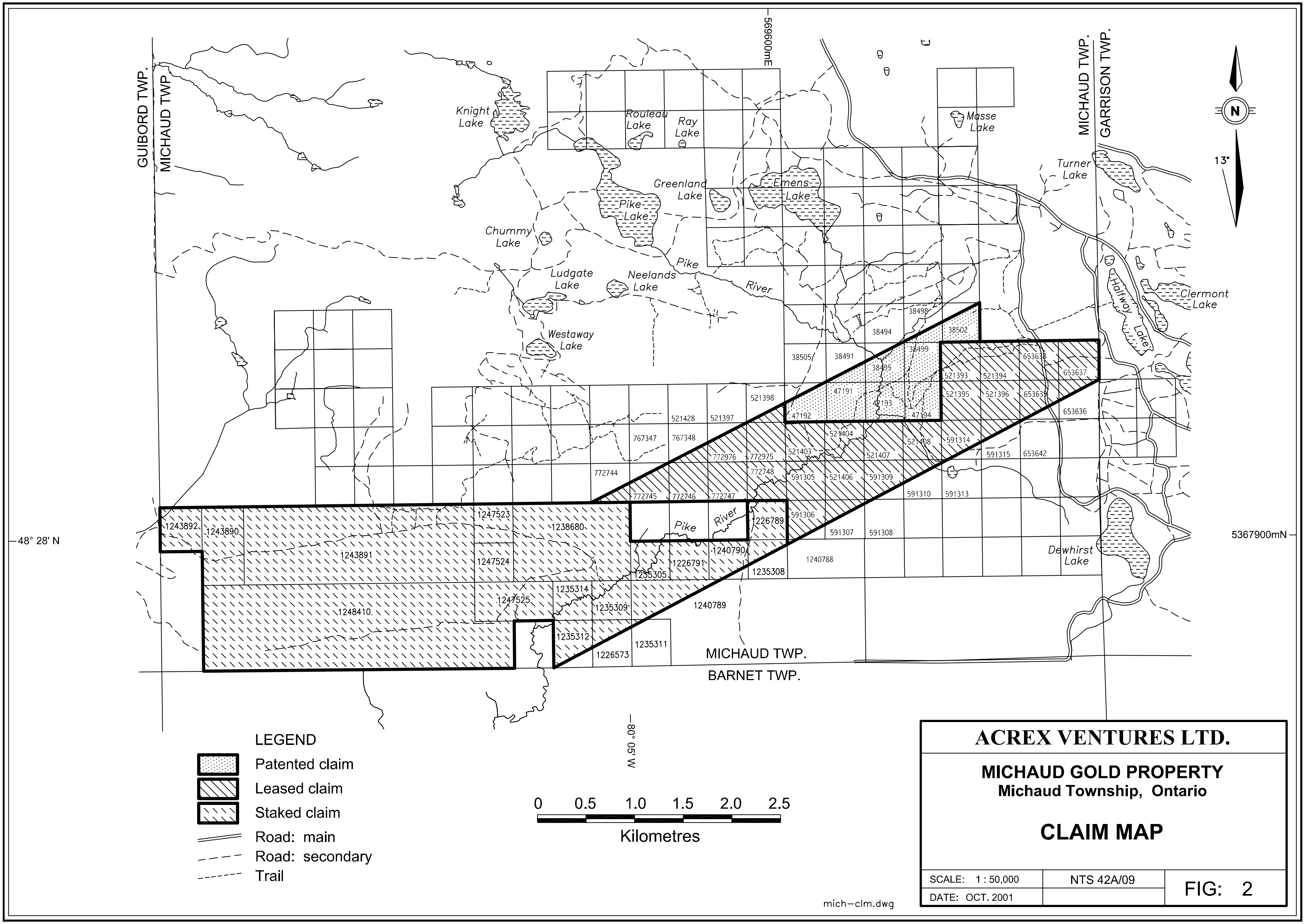
ACREX VENTURES LTD.		
MICHAUD GOLD PROPERTY Michaud Township, Ontario LOCATION MAP		
SCALE: AS SHOWN	NTS 42A/09	FIG: 1
DATE: OCT. 2001		



GUIBORD TWP.
MICHAUD TWP.
MICHAUD TWP.
GARRISON TWP.
569600mE
5367900mN
48° 28' N
80° 05' W
N
13°
Knight Lake
Rouleau Lake
Ray Lake
Masse Lake
Turner Lake
Greenland Lake
Emens Lake
Pike Lake
Chummy Lake
Ludgate Lake
Neelands Lake
Pike River
Westaway Lake
Halfway Lake
Clermont Lake
Dewhirst Lake
38498
38502
38494
38505
38491
38499
38495
47191
47193
47192
47194
521393
521394
653638
653637
521395
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591306
591307
591308
1243891
1247524
1240790
1226791
1235305
1240788
1235308
1247525
1235314
1235309
1248410
1240789
1235312
1235311
1226573
MICHAUD TWP.
BARNET TWP.
LEGEND
Patented claim
Leased claim
Staked claim
Road: main
Road: secondary
Trail
0 0.5 1.0 1.5 2.0 2.5
Kilometres
ACREX VENTURES LTD.
MICHAUD GOLD PROPERTY
Michaud Township, Ontario
CLAIM MAP
SCALE: 1 : 50,000
NTS 42A/09
DATE: OCT. 2001
FIG: 2
mich–clm.dwg

(b) Permitting

Moneta – and the Company - foresee 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 and "55" Zones, require no permits. The author of the Report states that, upon advice from Moneta, he is not aware of any environmental liabilities against the Property.

Table 1 – Claims Description

Claims	# Units	Hectares	Claims	# Units	Hectares	Expiry
Patented			Staked			
38502	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
Leased			1243891	12.00	194.28	May 03, 2003
			1243892	1.00	16.19	May 03, 2003
521393	1.00	16.19	1247523	1.00	16.19	May 03, 2003
521394	1.00	16.19	1247524	1.00	16.19	May 31, 2003
521395	1.00	16.19	1247525	2.00	32.38	May 31, 2003
521396	1.00	16.19	1240789	0.91	14.73	June 27, 2002
521398	0.25	4.05	1240790	0.75	12.14	June 27, 2002
653636	0.25	4.05	1248410	15.00	242.85	August 01, 2003
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				
767346	0.25	4.05				
772744	0.25	4.05				
772745	0.75	12.14				
772746	1.00	16.19				
772747	1.00	16.19				
772748	1.00	16.19				

(c) Accessibility, Climate, Local Resources, Infrastucture and Physiography

The Property is accessible by truck from Timmins and locally Matheson east along Highway 101 for approximately 32 kilometres, at which point a series of old logging roads and drilling roads are followed southerly to the Property.

Access on the Property, and in particular to the southern swampy areas, is more readily achievable during the winter months when the ground is frozen.

The climate is typical of north eastern Ontario with below freezing temperatures (-5 to –40^{o}C) from November to April and brief periods of hot weather in the summer (10 to 30^{o}C). Precipitation averages 80 centimetres per year with a substantial portion in the form of snow averaging 2.4 meters per year.

The topography is generally flat with less than 25 meters of relief. The southern portion of the Property exhibits lower topographic relief and is swampy.

Skilled labour force for mining and exploration is available in the communities of Matheson, Kirkland Lake and Timmins. Both Timmins and Kirkland Lake are major supply and service centres for the mining industry.

Communications and power are available along Highway 101.

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

(d) History

Claim staking was first recorded in the area in 1944, subsequent to an Ontario Department of Mines report that suggested the Destor-Porcupine Fault Zone (DPFZ) passed through the Property. Various parts of the Property have been held by a succession of different companies since that time. Moneta's former land position (pre-1998) consisted of a northern Michaud Parcel and a southern block of claims held under option from Nufort Resources Inc. (Nufort Parcel). The Moneta agreement covers the southern portion of the Michaud Parcel, a significant portion of the central part of the Nufort Parcel and a large ground package to the south of the Nufort Parcel. Moneta’s land position was primarily established through staking and a series of joint venture agreements in the late 1980's. Subsequent to 1998, Moneta has 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, totalling 11,402 feet (3,475 meters), were completed on the Miller Occurrence located approximately 900m to the north of the Southwest Zone. Local high grade, gold mineralization was intersected over short lengths including values up to 19.2 g/t Au over 0.8 meters and 6.9 g/t Au over 1.8 meters (OGS OFR 5735). From the late 1940's to the 1980's there was little further activity in this area.

In 1947-48, Wright-Hargreaves Mines Ltd. drilled 10 holes totalling 2,655 meters on the Nufort Parcel ground to the west of the Southwest Zone. Iron formation with low gold values (< 3.5 g/t Au) was intersected (Jensen, K., 1987; OGS OFR 5735).

In the period 1939-46, Anglo-Huronian Ltd. drilled a total of 17 holes totalling 2,105 meters. Seven of these holes were drilled in the vicinity and within Acrex’s property (MPH, 1988; UNOCAL, 1989).

Dunmar Mining is reported to have drilled seven holes in the area in 1946 (Barrick, 1997).

In 1969, Amax Ltd. drilled two holes in the western end of the Nufort block. No mineralization is reported in these holes (UNOCAL, 1989).

<u>1978-1987</u>

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

Moneta obtained an option on the Nufort parcel in 1987.

<u>1987-2001</u>

In 1987, work included magnetic, induced polarization (IP) and VLF EM surveys, followed by both diamond and reverse circulation drilling programs. By the end of February 1988 Moneta had completed 93 diamond drill holes and 125 reverse circulation holes on the property (UNOCAL, 1989).

MPH produced a report for Moneta in March of 1988 that compiled and interpreted existing geophysical data for the property and adjacent properties.

UNOCAL entered into a joint venture agreement on the property in 1989 and subsequently completed a two-phase drill program totalling 44 holes comprising 9,246 meters. Power stripping, hydraulic washing; mapping and limited sampling of two areas of outcrop were also undertaken.

In 1990 the property was optioned to Independence Mining Corporation ("IMC"), who carried out additional IP, VLF-EM and magnetic surveys and drilled 12 holes (3,439 meters) on the Michaud parcel.

Lac (“Lac”), a subsidiary of Barrick Gold Corporation (“Barrick”) optioned the Michaud parcel from Moneta in 1994 and subsequently optioned the Nufort parcel under a separate agreement in 1995.

From late 1994 to April 1995, Barrick successfully drilled 11 holes totalling 4,583 meters on the Michaud parcel. Three of these holes were drilled on mineralised zones associated with the DPFZ and the others tested the Southwest Zone.

Barrick's 1995-96 program included the optioning of the Nufort parcel, the establishment of a new cut grid over the Southwest Zone to facilitate a detailed magnetic survey, the drilling of 23 holes (11,534 meters) and the location of both previous and current drill hole collars by means of a GPS survey. Ten of the holes were drilled on the Southwest Zone, nine on the Last Chance Zone (located 3 km west of the Southwest Zone) and four more were described as exploration.

In the fall of 1996, Barrick estimated the Southwest Zone contained a resource of 2.4 million tonnes at a grade of 6.1 g/t Au. Preliminary metallurgical testing indicated a 95% recovery rate and compatibility with Barrick's Holt-McDermott mill.

In 1997, Barrick drilled an additional 44 holes (22,270 meters) on the Southwest Zone. Barrick returned the property to Moneta in 1998. In 2001, Moneta completed 385 meters of diamond drilling on the Twin Creek and Landing Zones, located immediately north of the Southwest Zone. An orientation IP survey was also undertaken in this area.

(e) <u>Geological Setting</u>

(i) **Regional Geology**

The Property lies immediately south of the Destor-Porcupine Fault Zone (DPFZ). This regional structural break, along with the Larder Lake-Cadillac Break or subsidiary faults, are host to most of the significant gold deposits in the Abitibi belt. 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 to the east of Michaud Township. Gold prospects under present or past exploration occur also at Ludgate, Ross Mines, Fenn – Gib and Glimmer.

The major lithological assemblages in the area from north to south include: ultramafic to mafic rocks of the Stoughton-Roquemaure Assemblage; calcalkalic volcanics of the Duff-Coulson-Rand Assemblage; ultramafic and mafic rocks of the Kidd-Munro Assemblage: fine grained clastic sediments of the Hoyle Assemblage; clastic sediments including fine grained wackes and Timiskaming-style conglomerates of the Garrison Assemblage; and mafic volcanics of the Kinojevis Assemblage (OGS Special Volume 4). These assemblages are time equivalent to the host rocks in the Timmins camp to the west and the Holloway and Holt-McDermott mines to the east.

Large syenitic intrusions (to 3 km in diameter) occur on or marginal to the property. Similar intrusives are spatially associated with some of the better grade gold mineralization in the area (Ludgate Lake Zone) and are also host to principal mines in the Kirkland Lake Camp that have collectively produced more than 30 million ounces of gold.

Regional greenschist grade metamorphism affects the area; the principal result being the development of talc and chlorite in the ultramafic rocks and chlorite in the mafic rocks.

(ii) Local and Property Geology

Few outcrops can be located on the Property. Existing information regarding local geology has been gleamed from the significant amount of drilling completed in the area.

The main lithological units appear to strike 070° to 090° and dip sub vertically to steeply south (see Figure 4 – Property Geology with Proposed Drill Holes). A persistent iron formation ("IF") unit, predominantly banded iron formation ("BIF"), is contained within the clastic sediments assemblage. There is a divergence of about 20° between the strike of the IF and the contact between the sediments of the Garrison Assemblage and the Kidd-Munro Assemblage. Barrick (1996) suggests the contacts between the Garrison Assemblage, the Kidd-Munro or the Kinojevis Assemblages are faulted contacts.

Hydrothermal alteration results in a variety of mineral assemblages. The principal alteration processes have been carbonatization, silicification, albitization and hematization. Sericite alteration is not documented in most rocks with the exception of mafic and ultramafic volcanics.

The DPFZ is the major structure in the area, trending ~070° and dipping steeply south, sub-parallel to the regional stratigraphy. The Fault cuts ultramafic and mafic rocks of the Kidd-Munro Assemblage.

On a local scale there are numerous faults recorded in core and numerous minor displacements are inferred from geological and geophysical interpretations. There appears to be a spatial relationship between faults that cross cut the major lithological units and gold mineralization. In the Southwest Zone, the IF appears to have been displaced by as much as 200 meters on plan view.

Folds are not shown on the Property geology maps. However, vertical cross-sections through the Southwest Zone show multiple IF horizons and changes in dip ranging from steeply south to steeply north. Barrick's 1997 report documented 3 phases of folding and describes isoclinal folds noted in some holes within the clastic sediments and the IF.

(f) Mineralized Zones

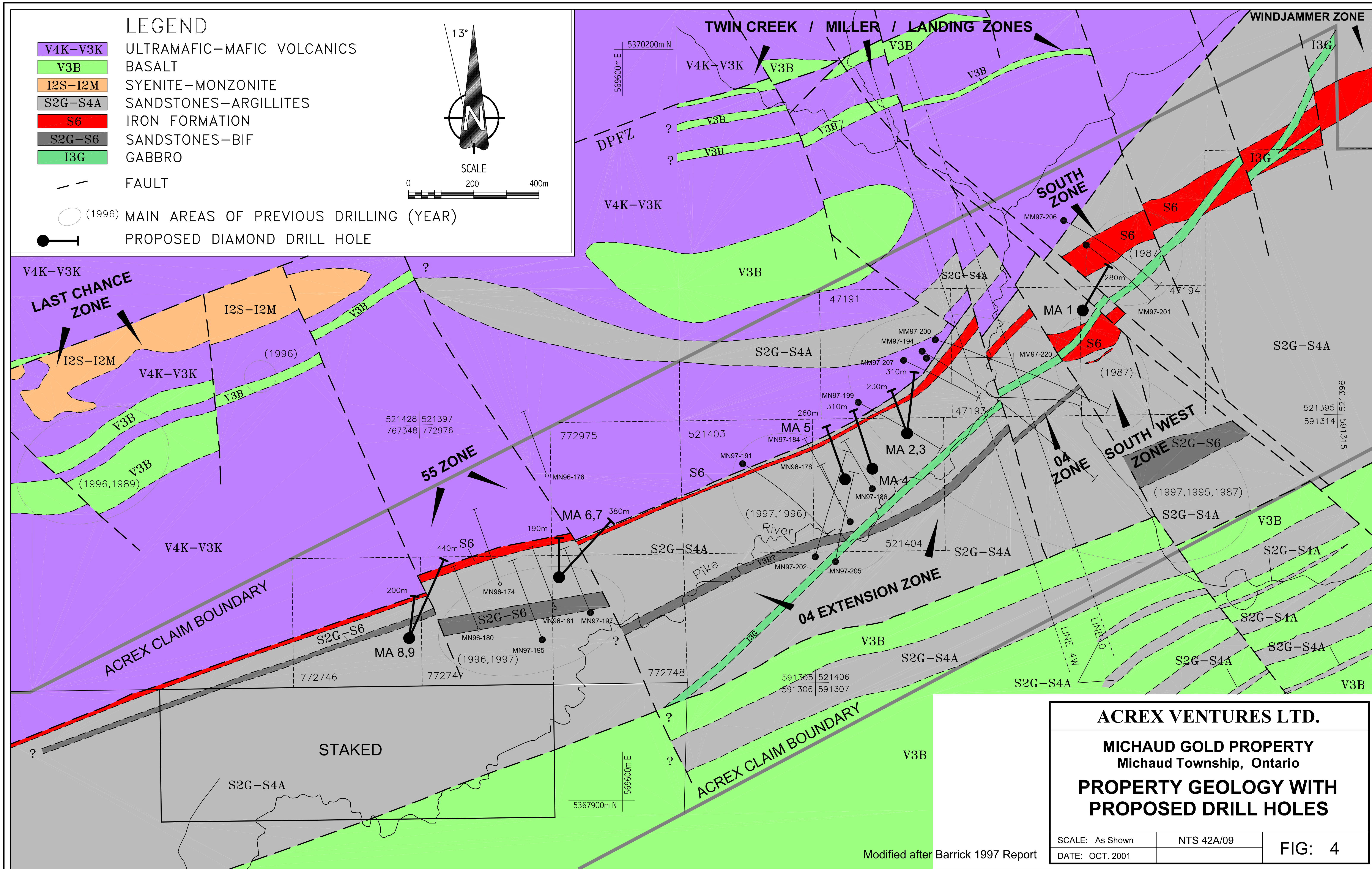
Several areas of gold mineralization occur on and within the vicinity of the Property. Occurrences can be grouped as follows:

(1) Mineralization associated with clastic sediments and/or IF, principally on the Property (South, Southwest and 04 Zones).

(2) Mineralization hosted by altered ultramafic and mafic volcanic rocks along the DPFZ to the north of the Property (Twin Creeks, Miller and Landing Zones).

(3) Mineralization hosted by syenite marginal to the DPFZ, immediately north of the Property (Last Chance Zone).

The focus of Acrex's exploration efforts will be mineralization associated with the IF. However, other styles of mineralization may be present on the Property and will be explored for.


LEGEND
V4K–V3K ULTRAMAFIC–MAFIC VOLCANICS
V3B BASALT
I2S–I2M SYENITE–MONZONITE
S2G–S4A SANDSTONES–ARGILLITES
S6 IRON FORMATION
S2G–S6 SANDSTONES–BIF
I3G GABBRO
FAULT
(1996) MAIN AREAS OF PREVIOUS DRILLING (YEAR)
PROPOSED DIAMOND DRILL HOLE
13°
N
SCALE
0 200 400m
TWIN CREEK / MILLER / LANDING ZONES
WINDJAMMER ZONE
LAST CHANCE ZONE
55 ZONE
SOUTH ZONE
SOUTH WEST ZONE
04 ZONE
04 EXTENSION ZONE
DPFZ
ACREX CLAIM BOUNDARY
STAKED
Pike River
MA 1
MA 2,3
MA 4
MA 5
MA 6,7
MA 8,9
5370200m N
569600m E
5367900m N
LINE 4W
LINE 0
ACREX VENTURES LTD.
MICHAUD GOLD PROPERTY
Michaud Township, Ontario
PROPERTY GEOLOGY WITH PROPOSED DRILL HOLES
SCALE: As Shown
NTS 42A/09
DATE: OCT. 2001
FIG: 4
Modified after Barrick 1997 Report

(g) IF Zones (Southwest Zone, South Zone, “04” Zone, “04” Extension Zone and “55” Zone)

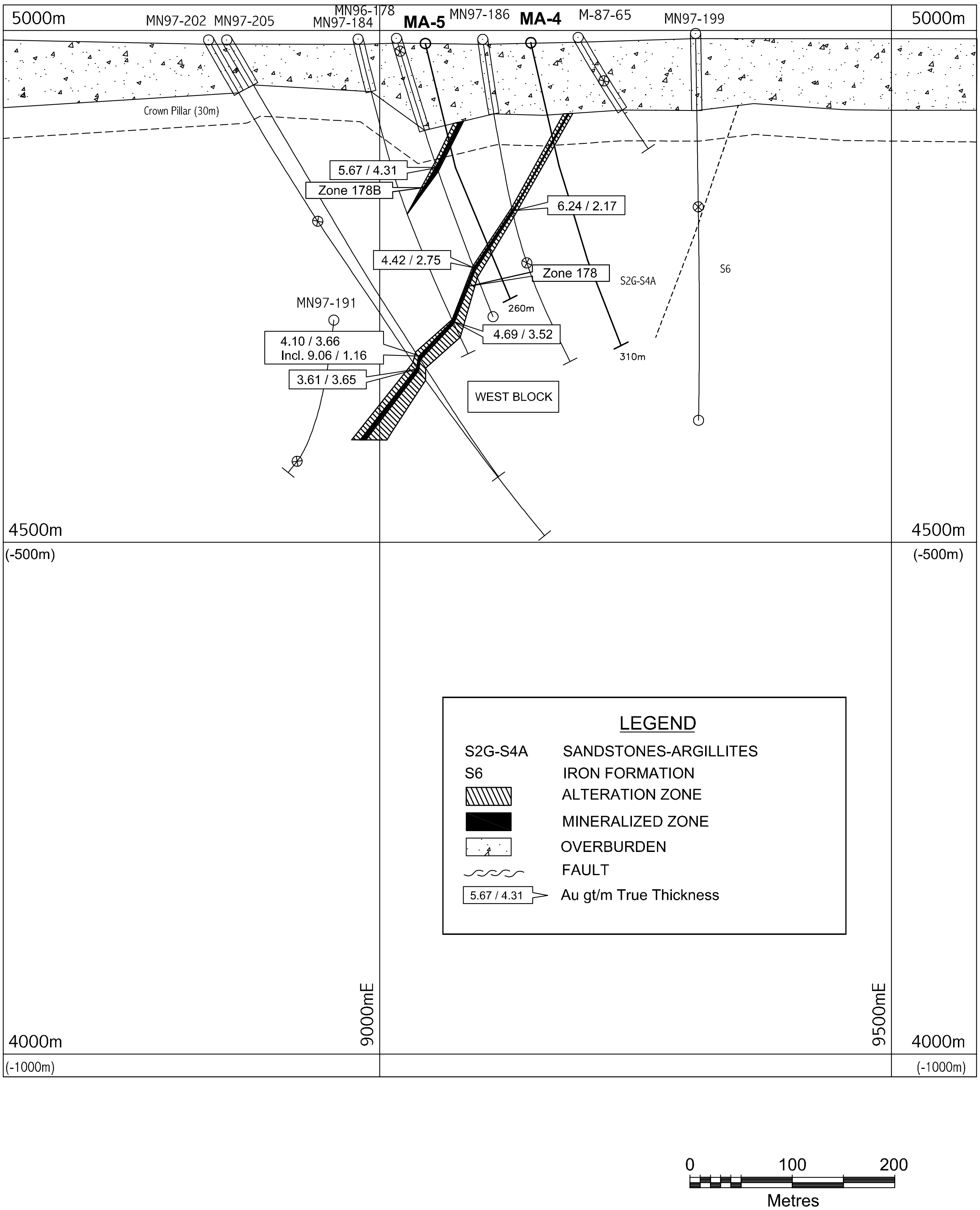
In the north eastern part of the Property, gold mineralization occurs within clastic sediments along the south side of the Iron Formation (“IF”) unit. These zones have been outlined in drilling over a strike length of 2.4 kilometres. Gold mineralization is found within 500 meters of the IF, but it is concentrated within 100 meters of the IF contact. The Windjammer South zone, about 1.5 kilometres to the east on the adjacent Battle Mountain ground, is similar in nature and found in the same position relative to the IF. Significant mineralised intercepts from the Windjammer South zone are reported (e.g. 14.6 g/t Au over 3.0 meters and 5.4 g/t Au over 19.6 meters), but no resource figures appear to have been calculated for these zones.

Faulting (and/or folding?) along northwest trending structures has dislocated a 400 meter long segment of the IF from 100 meters to 200 meters to the south, relative to the units on either side of it. Mineralization in the faulted block has been termed the Southwest Zone; the mineralised area to the east of the Southwest Zone is referred to as the South Zone and the unfaulted extension to the west is known as the “04” Zone. Barrick has termed the faulted block the Central Block in their reports. This Central Block or Southwest Zone was estimated by Barrick in 1996 to contain an inferred resource of 2.4 million tonnes averaging 6.07 gm/t gold over an average width of 6.4 meters for a total of 468,400 ounces of gold. The South Zone and “04” Zone were labelled by Barrick as the East and West Blocks, respectively.

Further to the southwest, drilling in the “04” Extension zone (see Figure 7 – Schematic Subsurface Geology “04” Extension Zone) returned 6.24g/t Au over 3.3m (2.17m true thickness - drillhole MN97-186) and 5.67 g/t Au over 6.3m (4.31m true thickness - drillhole MN96-178). These intersections were cored within the same stratigraphic interval of conglomerate and iron formation (IF) that hosts the inferred resource of the Southwest Zone. Gold mineralization is contained within altered and mineralised quartz-carbonate-pyrite veinlets cutting these rock sequences. This “04” Extension 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.

The “55” Zone (see Figure 8 – Schematic Subsurface Geology “55” Zone) is known to occur over a strike length of approximately 500 metres and lies about 2 km south westerly from the Southwest Zone. Barrick drilled 5 holes in this area, with generally average to low gold grades. Some of the better intercepts from drill hole MN96-174 include: 4.5 g/t Au over 6.2m and 10.6 g/t Au over 1.1m, within the longer interval of 15.8 metres averaging 2.1 g/t gold. Hole MN96-181 averaged 2.3g/t Au over 16.1m, including a section of 8.6 g/t Au over 2.7m. These values were cored in medium to coarse sandstones of the Timiskaming clastics, near to a contact with iron formation. This environment is a similar structural and stratigraphic host to mineralization as to those that contain the Southwest, South, “04”, and “04” Extension Zones.

The IF is described as 10 meters to 100 meters thick and composed of mm-cm scale jasper-hematite-magnetite beds and interbedded sediments. To the north of the IF the rocks are mostly fine-grained sandstones, siltstones and argillites with cm-dm scale beds. South of the IF the sediments are similar and form a package 500 meters to 900 meters thick. The centre of this package is described as consisting of coarser clasts with conglomerate units.



ACREX VENTURES LTD.

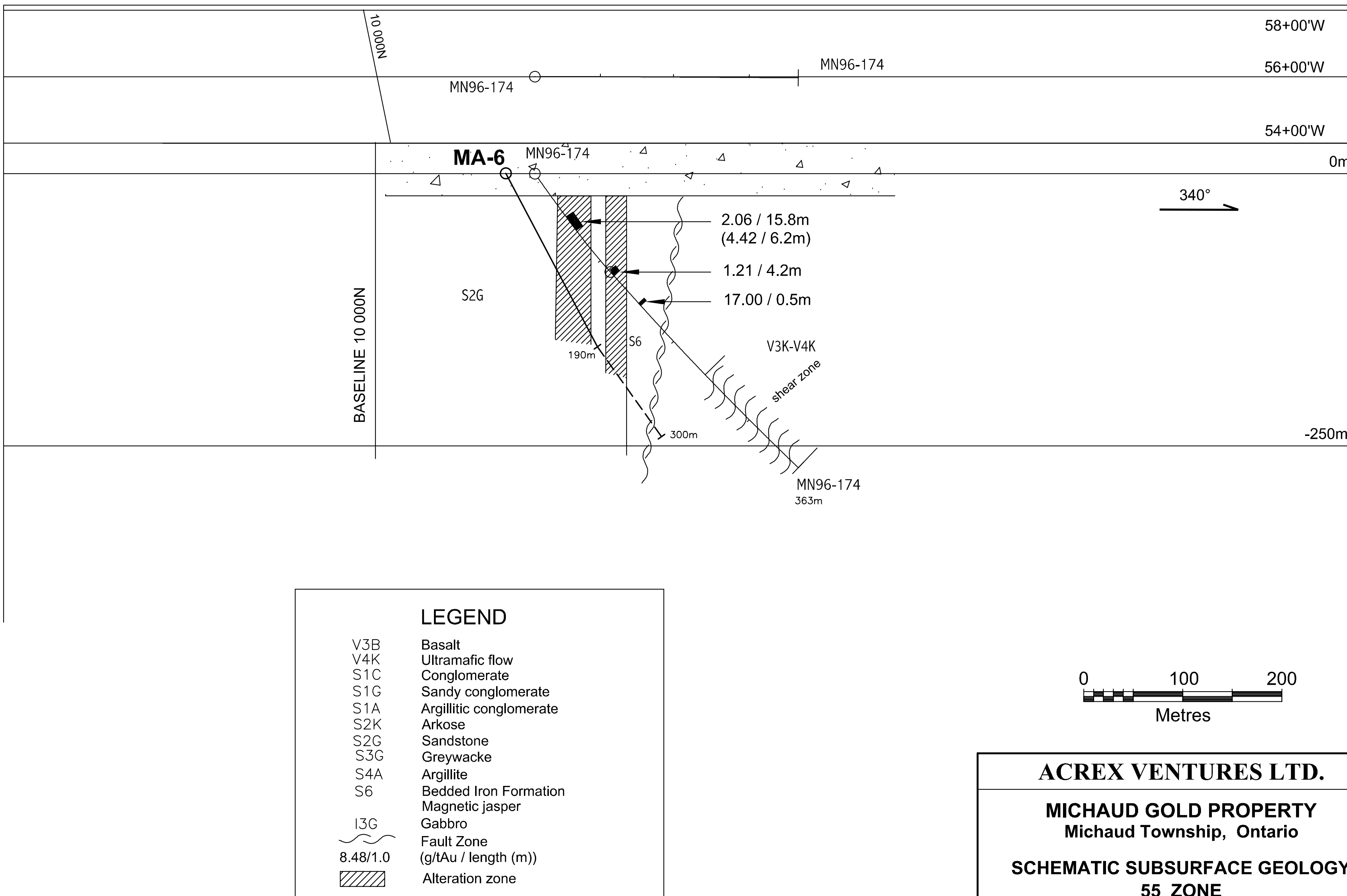
MICHAUD GOLD PROPERTY
Michaud Township, Ontario

SCHEMATIC SUBSURFACE GEOLOGY
04 EXTENSION ZONE

SCALE: AS SHOWN	NTS 42A/09	FIG: 7
DATE: OCT. 2001		

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

comp-178-14.dwg



Modified from Lac Exploration Inc. 1996 report
(Section 56+00'W (~7930E), MM96-174)

mm96–174–14.dwg

ACREX VENTURES LTD.

MICHAUD GOLD PROPERTY
Michaud Township, Ontario

SCHEMATIC SUBSURFACE GEOLOGY
55 ZONE

SCALE: AS SHOWN	NTS 42A/09	FIG: 8
DATE: OCT. 2001		

Gold mineralization in the vicinity of the IF occurs predominantly as free gold and is associated with mm-cm scale quartz-carbonate veins. These veins are developed preferentially in the clastic sediments to the immediate south of the IF and, to a lesser extent, within the IF. Barrick lists four types of mineralised veins and five vein orientations as determined from their analysis of core (Barrick 1996).

Southampton Associates Inc. (1998) completed an examination of mineralised intercepts from eight holes located in the central part of Southwest Zone (95-155, 95-152, 96-177, 97-117A, 97-183, 97-187, 97-182 and 97-188). In contrast to the description of multiple veins given by Barrick, Southampton's opinion was that the mineralised veins are likely part of an oriented stockwork of veins generally occurring subparallel to core axes (~330° azimuth).

Mineralised veins generally occur on the centimetre scale and contain quartz-carbonate with fine pyrite. Occasional fine visible gold has been noted. The dominant hydrothermal alteration products are silica, ankerite, pyrite and lesser sericite. Host rocks are bleached within 1 to 2 metres of the veins and may contain millimetre scale quartz-carbonate stringers and fine-grained pyrite. Assays show this bleached zone forms a mineralised halo of >100 ppb gold. The veins typically assay >1.0 gram/tonne. Barren carbonate veins cut the mineralised veins.

(ii) **DPFZ Zones**

Three discrete zones of mineralization occur along the DPFZ approximately 900m to the north of the Southwest Zone. The Twin Creeks Zone on the west and the Landing Zone on the east flank the Miller Zone, which was discovered in the 1940's.

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 geological setting and mineralization described on the Acrex ground.

The DPFZ in this area is described as a wide zone of deformation and alteration (mainly carbonatization). It is, sharply bounded on its north side, whereas the south margin appears to be gradational. Altered ultramafics contain fuchsite, while in the mafic volcanics alteration is manifest by the development of yellow sericite, silica and carbonate. Hematite occurs in the most intensely altered areas.

Barrick (1996) describes these zones as "altered (silicified, albitized) green carbonatized ultramafic and mafic flows within a 200 m thick by 2.1 km long ankerite alteration envelope surrounding the DPFZ. Gold mineralization occurs within zones of strong brecciation and stockworks of quartz veinlets mineralised with 2-5% very fine-grained pyrite and occasional visible gold. This type of mineralization is erratic and difficult to correlate both on strike and dip".

UNOCAL, IMC and Barrick have collectively drilled 34 holes on these zones from 1989 to 1997. Some of the better results include:

MU-89-94	5.8 g/t over 2.8 meters;
MU-89-95	16.5 g/t over 3.7 meters;
MU-89-101	9.3 g/t over 6.0 meters;
MU-89-120	7.5 g/t over 2.1 meters;
MI-91-142	2.0 g/t over 16.9 meters including
	6.0 g/t over 2.7 meters;
MI-91-148	5.5 g/t over 2.4 meters;
MI-91-149	5.7 g/t over 1.6 meters.

(iii) **Syenite Hosted Gold Mineralization (Last Chance Zone)**

The Last Chance Zone (2.5 kilometres west of the Twin Creeks Zone) was discovered by UNOCAL in 1989. It occurs within the lower of two porphyritic syenite intrusions in contact with unaltered ultramafic and mafic rocks, on the south side of the DPFZ. UNOCAL drilled 11 holes in this zone and Barrick drilled a further 9 holes in 1996.

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 geological setting and mineralization described on the Acrex ground.

The syenite porphyries dip southwest, with the lower boundary of the lower syenite in fault contact with ultramafic rocks. Gold mineralization is found in association with quartz ± carbonate stringers and siliceous, hematitic alteration with up to 5% pyrite. UNOCAL reported the following intersections:

MU-89-108	11.3 g/t over 3.7 meters
	and 20.6 g/t over 1.2 meters;
MU-89-133	.6 g/t over 2.5 meters;
MU-89-126	13.0 g/t over 3.1 meters;
MU-89-129	13.0 g/t over 1.8 meters.

(h) Drilling

Thousands of metres of reverse circulation and diamond drilling have been completed on numerous mineralised targets located on and marginal to the Property (some 224 drillholes on the greater Moneta property with most of these drilled on the Acrex claims). Several of these programs are referred to in the “History” section.

On the Property, most of the drilling efforts were concentrated within the clastic sediment hosted mineralised horizons developed along the southern margin of the iron formation (“IF”). Drilling emphasis was placed on the Southwest, South and “04” Zones, with the majority of that used to define the Southwest Zone inferred resource of 2.4 million tonnes averaging 6.07 gm/t gold for a total of 468,400 ounces of gold. Limited drilling (5 drill holes over a strike length of 360m) was also completed on the “55” Zone, located approximately 2 kilometres to the west of the Southwest Zone. Mineralization on the “55” Zone is similar to that encountered in the Southwest Zone, i.e. gold is associated with quartz-carbonate-pyrite veins in altered sandstone, near or at an IF contact.

Lac and Barrick, using standard procedures employed by large mining and exploration companies, completed the bulk of the drilling. Drilling completed by Lac and Barrick in the vicinity of the Southwest Zone included:

1996	- 9 NQ diamond drill holes totalling 6,285m
1997	- 44 NQ diamond drill holes totalling 22,270m

Drilling in both years was conducted by Benoit Diamond Drilling of Val-d’Or, Quebec. Drill collars were surveyed using the G.P.S. method.

Barrick (1996) used the results of 65 diamond drill holes to calculate a preliminary resource inventory in the Southwest Zone area. This inventory was estimated to be 2.4 million tonnes with a gold grade of 6.07 gm/t (0.18 oz/t) over an average horizontal thickness of 6.4 metres for approximately 468,400 ounces of gold. Most of the drilling was done in a north-south direction with the aim of cutting the steeply dipping, east - west striking IF along an 1,100+m strike extent to the mineralised zone in this area. The best intercepts from the 1996 drilling in this area included: DDH162 – 6.0 gm/t over 8.5m and DDH177 – 8.0 gm/t over 10.8m.

The 1997 drill program was designed to upgrade the resource and increase it to a minimum of 5 million tonnes for a total gold content of at least 850,000 ounces. The drilling conducted by Barrick did not achieve this goal.

(i) Sampling and Analysis

Historical sampling procedures are not fully outlined in the Barrick Resource Report (1996). However, both Lac and Barrick would have followed professional guidelines outlined by major company policy in regards to the collecting and analyses of samples.

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. The samples were first fire assayed (one assay-tonne) using the fire assay-atomic absorption technique with a detection limit of 5 ppb. Any sample with a value greater than 500 ppb was automatically re-assayed using standard gravimetric fire assay technique. Some 196 samples were checked at Chimitec Ltd. in Val-d'Or, Quebec.

In the 1997 program 4,227 core samples were assayed for gold at the Swastika Laboratory. The samples were assayed using the fire assay-atomic absorption technique with a detection limit of 5 ppb. Every value greater than 500 ppb was automatically re-assayed using the standard gravimetric fire assay technique. In addition, 12 check assays of rejects from holes MM97-208 and MM97-222 were completed using the pulps and in some cases (4 samples) with the metallic sieve method by the Swastika Laboratory. Check assay values confirmed the repeatability of the original assay results.

Core is currently stored in a locked and secured warehouse in Timmins, Ontario and is available for examination. Some intervals would also be available for re-sampling, if required.

Samples were taken from altered or veined intervals within and marginal to the iron formation ("IF"). The IF and conglomerates within the clastic assemblage are the only distinguishable marker lithologies. The IF exhibits good lateral and vertical continuity. Thus, the IF horizon was used as a starting marker to identify upcoming mineralised zones. The IF is 10 to 100 meters thick and dips approximately 70^{o} south to sub-vertical. Seven zones of mineralization, consisting of 2 to 3 lenses each, were identified to lie within the clastics located to the south of the IF. These drilled and sampled intervals all occur within a 1 kilometre strike length and a 250m wide envelope.

(j) <u>Security of Samples and Data Verification</u>

The security measures undertaken by previous operators were not detailed in their written reports. However, both Lac and Barrick would have followed professional guidelines outlined by major company policy in regards to the collecting, analyses and security of samples.

Data used in the preparation of the Meixner Report was accessed and examined at Moneta's offices, at a secure core storage facility near Timmins and on the Property itself. 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.

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. Because of the professional nature of the previous work, the author of the Meixner Report did not feel it necessary to collect split-cored samples of mineralised intervals for re-assaying purposes.

(k) <u>Mineral Resources and Mineral Reserves</u>

In 1996, Barrick calculated a preliminary resource inventory on a set of interpreted cross sections, level plans and on polygonal longitudinal sections of the various zones in the Southwest area. A total of 65 diamond drill holes were used to evaluate this preliminary resource.

Computer sections were created at a scale of 1:1,000, level plans also at a scale of 1:1,000 and polygonal longitudinal sections at a scale of 1:2,000.

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 were:

- 9.0 gm/t x metre (gold grade x horizontal thickness) cut-off
- No composite less than cut off was used unless geological continuity was noted
- Cut factor of 34.387 gm/t (>1.0 oz/t)
- Density of 2.7 m^3/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	0.8 Mt @ 5.70 g/t over 6.4 m	(146,600 oz)
PROBABLE + POSSIBLE	1.67 Mt @ 6.01 g/t over 6.5 m	(321,800 oz)
PROBABLE + POSSIBLE + POTENTIAL	2.4 Mt @ 6.07 g/t over 6.4 m	(468,400oz)

These probable, possible and potential categories of potential ore were calculated by Barrick Gold Corp. in 1997. Mr. H. Meixner, P.Geo., the author of the Geological Report on the Michaud Gold Property dated November 5, 2001, deemed these parameters as reliable and appropriate and has re-categorized this resource estimate to an inferred mineral resource of 2.4 million tonnes averaging 6.07 grams per ton gold. This re-categorization is in compliance with the new CIM Standard Definitions adopted in NI 43-101.

Statistical work completed demonstrated some important features regarding the distribution of gold. These included:

- The Southwest Zone is composed of six mineralised sub-zones
- 82% of the Probable resource, 57% of the Possible resource and 25% of the Potential resource are 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

To test compatibility with Barrick's Holt-McDermott mill, some mineral processing and metallurgical testing was undertaken by Barrick in 1997.

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.

(l) Exploration and Development

The Company plans on the continued evaluation of the Property. Programs are to include a re-examination of the existing database, an evaluation of the potential of lesser-tested targets (i.e. "04" Extension and "55" Zones), an evaluation of the potential for other reconnaissance targets followed by diamond drilling of targets. The goal will be to increase the resource in the area of the Southwest Zone and to drill test additional targets for inclusion in a new resource estimate.

As outlined in the Meixner Report, a first phase follow-up exploration program to include data compilation, interpretation and modelling followed by 2,600 meters of diamond drilling in nine holes (see Figure 4 – Property Geology with Proposed Drill Holes) is estimated to cost $343,275.

ITEM 5 – USE OF PROCEEDS

5.1 **Funds Available**

The Company had a working capital deficiency of approximately $120,000 as at February 13, 2002, and does not have any other funds available – other than the proceeds of this offering.

5.2 **Use of Proceeds**

If the Company sells all of the Units offered it will receive gross proceeds of $1,250,000 – and net proceeds after payment of commissions of $1,125,000. If only the Minimum Subscription amount is sold the Company will receive net proceeds of $909,900. It is proposed that those amounts will be applied to and expended, in each case, in the following estimated amounts:

	If Offering fully sold	**If only Minimum Subscription Sold**
Payment of the costs of this Offering	$ 35,000	$ 35,000
Payment of balance of Agent's corporate finance fee plus GST and expenses – est.	16,500	16,500
Payment of outstanding accounts payable – est.	120,000	120,000
Payment of the costs of the first phase work programme as recommended in the Meixner Report	343,275	343,275
Payment of the Company's general and administrative expenses for 12 months at $8,000 per month	96,000	96,000
Reserve of funds that may be needed to satisfy the encumbrance against the Property described in Item 4.3	190,000	190,000
Reserve for additional work on the property, contingencies and unallocated working capital	324,225	100,125
TOTAL:	$ **1,125,000**	$ **909,900**

The Company intends to spend the funds available to it as stated above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

5.3 Other Potential Sources of Funding

Share Purchase Warrants outstanding, and which will be issued as part of the within offering will, if exercised, provide additional funding to the Company. However, the Company has no way of anticipating how many, if any, of the Share Purchase Warrants will be exercised.

ITEM 6 – SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 Annual Information

The following information is provided for each of the last four completed fiscal years of the Company ending December 31, 2001:

	2001 $	**2000 $**	**1999 $**	**1998 $**
Net sales or total revenues	Nil	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil	Nil
Net income or loss Total Per share	 (91,797) (0.029)	 (66,932) (0.021)	 96,057[2] 0.0331	 (26,984) (0.0088)
Total assets	24,538	22,598	98,261	651,045[1]
Long term liabilities	Nil	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil	Nil

(1) While, at December 31, 1998, the Company showed in its Balance Sheet total assets of $651,045, it also had liabilities of $693,900 for share subscriptions that it had received. When the proposed acquisition of Voice Mobility Inc. was abandoned, the proposed private placement sale of shares was cancelled and the share subscriptions returned.

(2) When the cancellation of the sale of shares referred to in Note [1] occurred in the 1999 fiscal year it created an artificial book-keeping/accounting gain for that year. The said amount does not represent any actual gain or cash flow.

6.2 Quarterly Information

The following information is provided with respect to the Company for each of the 8 most recently completed quarters ending at the end of the most recently completed financial year – December 31, 2001. The figures are presented on a cumulative basis within each year.

Quarters Ended:

	December 31/2001	**September 30/2001**	**June 30/2001**	**March 31/2001**	**December 31/2000**	**September 30/2000**	**June 30/2000**	**March 31/2000**
Net sales or total revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income (Loss) from continuing operations								
Total	(92,248)	(45,911)	(24,050)	(22,056)	(76,527)	(44,833)	(15,432)	(6,315)
Per share	($0.029)	(0.015)	(0.008)	(0.007)	(0.025)	(0.015)	(0.005)	(0.002)
Net income or loss								
Total	(91,797)	(45,460)	(23,599)	(22,056)	(66,932)	(44,833)	(15,432)	(6,315)
Per share	(0.029)	(0.014)	(0.008)	(0.007)	(0.219)	(0.015)	(0.005)	(0.002)

6.3 Dividends

The Company has never paid any dividends and does not have a dividend policy. The Company is not subject to any restrictions that could prevent it from paying dividends.

6.4 Management's Discussion and Analysis

Considering the business history of the Company during recent years and the fact that it has had no operations and no revenue from operations, Management does not consider that an analysis or discussion of the Company's financial figures are meaningful. The Company has not generated any revenues from operations, nor received proceeds from the sale of shares, during the past three fiscal years, except as disclosed in Item 11.1. The expenses that it has incurred have been those nominal expenses incurred for the purpose of pursuing the unsuccessful business efforts earlier described herein and in maintaining the Company in existence and in good standing with the securities regulators. As of the date of this prospectus the Company has on hand approximately $500 in cash (the proceeds of a loan from the Company's President) and debts of approximately $120,000.

During 2000 the Company had business investigation costs of $17,000 which were due to the Company's activities in relation to the proposed acquisition of an asset as described in Item 3.1. Business investigation costs of $17,208 were incurred in 2001 in relation to the acquisition of the Option Agreement described in Item 4.2. The higher than normal filing fees paid in 2000 were as a result of the proposed acquisition described in Item 3.1. The higher than normal legal fees incurred in 2001 were as a result of the increased activities securing the Moneta Property agreement and the work done on this prospectus prior to the end of 2001.

The Company will not have the funding necessary, beyond the proceeds of this offering, to continue work on the Moneta Property to satisfy the commitments described in Item 4.2. The Company anticipates that if exploration results from the initial work are good enough to warrant further work the additional funding required will come from the exercise of the share purchase Warrants issued as part of this offering.

ITEM 7 – EARNINGS COVERAGE RATIO

Nil – not applicable

ITEM 8 – DESCRIPTION OF THE SECURITIES DISTRIBUTED

8.1 Units

Each Unit sold will consist of one common share in the capital of the Company and one Warrant entitling the purchase of one additional share of the Company. Warrants issued as part of the Flow-Through Units will be exercisable for 1 year at $0.35 per Share. Warrants issued as part of Non-Flow-Through Units will be exercisable at $0.35 per Share during the first year of their term, and at $0.40 per Share during the second year of their term. The terms of the Warrants will be measured from the date of the "closing" of the sale of the Units to the purchaser of such Units. The closing date will be the date that the Company issues the shares and warrants comprising the Units to the purchaser. Units can be purchased on either a flow-through basis at a price of $0.35 each or without flow-through entitlement at a price of $0.30 each.

8.2 Shares included in Units

The shares which are sold as part of the Units are voting common shares of the Company which will have full voting and dividend rights and which are not subject to any calls or to any preference shares or other securities of the Company which would have rights ranking in priority to the shares. The shares will rank equally with one another in the case of a dissolution or winding-up of the Company.

8.3 Flow-through rights

The Company is committed to expending 100% of the monies paid to it to purchase FT Units on qualified Canadian exploration expenses ("CEE") by way of work on the Property. The Company will, pursuant to the provisions of the Income Tax Act (the "Act") of Canada, make all of the prescribed filings and renounce in favour of each purchaser of FT Units the CEE which is equal to the amount paid by the purchaser for the FT Units, effective December 31, 2002. Subscription Agreements signed by purchasers of FT Units will more specifically detail the Company's obligations with respect to such renunciation. The renunciation will be effective so that purchaser of FT Units will be entitled to deduct the amount renounced in favour of such purchaser from the purchaser's 2002 taxable income.

The Company makes no representations to purchasers of FT Units as to their rights to use renounced CEE in their Tax Returns. All purchasers – and proposed purchasers – of FT Units are advised to consult their tax advisors for advice with respect to their ability to use renounced CEE.

8.4 Warrants

The Warrants which are sold as part of the Units will all be exercisable to purchase one additional share of the Company on the terms described in Item 8.1. The Warrants will not be listed for trading on the Exchange, or any public securities market. Shares purchased through the exercise of Warrants will not have flow-through rights attached to them.

8.5 Modification of Terms

None of the rights or terms attaching to the Shares may be amended except by the due passage of a special resolution pursuant to the provisions of the British Columbia Company Act.

None of the flow-through rights described above, or terms of Warrants acquired by a purchaser of Units, can be amended or varied without the specific agreement of the holder of such rights or warrants. The Warrants comprising part of the Units will contain, among other things, provisions for the appropriate adjustment of the class, number and price of shares issuable upon exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Company, the payment of stock dividends or the amalgamation of the Company.

8.6 Mix of Flow-Through and Non Flow-Through Units

Because 100% of the proceeds received from the sale of Flow-Through Units must be expended on properly qualified Canadian exploration expense, and because the Company will require funding to pay the other non-exploration expenditures detailed in Item 7, subscriptions pursuant to this offering will only be accepted so as to maintain the necessary balance between flow-through and non flow-through proceeds. To ensure that the Company receives sufficient non flow-through proceeds a minimum subscription of $658,725 in non flow-through proceeds has been set. Subscribers for Flow-Through Units will be required to sign a form of subscription agreement which will confirm the Company's obligations.

ITEM 9 – CONSOLIDATED CAPITALIZATION

As the Company does not have any subsidiaries its financial statements are not presented on a consolidated basis. The authorized capital of the Company is 25,000,000 voting common shares, of which 3,342,216 are issued.

There have been no material changes in the Company's share capital since the Company's last completed fiscal year except as a result of the completion of the issuance of Units to Arbutus Enterprises Ltd. described in Item 11.1.

ITEM 10 – OPTIONS TO PURCHASE SECURITIES

10.1 Share Purchase Options

The Company does not have any share purchase options outstanding except the warrants described in Item 10.2 below.

10.2 Share Purchase Warrants

The Company's President, T.J. Malcolm Powell, through his wholly owned personal corporation, Arbutus Enterprises Ltd., holds warrants entitling the purchase of 285,700 shares at $0.35 on or before September 13, 2003.

ITEM 11 – PRIOR SALES

11.1 Prior Sales

The Company has made only one sale of securities during the past 12 months, being a sale of 285,700 Units, at a price of $0.2625 each to Arbutus Enterprises Ltd. The sale consisted of 285,700 shares of the Company and warrants entitling the purchase of an additional 285,700 shares – as described in Item 10.2 above.

11.2 Stock Exchange Price

The shares of the Company have been suspended from trading on the Exchange since 1995 – when trading was suspended at the request of the then management of the Company in anticipation of the Company completing a Reverse Take-Over transaction. The closing price of the Company's shares on the Vancouver Stock Exchange the day prior to the suspension of trading was $0.35 per share. As the Company's shares have not traded on any public market since 1995 there is no recent history of price ranges or volumes.

ITEM 12 – ESCROWED SECURITIES

12.1 Escrowed Securities

As at February 10, 2002 the following issued shares of the Company are escrowed:

Designation of Class	**No. of Securities Held in Escrow**	**Percentage of Class**
Common Shares	1,283,415(1)	38.4%

(1) The escrowed shares are 100% of the shares held, directly and indirectly, by T.J.Malcom Powell.

12.2 Escrow Depository

The shares held in escrow are held by Computershare Investor Services Inc., at 510 Burrard Street, Vancouver, B.C.

The shares held in escrow will be released, pro rata, to the holders of such shares on the following schedule, measured from the date the Exchange issues a notice confirming that the shares of the Company have been reinstated for trading on Exchange ("Notice Date"):

%	Release Date
10%	at the time of the Notice Date
15%	6 months from the Notice Date
15%	12 months from the Notice Date
15%	18 months from the Notice Date
15%	24 months from the Notice Date
15%	30 months from the Notice Date
15%	36 months from the Notice Date

ITEM 13 – PRINCIPAL SHAREHOLDERS AND SELLING SECURITY HOLDERS

13.1 Principal Shareholders

The following information is provided with respect to the beneficial shareholdings of the only persons who, to the knowledge of the Directors and Officers of the Company, owns, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding shares of the Company:

Name	No. Shares owned	Percentage of shares which will be owned before and after the distribution*
Theodore James Malcolm Powell	1,283,415 (direct and indirect holdings)	Before – 38.4% After – 17.75%

* Calculation done on the assumption that the Company will issue 3,888,096 shares pursuant to this Offering – and does not take into account any other shares that may be issued in the meantime or which may be issued pursuant to the exercise of warrants or options.

13.2 Selling Security Holders

No securities of the Issuer are being offered on behalf of any holders of such securities.

ITEM 14 – DIRECTORS AND OFFICERS

14.1 Name, Address, Occupation and Security Holdings

Name/Municipality of Residence	Positions with Issuer and Periods Held	Principal occupations during 5 preceding years	No. Shares held or controlled directly or indirectly
T.J. Malcolm Powell [(1)] Richmond, B.C.	Director, Promoter and President of the Issuer since August 3, 2000	Engaged as public relations and business consultant through his wholly owned company, Arbutus Enterprises Ltd. Since November, 1998 investor, shareholder and public relations agent for the Lang Group of Companies in Vancouver, B.C. [(2)]	1,283,415
Frank A. Lang West Vancouver, B.C.	Director and Chairman of the Board since October 2, 2001	Director and President or Chairman of the various companies comprising the Lang Group of Companies	25,000
Carl R. Jonsson Vancouver, B.C.	Director since November 30, 1998. Secretary since August 3, 2000.	Principal/Partner of Vancouver law firm Tupper Jonsson & Yeadon, Solicitors for the Company. Director of various public companies.	10,000
Gregory G. Crowe (1) Bowen Island, B.C.	Director since July 25, 2001.	P.Geol. P.Geo. Self-employed as geological consultant. Employee, Director and Executive Officer of Yuma Copper Corp. from 1994 to December, 1997	23,196
Arthur G. Troup (1) West Vancouver, B.C.	Director since September 25, 2001	Since January, 1997 Vice-President Exploration of the principal companies comprising the Lang Mining Group. Prior to that, self-employed as consultant.	15,100
		TOTAL	1,356,711

[(1)] The persons thus indicated are members of the Company's Audit Committee – being the only committee existing of the Company's Board of Directors

[(2)] The Lang Group of Companies is a group of public companies with generally common management, of which Frank A. Lang, the Issuer's Chairman of the Board, is President, CEO and/or Chairman of the Board. As of this date it consists of Valerie Gold Resources Ltd., Sultan Minerals Inc., Cream Minerals Ltd. and Emgold Mining Corporation.

14.2 Cease Trade Orders

No Director, Officer or shareholder of the Issuer holding sufficient numbers of shares to materially affect control of the Issuer is or, within 10 years of the date of this Prospectus, has been a director, officer or promoter of any other issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions, for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that issuer, except:

Frank A. Lang – was a Director and Officer of Riverdance Resource Corp. – which was suspended from trading by the Exchange for failure to meet listings maintenance requirements.

Carl R. Jonsson – is a Director and Officer of Global CT & T Telecommunications Inc.- which has had Cease Trade Orders issued against it by the B.C. Securities Commission for failure to file quarterly and annual financial statements and which is suspended from trading by the Exchange for failing to meet listings maintenance requirements.

Gregory G. Crowe is a Director of Yuma Copper Corp. against which a Cease Trade Order was issued in January of 1998 by the B.C. Securities Commission and which was delisted from trading by the Vancouver Stock Exchange in March, 1999 for failure to pay its annual sustaining fees.

T.J. Malcolm Powell was a Director of Ronrico Explorations Ltd. when a Cease Trade Order was issued against it in January, 1992 for failing to file annual financial statements.

14.3 Penalties or Sanctions

Other than as described in 14.2 above, no Director, Officer or principal shareholder of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or entered into a settlement agreement with a Canadian securities regulatory authority, or regulatory body relating to trading in securities, promotion or management of a publicly traded issuer, or to theft or fraud or has otherwise been subject to any other penalty or sanction imposed by a court or regulatory authority that would likely to be considered important to investors considering an investment in Units.

14.4 Conflicts of Interest

There are no existing material conflicts of interest between the Issuer and any of its directors or officers. However, certain directors and officers of the Company are directors, officers and/or shareholders of other companies, including companies engaged in mineral exploration. To the extent that such other companies may be interested or participate in or be affected by opportunities or transactions involving the Company, these directors and officers of the Company may have conflicting interests in negotiating and settling terms of such transactions. Conflicts of interest affecting the directors and officers of the Company will be governed by the *Company Act* (British Columbia) and other applicable laws. In the event that such a conflict of interest arises at a meeting of the Board of Directors of the Company, a director who has such a conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the venture.

14.5 Management of the Issuer

Name, Age and Position	**Material Information**

T.J. Malcolm Powell Director, President and Chief Executive Officer Age – 62	Mr. Powell, as President, is responsible for managing and leading the Company. He was appointed Chief Executive Officer November 30, 2001. Mr. Powell does not work full-time for the Company and considers that he, from time to time, devotes 2 – 5% of his time to the Company. It is anticipated that Mr. Powell will spend 25% of his time on the affairs of the Company if this offering closes. Mr. Powell does not have any contractual relationship with the Issuer. Mr. Powell has, since November, 1998, acted in an independent contractor capacity, as the person responsible for shareholder, investor and public relations for the various companies comprising the Lang Group of Companies – on a full-time basis. Mr. Powell has been a director and the president of various small public issuers since 1985, some of which engaged in minor mineral exploration activities.
Frank A. Lang Director and Chairman of the Board Age - 77	Mr. Lang has no assigned responsibilities except to act as the Chairman of the Board and provide incidental public issuer and mineral exploration advice to the Board of the Issuer and to members of the Issuer's management. Mr. Lang was only appointed to his positions October 2, 2001 and does not expend, or consider that he will be expected to expend, more than 1% of his time on the affairs of the Issuer. Mr. Lang has no contractual relationship with the Issuer. During the past 5 years Mr. Lang's full-time occupation has been to act as a director and president, CEO and/or Chairman of the Board of the various companies which have comprised the Lang Group of Companies, all of which are involved in mineral exploration. Mr. Lang has been involved, in one capacity or another, in mineral exploration activities for more than 20 years.
Carl R. Jonsson Director, Secretary and Chief Financial Officer Age – 66	Mr. Jonsson's responsibilities are primarily as the lawyer for the Issuer and it is incidental to that capacity that he also holds positions as a Director and the Secretary of the Issuer. He was appointed Chief Financial Officer November 30, 2001. Mr. Jonsson holds a Bachelor of Laws Degree and is a member of the Law Society of British Columbia. Other than attending at meetings of the Board of Directors Mr. Jonsson's services are rendered to the Company as a principal of the law firm of Tupper Jonsson & Yeadon. Mr. Jonsson does not have any other contractual relationship with the Issuer. Mr. Jonsson's principal occupation during the past 5 years has been acting as a solicitor and many of his clients have, during that period, been involved in aspects of mineral and natural resource exploration. Many of Mr. Jonsson's functions during that period have been to advise his clients as to the requirements of the securities regulatory authorities having jurisdiction over them and the stock exchanges upon which their shares have been listed for trading. Mr. Jonsson has acted primarily as a corporate and securities lawyer for in excess of 35 years.

Gregory G. Crowe Director and Vice-President, Exploration Age – 47	Mr. Crowe, as a Director of the Issuer, has no responsibilities except to participate as a Director of the Issuer and to provide advice to the Board and to Management on occasion – primarily of a geological nature. Mr. Crowe is a registered P.Geol. in the Province of Alberta and a registered P.Geo. in the Province of British Columbia. Mr. Crowe has, since his appointment July 25, 2001, devoted an estimated 10% of his time to the Issuer. It is anticipated that if this offering closes and work is commenced on the Moneta Property he will spend 20% of his time on Company affairs. He was appointed Vice-President Exploration November 30, 2001. He does not have a contractual relationship with the Issuer. During the past 5 years Mr. Crowe has acted as a geological consultant to numerous companies involved in mineral exploration – and that is still his principal occupation. For the period between October, 1994 and December 1997, Mr. Crowe was a director, officer and employee of Yuma Copper Corporation. Mr. Crowe has been active in mineral exploration for approximately 20 years.
Arthur G. Troup Director Age – 58	Mr. Troup, as a Director of the Issuer, has no responsibilities except to participate as a Director of the Issuer and to provide advice to the Board and to Management on occasion – primarily of a geological nature. Mr. Troup is a registered Professional Engineer. Mr. Troup has, since his appointment September 25, 2001, devoted an estimated 5% of his time to the Issuer. He does not have a contractual relationship with the Issuer. During the past 5 years Mr. Troup has been the Vice-President Exploration of the Lang Group of Companies. Mr. Troup has been active in mineral exploration for more than 30 years.

ITEM 15 – EXECUTIVE COMPENSATION

The Issuer has not, during its three most recently completed financial years (ending December 31, 2000) paid any compensation to its executive officers; provided however that legal fees paid or accrued to the law firm of Tupper Jonsson & Yeadon for services rendered to the Company directly and indirectly are to the benefit of the Company's Director and Secretary, Carl R. Jonsson.

The Company has no specific plans to compensate executive officers in the future. However, it is anticipated that after trading of the Company's shares is restored on the Exchange share purchase options will be granted to the Directors and Executive Officers. The terms of those options are not presently known and will be settled by the Board of Directors at the time that the options are proposed to be granted in accordance with Exchange policies.

ITEM 16 – INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or Officer of the Company is indebted to the Company, or has been indebted to the Company, during the last completed fiscal year of the Company or in the period since then. The Company has not granted any guarantees in respect of any indebtedness of any of its Directors and Officers.

ITEM 17 – PLAN OF DISTRIBUTION

17.1 Best Efforts Offering

The within offering is being made on behalf of the Company by Pacific International Securities Inc. (the "Agent") of 1900 – 666 Burrard Street, Vancouver, British Columbia pursuant to an Agency and Sponsorship Agreement between the Company and the Agent dated November 14, 2001. The Agent will offer the Units for sale to the public in British Columbia, Alberta and Ontario only on an agency basis. The Agent may, but is not obliged to, purchase any of the Units offered hereby.

In consideration of acting as agent the Agent will receive remuneration consisting of:

(a) A cash commission equal to 10% of the gross proceeds received by the Company from the sale of Units hereunder;

(b) A corporate finance fee of $20,000 plus $1,400 GST on completion of the offering. This fee includes compensation for the Agent acting as sponsor of the Company for the reinstatement of its trading on the Exchange;

(c) Warrants ("Agent's Warrants") entitling the Agent to purchase up to 20% of the total number of shares sold pursuant to this offering for a period of one year from the date of the closing of this offering, exercisable at $0.30 per share;

(d) Reimbursement of all of the Agent's expenses incurred in relation to this offering. The Agency Agreement will terminate if a final receipt for this Prospectus is not issued by the British Columbia Securities Commission by March 1, 2001.

The Agent may form a selling group of registered brokers and investment dealers to assist with the sale of the Units, whose members may be offered a portion of the Agent's compensation under the Agency Agreement. The offering price was determined by negotiation between the Company and the Agent and in accordance with the policies of the Exchange. Directors and Officers of the Company may purchase Units. The Agent will have a right of first refusal in respect of all brokered equity financings that the Company may undertake in the one-year period measured from the date that the Company's shares are reinstated for trading on the Exchange.

17.2 Minimum Subscription

This offer is subject to a Minimum Subscription of $1,011,000. The Agent will hold all subscription funds pending obtaining the Minimum Subscription – which includes a minimum subscription for Non Flow-Through Units of $658,725. If the Minimum Subscription is not obtained within 90 days from the date a final Receipt is issued for this Prospectus, this offering will be cancelled and all of the subscription funds received will be returned to the subscribers without set-off, deduction or interest.

Closing of the offering is also subject to the Exchange reinstating trading of the Company's shares. The Company has applied to the Exchange to reinstate trading of the Company's shares on the Exchange. Reinstatement is subject to the Company's fulfilling all of the requirements of the Exchange. The Exchange has conditionally approved the reinstatement subject to the Company fulfilling the Exchange's normal listing requirements.

ITEM 18 – RISK FACTORS

The securities of the Company must be considered speculative, generally because of the nature of the Company's business and its stage of development, and investors should carefully consider all of the information disclosed in this Prospectus prior to making an investment in the Company. In addition to the other information in this Prospectus, a prospective investor should carefully consider the following factors:

(a) Mineral Exploration and Development

The Property is in the exploration stage and is without a known body of commercial ore. Development of the Property will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that even if a body of commercial ore is discovered on the Property, a mine will be brought into commercial production. The feasibility of developing a mineral deposit once discovered is dependent on a number factors, including the particular attributes of the deposit, such as size, grate and proximity to infrastructure, metal prices and government regulations.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programmes, which may be affected by a number of factors which are beyond the control of the Company. .

(b) Encumbrance on Property

The encumbrance on the Property described in Item 4.3 creates risks as:

(i) Moneta may not be granted leave to appeal the Judgment or, if it is, the appeal may not be successful;

(ii) Moneta may not be willing to, or have the resources to, pay the Judgment or any settlement reached with Mr. Gryba;

(iii) Mr. Gryba may commence execution proceedings against and ultimately become the owner of Moneta's interest in the Property;

(iv) the Company may have to use the Reserve before it has any results from further exploration work, and

(v) if the Company uses the Reserve to pay the Judgment, or if its interest in the Property is lost because Mr. Gryba seizes the Property, the Company may have no practical means of recourse against Moneta.

(c) Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations which the Company proposes to undertake will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programmes. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs or uninsured losses that could have a material adverse effect upon its financial condition.

(d) Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities or grades to justify development of the deposit, or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as metal price and market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not commercially feasible to commence or continue commercial production.

(e) Environmental Factors and Government Regulation

All phases of the Company's operations will subject to environmental regulation. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulations, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Property which are unknown to the Company at present which have been caused by previous or existing owners or operators of the Property.

(f) Additional Financing

The Company does not currently have sufficient financial resources to undertake by itself all of its planned exploration and possible development programmes. The exploration and subsequent development of the Property may therefore depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on the Property. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible loss of the Company's interest in the Property..

(g) Metal Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of gold and base metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumption patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot be accurately predicted.

(h) Competition and Agreements with Other Parties

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing far greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may, as a result, have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programmes.

(i) Governmental Regulation

Exploration and development of the Property will be affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law; (iii) restrictions on production; price controls; tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the exploration activities proposed for the Property. To the extent such approvals are required and not obtained, the Company's planned exploration activities may be delayed, curtailed, or cancelled entirely.

Failure to comply with applicable laws, regulations and requirements may result in enforcement action against the Company, including orders calling for the curtailment or termination of operations on the Property, or calling for corrective or remedial measures requiring considerable capital investment. Parties engaged in mineral exploration and mining activities may be subject to civil and criminal liability as a result of failure to comply with applicable laws and regulations.

Amendments to current laws, regulations and permitting requirements affecting mineral exploration and mining activities could have a material adverse impact on the Company's operations and prospects.

(j) Claims Titles and Aboriginal Rights

Aboriginal rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect to the Property. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such cooperation.

Other parties may dispute Moneta's title to the Property and the Property may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

(k) Management

The Company does not have any employees and its affairs are managed by its officers with assistance of the small number of non-executive directors. Development of the Company will be dependent upon it having the funds necessary to, and being successful in, employing and retaining skilled personnel.

(l) Dilution

Because the Company has 3,342,216 shares issued, which at December 31, 2001 had a negative aggregate book value of $91,604, and the within offering, if fully subscribed, anticipates issuing 3,888,096 shares to Unit purchasers, purchasers of Flow-Through Units will suffer approximately 60% dilution of the book value of the shares they purchase, and purchasers of Non-Flow-Through Units will suffer approximately 53.33% dilution.

(m) Conflicts of Interest

With respect to conflicts of interests reference is made to Item 14.4.

ITEM 19 – PROMOTERS

The promoter of the Company is its President and Director, T.J. Malcolm Powell. Information with respect to Malcolm Powell and his direct and indirect shareholdings in the Company is given in Items 13.1 and 14.1 hereof.

ITEM 20 – LEGAL PROCEEDINGS

Except as is disclosed in Item 4.3 Encumbrance on Property, neither the Company nor its interests in the Property are the subject of any material legal proceedings and no such legal proceedings are known to the Company to be contemplated or threatened. See also Clause (m) of Item 18.

ITEM 21 – INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, officer, principal shareholder or associate or affiliate of any director, officer or principal shareholder, has had any interest in any material transaction with the Issuer during the past three years with the one exception described in the following paragraph.

Arbutus Enterprises Ltd. ("Arbutus"), the company wholly owned by the Company's President, T.J. Malcolm Powell, signed a Subscription Agreement with the Company September 19, 2000 in which it agreed to privately purchase 150,000 Units at and for a price of $0.50 per Unit. Arbutus paid the full amount of the subscription proceeds - $75,000 – to the Company. The private placement was done in anticipation of the Company completing an asset purchase agreement. The Issuer was unable to satisfy the requirements of the Exchange with respect to the proposed asset purchase agreement and the Exchange also did not approve the Subscription Agreement with Arbutus. As a result, the Company and Arbutus renegotiated the subscription by way of an agreement dated September 13, 2001 pursuant to which Arbutus purchased 285,700 Units at a price of $0.2625. The $75,000 which Arbutus had advanced to the Company pursuant to the earlier Subscription Agreement was applied to the purchase in the amount of $74,996.25. As a result, Arbutus received 285,700 shares – which are part of the indirect shareholdings of T.J. Malcolm Powell disclosed in Item 15.1 - and warrants entitling it to purchase a further 285,700 shares exercisable at $0.35 per share until September 24, 2003 – as is also disclosed in Item 10.2. None of the warrants have been exercised by Arbutus.

ITEM 22 – AUDITORS, TRANSFER AGENTS AND REGISTRARS

22.1 Auditors

Bedford Curry
Chartered Accountants
801 – 1281 West Georgia Street
Vancouver, B.C.

22.2 Transfer Agent and Registrar

Computershare Investor Services Inc.
510 Burrard Street

Vancouver, B.C. V6C 3B9

ITEM 23 – MATERIAL CONTRACTS

(a) Agreement on Michaud Property between the Company and Moneta Porcupine Mines Inc. dated September 1, 2001 – the details of which are described in Item 4.2 hereof;

(b) Unit Subscription Agreement between the Company and Arbutus Enterprises Ltd. – as described in Item 21 hereof.

(c) Finder's Fee Agreement re Michaud Property dated October 1, 2001 with Lomali Holdings Limited and Dunrowan Management Ltd. – as described in Item 4.2 hereof.

(d) Escrow Agreement – dated November 2, 2001 – as described in Item 12 hereof.

(e) Agency and Sponsorship Agreement between the Company and the Agent dated November 14, 2001.

(f) Trustee Agreement between the Company and Tupper Jonsson & Yeadon dated December 30, 2001.

The material contracts – or copies of them – can be viewed during normal business hours at the Company's registered office at 1710 – 1177 West Hastings Street, Vancouver, B.C. during the term of this offering.

ITEM 24 – EXPERTS

24.1 Opinions

Nil – N/A

24.2 Tax Consequences

The tax aspects of the purchase of Flow-Through Units will be particularly relevant to investors. Investors considering the purchase of Flow-Through Units should, before purchasing the Units, obtain advice from their own tax advisors as to the Federal and Provincial Income Tax consequences of their purchasing Flow-Through Units pursuant to this Offering.

The Canadian federal and provincial tax treatment of mining activities and investments in Flow-Through Shares has a material effect on the advisability for the Flow-Through Units offered hereunder. Under the subscription agreements for the Flow-Through Units, the Company will agree to incur exploration expenditures in an amount equal to the proceeds raised through the sale of Flow-Through Units hereunder and to renounce such expenditures to subscribers for Flow-Through Units in accordance with the *Income Tax Act* (Canada) (the "Tax Act"). No assurances can be given that the expenditures actually made by the Company will be of the type which the Company intends to incur, that the expenditures will be of the type which entitles the purchasers of Flow-Through Units to obtain an investment tax credit or that the Minister of National Revenue will agree with the Company's characterization of the expenditures. A change in the characterization of the expenditures may affect the Company's ability to renounce Canadian Exploration Expense (as defined in the Tax Act) to purchasers of Flow-Through Units or such purchasers' ability to claim investment tax credits.

ITEM 25 – PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in B.C., Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. The securities legislation in the said Provinces further provides a purchaser with remedies for rescission and/or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission and damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province of residence. A purchaser of Units under this offering should refer to any applicable provisions of the securities legislation of the purchaser's Province of residence for particulars of these rights or consult with a legal advisor.

ITEM 26 – FINANCIAL STATEMENTS

See audited financial statements attached as Schedule "A".

Schedule "A"

FINANCIAL STATEMENTS

ACREX VENTURES LTD.

VANCOUVER, BRITISH COLUMBIA, CANADA

DECEMBER 31, 2001, 2000 AND 1999

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

MICHAEL J. BEDFORD INC.

AUDITORS' REPORT

To the Directors of ACREX Ventures Ltd.

We have audited the balance sheets of ACREX Ventures Ltd. as at December 31, 2001 and 2000 and the statements of earnings and deficit and cash flows for the years ended December 31, 2001, 2000 and 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years ended December 31, 2001, 2000 and 1999 in accordance with Canadian generally accepted accounting principles.

Vancouver, British Columbia, Canada
February 12, 2002

BEDFORD CURRY & CO.
CHARTERED ACCOUNTANTS

ACREX Ventures Ltd.

STATEMENTS OF EARNINGS AND DEFICIT

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
EXPENSES			
Legal	$ **49,250**	24,604	7,504
Business investigation costs	**17,208**	17,000	-
Accounting	**12,383**	7,075	2,000
Filing fees	**6,570**	22,794	6,916
Transfer agent fees	**4,175**	4,198	3,193
Office and general	**2,045**	856	1,410
Travel	**617**	-	-
Loss before gain on settlement of notes payable and income taxes	**(92,248)**	(76,527)	(21,023)
Gain on settlement of notes payable *[Note 4]*	**-**	-	126,675
Earnings (loss) before income taxes	**(92,248)**	(76,527)	105,652
Income taxes (recovery)	**(451)**	(9,595)	9,595
NET EARNINGS (LOSS)	**(91,797)**	(66,932)	96,057
Deficit, beginning of year	**(2,590,412)**	(2,523,480)	(2,619,537)
DEFICIT, end of year	$ **(2,682,209)**	(2,590,412)	(2,523,480)
EARNINGS (LOSS) PER SHARE	$ **(0.029)**	(0.022)	0.031

ACREX Ventures Ltd.

BALANCE SHEETS

December 31, 2001 and 2000

		2001	2000
ASSETS			
Current			
Cash	**$**	**1,679**	11,644
Accounts receivable		**484**	1,359
Income taxes recoverable		**-**	9,595
		2,163	22,598
Deferred share issue costs		**22,375**	-
	$	**24,538**	22,598
LIABILITIES			
Current			
Accounts payable and accrued expenses	**$**	**116,142**	22,401
SHAREHOLDERS' DEFICIENCY			
Share capital *[Note 3]*		**2,590,605**	2,515,609
Share subscriptions		**-**	75,000
Deficit		**(2,682,209)**	(2,590,412)
		(91,604)	197
	$	**24,538**	22,598

APPROVED ON BEHALF OF THE BOARD:

"T. J. M. Powell" — Director

"Carl R. Jonsson" — Director

ACREX Ventures Ltd.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2001, 2000 and 1999

		2001	2000	1999
OPERATIONS				
Net earnings (loss)	$	**(91,797)**	(66,932)	96,057
Less item not involving cash:				
Gain on settlement of notes payable		**-**	-	(126,675)
		(91,797)	(66,932)	(30,618)
Decrease in accounts receivable		**875**	95,041	3,277
Decrease (increase) in income taxes recoverable		**9,595**	(9,595)	-
Increase (decrease) in accounts payable		**93,737**	(74,136)	(29,536)
Increase (decrease) in income taxes payable		**-**	(9,595)	9,595
		12,410	(65,217)	(47,282)
FINANCING				
Deferred share issue costs		**(22,375)**	-	-
Share subscriptions received		**-**	75,000	1,132,200
		(22,375)	75,000	1,132,200
INVESTING				
Advances to Voice Mobility Inc.		**-**	-	(1,088,638)
Increase (decrease) in cash		**(9,965)**	9,783	(3,720)
Cash, beginning of year		**11,644**	1,861	5,581
CASH, end of year	$	**1,679**	11,644	1,861

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2001, 2000 and 1999

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

ACREX Ventures Ltd., incorporated in British Columbia, is a public company listed on the Canadian Venture Exchange, currently suspended from trading since 1995.

The Company is in the process of investigating business opportunities.

As of December 31, 2001 and 2000 the Company had a working capital deficiency of $91,604 (2000 : working capital $197) and had incurred an operating loss of $91,797 (2000 : $66,392) for the year then ended. The Company's ability to continue as a going concern is dependent upon achieving profitable levels of operations and on the ability of the Company to obtain necessary financing.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Deferred share issue costs - Share issue costs incurred prior to the issuance of share capital are deferred and deducted from share capital when the related shares are issued.

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

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

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

ACREX Ventures Ltd.

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2001, 2000 and 1999

3. SHARE CAPITAL

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

	2001		2000	
	Number	**Amount**	Number	Amount
Balance, beginning of year	**3,056,516**	**$ 2,515,609**	3,056,516	$ 2,515,609
Issued for cash	**285,700**	**74,996**	-	-
Balance, end of year	**3,342,216**	**$ 2,590,605**	3,056,516	$ 2,515,609

Warrants - The Company has 285,700 warrants outstanding to purchase 285,700 common shares at a price of $0.35 per share expiring September 13, 2003.

On November 2, 2001, the Company entered into an escrow agreement for 1,283,415 shares. The shares are to be released from escrow on a pro-rata basis commencing on the date the CDNX issues a notice confirming the shares of the Company have been reinstated for trading on the CDNX with the final release 36 months from that date.

4. GAIN ON SETTLEMENT OF NOTES PAYABLE

In 1998, the Company received subscriptions for certain private placements of units. The private placements were not accepted for filing by the regulatory authorities.

Pursuant to a Loan Agreement between the Company and Voice Mobility, Inc. ("VMI"), these funds were advanced to VMI interest free without specific terms of repayment, pending an agreement to purchase 100% of the shares of VMI, with a direct obligation to the Subscribers to be responsible to repay the funds advanced to them in the event the purchase of VMI did not complete.

The agreement to purchase VMI did not in fact complete and the share subscriptions were subsequently converted to non-interest bearing promissory notes. Effective July 6, 1999, the promissory notes were transferred to VMI, relieving the Company of its obligations pursuant to the promissory notes and cancelling its advances to VMI.

As a result of the exchange of promissory notes and the relief of the Company's obligations, the Company recorded a gain on settlement of $126,675 for the year ended December 31, 1999.

5. COMMITMENT

On September 1, 2001, the Company agreed (the "Agreement") with Moneta Porcupine Mines Inc. ("Moneta") to acquire a 60% interest in a mineral property consisting of 76.91 mineral claims in the Michaud Township, Ontario (the "Property").

5. COMMITMENT (continued)

The Agreement grants to the Company the right to earn a 60% interest in the Property by:

(a) expending not less than $500,000 on work on the Property within 24 months of the date that the Agreement is accepted for filing by the Exchange (the "Approval Date");

(b) of the work referred to in paragraph (a), not less than $300,000 will have to have been completed prior to December 31, 2002;

(c) completing additional work so that the Company will have spent at least $1,000,000 in work on the Property by 36 months following the Approval Date;

(d) committing to and completing a bankable feasibility study on the Property within 60 months after the Approval Date.

To maintain its rights beyond December 31, 2002, if the Company has satisfied the requirement in sub-clause (b) above, but has not by that date performed at least $500,000 of work on the Property, the Company must prior to December 31, 2002 give to Moneta a commitment that it will, prior to December 31, 2003, do such additional work on the Property so that it shall have prior to December 31, 2003 done not less than $500,000 of work on the Property.

The Company will be obligated to pay a finder's fee of $25,000 with the issuance of the Company's stock at a price acceptable by the CDNX.

The Property is subject to an encumbrance - being a Writ of Execution against Moneta and its property - by a person who holds an outstanding Court Judgment (the "Judgment") of $136,366. The Judgment was issued on November 17, 1998 and accrues interest at a rate of 7% per annum. Management estimates the amount payable will be approximately $190,000 by November 1, 2003.

Moneta has advised that it is both attempting to appeal the Judgment and negotiate a settlement. However, there is uncertainty as to whether either of these outcomes will be achieved.

In order to retain its interest in the property the Company may be forced to settle the Judgment on behalf of Moneta. If it does it would claim reimbursement of any amounts paid from Moneta; however there is no assurance that the Company would recover such funds. To enable the Company to retire the Judgment if it becomes, in the opinion of Management, necessary to do so, a reserve of $190,000 (the "Reserve") will be established from the proceeds of the offering described in Note 8.

On December 31, 2001 the Company executed a trust agreement with its solicitors, which provides them to hold the Reserve to satisfy the Judgment or, if the Company decides not to pay the Judgment or Moneta pays it, to repay the amount to the Company.

6. RELATED PARTY TRANSACTIONS

The Company incurred legal fees of $49,450 (2000: $24,604), of which $22,375 has been set up as deferred share issue costs, from a law firm of which a director is a member. Accounts payable and accrued expenses includes $72,375 (2000: $17,000) due to the law firm.

Accounts payable includes $21,968 (2000: $4,544) due to a company owned by a director/shareholder or to persons related to him.

7. INCOME TAXES

The Company has non-capital losses of $150,000 which are available to be applied against any future taxable income. No previous benefit of these losses has been recognized in the financial statements.

	2001	2000	1999
Income taxes based on a combined basic federal and provincial income tax rate of 44.6% (2000,1999 45.6%)	$ **(41,142)**	$ **(34,896)**	48,199
Decrease in taxes resulting from:			
Losses for which an income tax benefit has not been recognized	**20,476**	25,301	-
Capital gain allowance	**-**	-	(14,448)
Non-capital losses applied	**-**	-	(24,120)
Other	**(451)**	-	(36)
Income tax expense (recovery)	$ **(21,117)**	(9,595)	9,595

8. SUBSEQUENT EVENTS

On February 6, 2002, the Company filed an amended preliminary prospectus with the Canadian Venture Exchange and the British Columbia Securities Commission for the sale of flow-through and non-flow-through units, each consisting of one common share and a warrant, for a maximum of $1,250,000. The warrants entitle the holder to purchase an additional share for a period of one year from the date of the closing of this offering. The units that are sold with flow-through rights attached to them will be sold at a price of $0.35 per unit and the units which do not have flow-through rights attached to them will be sold at a price of $0.30 per unit. Pursuant to an agency agreement dated November 14, 2001, the agent will receive a cash commission equal to 10% of the gross proceeds from the sale of the units, a corporate finance fee of $21,400, including GST, and agent's warrants entitling the agent to purchase up to 20% of the total number of shares sold pursuant to this offering for a period of one year from the date of the closing of this offering, exercisable at the price which is equal to the unit sales prices.

The transaction is awaiting regulatory approval.

CERTIFICATE OF THE COMPANY

DATED: February 20, 2002.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the Securities Act (British Columbia), Part 8 of the Securities Act (Alberta) and Part xv of the Securities Act (Ontario) and the regulations made thereunder.

"T.J. Malcolm Powell"
T.J. Malcolm Powell,
President, Chief Executive Officer
and Promoter

"Carl R. Jonsson"
Carl R. Jonsson
Secretary and Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Gregory G. Crowe"
Gregory G. Crowe
Director

"Arthur G. Troup"
Arthur G. Troup
Director

CERTIFICATE OF THE AGENT

DATED: February 20, 2002.

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the Securities Act (British Columbia), Part 8 of the Securities Act (Alberta) and Part xv of the Securities Act (Ontario) and the regulations made thereunder.

PACIFIC INTERNATIONAL SECURITIES INC.

Per: "Max Meir"