Crowflight Minerals Inc.

Canada's Next Nickel Producer

FINANCIAL STATEMENTS

for the three months ended March 31, 2006

Q1

BALANCE SHEETS

(in Canadian dollars - prepared by management)
As at March 31,

	March 31, 2006	December 31, 2005
ASSETS		
Current		
Cash and cash equivalents	**$ 1,162,887**	$ 633,669
Amounts receivable	**137,650**	279,909
Prepaid expenses and deposits	**132,229**	49,880
Future income tax asset (Note 5)	**-**	598,000
	1,432,766	1,561,458
Deposits and advances	**176,755**	178,255
Prepaid exploration expenditures (Note 2)	**970,139**	-
Exploration properties and deferred exploration expenditures (Note 2)	**23,250,809**	21,006,374
Property, plant and equipment	**34,151**	36,873
	$ 25,864,620	$ 22,782,960
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 976,308**	$ 1,327,926
Future income tax liability (Note 5)	**$ 743,000**	**$ -**
SHAREHOLDERS' EQUITY		
Common Shares (Note 3(a))	**32,937,357**	30,375,246
Warrants (Note 3(b))	**3,574,455**	3,191,425
Contributed surplus (Note 3(d))	**4,063,758**	3,842,714
Deficit	**(16,430,258)**	(15,954,351)
	24,145,312	21,455,034
	$ 25,864,620	$ 22,782,960

Commitments (Note 6)

-- See Notes to the Financial Statements --

STATEMENTS OF OPERATIONS AND DEFICIT

(in Canadian dollars - prepared by management)
For the three months ended March 31,

		2006	2005
Expenses			
Stock-based compensation expense (Note 3(c))		**$ 221,044**	$ 92,573
Professional and consulting		**146,493**	123,704
Shareholder communications and promotion		**75,395**	35,164
General and office		**25,082**	26,573
Travel		**7,246**	52,785
Amortization		**6,628**	6,637
Interest expenses and bank charges		**392**	1,101
		482,280	338,537
Loss before the undernoted		**(482,280)**	(338,537)
Interest income		**305**	12,116
General exploration expenses		**-**	(14,213)
Recovery of expenses		**6,068**	15,912
Loss before income taxes		**(475,907)**	(324,722)
Future income taxes (Note 5)		**-**	1,164,240
Net income *(loss)* for the year		**(475,907)**	839,518
DEFICIT, beginning of year		**(15,954,351)**	(16,083,181)
DEFICIT, end of year		**$ (16,430,258)**	$ (15,243,663)
Income *(loss)* per share - basic and diluted		**$ (0.00)**	$ 0.01
Weighted average number of shares			
	basic	**109,359,130**	72,360,476
	diluted	**109,359,130**	75,450,730

-- See Notes to the Financial Statements --

STATEMENTS OF CASH FLOWS

(in Canadian dollars - prepared by management)

For the three months ended March 31,

		2006		2005
Cash (used in) provided by:				
OPERATING ACTIVITIES:				
Net income (loss) for the period	**$**	**(475,907)**	$	839,518
Charges not affecting cash:				
Amortization		**6,628**		6,637
Stock-based compensation expense (Note 3(c))		**221,044**		92,573
Future income tax recovery (Note 5)		**-**		(1,164,240)
Net change in non-cash working capital		**472,043**		(25,098)
		223,808		(250,610)
FINANCING ACTIVITIES:				
Common shares issued through private placements		**4,275,050**		-
Common share purchase warrants issued through private placements		**349,450**		-
Financing costs		**(338,359)**		-
		4,286,141		-
INVESTING ACTIVITIES:				
Exploration properties and deferred exploration expenditures		**(2,242,935)**		(4,576,152)
(Increase) in prepaid exploration expenditure		**(970,139)**		(1,023,532)
(Decrease) increase in accounts payable attributable to property exploration		**(763,751)**		828,013
Property, plant and equipment		**(3,906)**		(3,029)
		(3,980,731)		(4,774,700)
CHANGE IN CASH AND CASH EQUIVALENTS		**529,218**		(5,025,310)
CASH AND CASH EQUIVALENTS, beginning of period		**633,669**		5,805,455
CASH AND CASH EQUIVALENTS, end of period	**$**	**1,162,887**	$	780,145
Cash and cash equivalents consists of:				
Cash		**1,162,887**		406,233
Equivalents		**-**		373,912
	$	**1,162,887**	$	780,145
SUPPLEMENTAL INFORMATION:				
Common shares issued for interest in exploration properties	**$**	**-**		120,000
Warrants granted for interest in exploration properties		**-**		106,500
Common shares issued as cost of issue		**87,400**		-
Warrants granted as cost of issue		**33,580**		-
Interest received		**305**		12,116
Interest paid		**-**		43,742
Income taxes paid		**-**		-

-- See Notes to the Financial Statements --

1. BASIS OF PRESENTATION AND GOING CONCERN

These interim financial statements are unaudited and are not reviewed by the Company's auditors.

The management of Crowflight Minerals Inc. (the "Company") has prepared these unaudited financial statements for the three months ended March 31, 2006 in accordance with generally accepted accounting principles in Canada. The most significant of these accounting principles have been set out in the December 31, 2005 audited financial statements. These financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2005.

The disclosures in these interim financial statements do not include the full disclosure required under generally accepted accounting principles in Canada for annual financial reporting.

These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Operating results for the three months ended March 31, 2006 are not indicative of the results that may be expected for the full year ending December 31, 2006.

The Company uses the same methods and accounting policies described in the December 31, 2005 audited financial statements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The Company has a need for equity capital and financing for working capital, and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

2. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	MANITOBA			SUDBURY, ONTARIO				
	Bucko Feasibility Study	Thompson Nickel Belt South	Thompson Nickel Belt North	AER Kidd	Airport	Peter's Roost	New Exploration	TOTAL
Acquisition costs								
Balance, December 31, 2005	1,458,431	179,811	228,693	991,858	356,403	102,887	-	3,318,083
Acquisition and property costs	-	25,453	40	50,000	18,000	16,342	-	109,835
Balance, March 31, 2006	**1,458,431**	**205,264**	**228,733**	**1,041,858**	**374,403**	**119,229**	**-**	**3,427,918**
Exploration expenditure								17,688,291
Balance, December 31, 2005	5,067,835	4,976,479	1,393,154	4,879,842	714,323	654,245	2,413	
Drilling	216,362	661,565	575,119	-	-	-	-	1,453,046
Assaying, laboratory, metallurgy	1,136	-	-	-	-	-	-	1,136
Geology and geological consulting	160,809	98,094	108,583	4,675	-	8,888	-	381,049
Travel and transportation	27,085	2,520	2,451	686	250	1,072	-	34,064
Geochemistry and geophysics	-	(2,424)	75,377	-	-	-	-	72,953
Mine and mill design	4,800	-	-	-	-	-	-	4,800
Site development	40,241	-	-	-	-	-	-	40,241
Environmental	32,939	1,715	2,231	-	-	-	-	36,885
Field and office support	27,152	4,045	5,642	609	51	149	-	37,648
Management fees	85	77,599	75,488	-	-	-	-	153,172
Incurred to date	**5,578,444**	**5,819,593**	**2,238,045**	**4,885,812**	**714,624**	**664,354**	**2,413**	**19,903,285**
Less: Government assistance		(80,394)						(80,394)
Balance, March 31, 2006	**5,578,444**	**5,739,199**	**2,238,045**	**4,885,812**	**714,624**	**664,354**	**2,413**	**19,822,891**
TOTAL DEFERRED COSTS March 31, 2006	**7,036,875**	**5,944,463**	**2,466,778**	**5,927,670**	**1,089,027**	**783,583**	**2,413**	**23,250,809**

MANITOBA
Bucko Deposit Feasibility Study and Thompson Nickel Belt South ("TNB South")

On June 16, 2004, the Company entered into an option and joint venture agreement with Falconbridge Limited ("Falconbridge"). This agreement was amended on March 1, 2006, the basic terms of which include:

The Company can earn a conditional 33% interest in Mining Lease ("ML) - 031 including the Bucko Deposit by:

- incurring or demonstrating sufficient funding to complete the Bankable Feasibility Study ("BFS"); and
- funding the 2006 regional TNB South Exploration Program of $1,500,000.

If the requirements to earn the 33% conditional interest are not met, the conditional interests will revert back to Falconbridge.

Upon earning the 33% conditional interest, the Company will have the option to earn an additional 17% interest in ML-031 including the Bucko Deposit for a total 50% interest by incurring a total expenditure of $7,500,000 ($5,578,000 completed), completing the BFS on ML-031 and having funded or deposited with Falconbridge its outstanding commitments on the TNB South regional exploration program.

Irrespective of the Company having earned the conditional 33% interest, it can earn a 50% interest and a conditional 100% interest in ML-031 by completing the BFS and BFS financial commitments and by having expended or funded $10,500,000 in TNB South regional exploration commitments. Having met the exploration commitments, the Company will also have earned a 25% interest in the TNB South Project Area.

2. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

The Company is required to incur TNB regional exploration expenditures of $10,500,000 as follows:

- $1,376,000 by December 31, 2004 (funded);
- an additional $3,276,000 by December 31, 2005 (funded);
- an additional $1,500,000 by April 30, 2006;
- an additional $1,500,000 by April 30, 2007;
- an additional $1,500,000 by April 30, 2008;
- an additional $1,348,000 by April 30, 2009;

The Company may increase its interest in ML-031 to an unconditional 100% by making a decision within six-months of the completion of the BFS to put the Bucko Deposit into production, complete project financing and construction and obtain commercial production.

The Company may elect to increase its interest in the TNB South Project Area to 50% by providing funding to Falconbridge as operator of $7,000,000 in exploration activities by April 13, 2013 (plus administrative charges of 10% of expenditures), as follows:

- $1,500,000 on the date of election;
- an additional $1,500,000 by the first anniversary of election;
- an additional $2,000,000 by the second anniversary of election; and,
- an additional $2,000,000 by the third anniversary of election.

In order to increase either or both interests, the Company must issue 1,000,000 common shares of the Company to Falconbridge within 30 days after exercising the election and an additional 1,000,000 common shares of the Company within one-year of the election.

Certain areas of the property are subject to underlying agreements whereby those portions are subject to i) a 2% NSR; ii) a 10% net proceeds of production royalty; or iii) a $500,000 payment due on commencement of commercial production. Under certain circumstances these royalty interests may be purchased.

The agreement also provides Falconbridge with certain rights to back in, buy back the property, bump up its ownership interest and to purchase the concentrate product for the project.

During the quarter ended March 31, 2006, the Company advanced $1.6 million to Falconbridge to be applied to exploration expenditure on the TNB South Project Area as part of its funding requirement for the period to April 30, 2006. A balance of $701,319 remains at March 31, 2006 to be applied to future expenditures.

Also during the quarter ended March 31, 2006, the Company applied for and was approved for financial assistance under the Manitoba Mineral Exploration Assistance Program ("MEAP") and received $80,394 in government assistance.

Thompson Nickel Belt North ("TNB North"), Manitoba

In January 2005, the Company entered into an option agreement with Falconbridge to acquire a 50% interest in the Thompson Nickel Belt North Project ("TNB North") Area. This agreement was amended on March 1, 2006.

2. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

Under the terms of the Amended Agreement, the Company is required to spend $5,000,000 on or before April 30, 2009 in the following tranches:

- $1,300,000 by December 31, 2005 (funded);
- $1,000,000 by April 30, 2006;
- $1,000,000 by April 30, 2007;
- $1,000,000 by April 30, 2008; and
- $700,000 by April 30, 2009.

The agreement also provides Falconbridge with certain rights to back in, buy back the property buy, bump up its ownership interest and to purchase the concentrate product for any project developed in the Project Area.

During the quarter ended March 31, 2006, the Company advanced $1.1 million to Falconbridge to be applied to exploration expenditure on the TNB North Project Area as part of its funding requirement for the period to April 30, 2006. A balance of $268,820 remains at March 31, 2006 to be applied to future expenditures.

SUDBURY, ONTARIO
Peter's Roost Property

In the first half of 2004, the Company acquired by staking the Peter's Roost Property, a major land package along the North Range of the Sudbury Basin. The property extends along two predominantly east west trending concentric corridors extending from the Parkins Offset Dyke in the east, to beyond the Foy Offset Dyke in the west, a distance of over 40 kilometres.

During the quarter ended March 31, 2006, the Company acquired by staking an additional 32 mining units, and allowed 14 mining claims to lapse, leaving the Company with a 100% interest in 72 claims totaling 916 exploration units (approximately 146 square kilometres).

Subsequent to the quarter, the Company entered into an agreement in principle with Wallbridge Mining Company Limited ("Wallbridge") to option out an initial and conditional 50% interest in the Company's interests in the Peter's Roost group of properties. Wallbridge is required to incur $700,000 in exploration expenditures on the properties by December 31, 2007 in order to earn an initial 50% interest. Wallbridge would have the option to increase its ownership to a 70% vested interest in any or all of the four separate project areas by funding a further $1 million in exploration expenditures in each project area in which it selects to vest by December 31, 2010. Failure to vest in a specific project area will result in ownership reverting back to the Company.

For any new properties Wallbridge acquires within the joint venture area, which includes the Company's claim units as well as 41 claim units staked by Wallbridge, the Company will have the right to acquire a 25% participating interest at such time as an indicated resource is proved-up by reimbursing Wallbridge 50% of its exploration costs to that point.

3. CAPITAL STOCK

Authorized

Unlimited common shares without par values
Unlimited class A preference shares with a par value of $10 each, issuable in series, cumulative dividends
Unlimited class B preference shares with a par value of $50 each, issuable in series, cumulative dividends

a)

Common shares issued	Number of Shares	Value
Balance, December 31, 2004	71,758,254	$ 25,851,956
Private placement - non flow-through	5,000,000	1,250,000
Private placement - flow-through	14,903,000	3,725,750
Private placement	3,000,000	750,000
Issue of warrants - warrant valuation	-	(699,787)
Shares issued in acquisition of property	1,400,000	350,000
Exercise of warrants	2,560,000	512,000
Exercise of warrants - warrant valuation	-	241,205
Flow-through shares tax effect	-	(1,164,240)
Cost of issue	-	(441,638)
Balance, December 31, 2005	98,621,254	$ 30,375,246
Private placement - non flow-through (i)	6,000,000	1,140,000
Private placement - flow-through (ii)	10,377,776	2,335,000
Private placement - non flow-through (ii)	6,050,000	1,149,500
Issue of warrants - warrant valuation (i, ii)	-	(349,450)
Commission shares issued (ii)	460,000	87,400
Flow-through shares tax effect	-	(1,341,000)
Cost of issue	-	(459,339)
Balance, March 31, 2006	**121,509,030**	**$ 32,937,357**

(i) In January 2006, the Company completed the first tranche of a private placement offering through the issuance of 6,000,000 units of the Company at a price of $0.19 per unit for gross proceeds of $1,140,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at an exercise price of $0.30 until July 20, 2007. The fair value of the warrants of $174,000 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.78%; risk free interest rate ranging from 3.8%; and an expected life of eighteen months.

(ii) In February 2006, the Company closed the final tranche of the private placement through the issuance of 1,177,776 flow through shares priced at $0.225 per flow-through share and the issuance of 6,050,000 units priced at $0.19 per unit for gross proceeds of $1,414,500. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at $0.30 until August 29, 2007. The fair value of the warrants of $175,450 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.78%; risk free interest rate ranging from 3.9%; and an expected life of eighteen months.

3. CAPITAL STOCK (continued)

As well, the Company completed a brokered private placement through the issuance of 9,200,000 flow-through common shares at a price of $0.225 per flow-through share for gross proceeds of $2,070,000. Dundee Securities Corporation acted as agent in connection with the brokered private placement and was issued 460,000 common shares ("commission shares") and 460,000 broker warrants as commission. Each broker warrant is exercisable into common shares of the Company at an exercise price of $0.225 per common share until August 28, 2007. The fair value of the commission shares was determined to be $87,400 using the value of the Company's stock issued in this tranche of the private placement. The fair value of the broker warrants of $33,580 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.78%; risk free interest rate ranging from 3.9%; and an expected life of eighteen months. The values of the commission shares and broker warrants were recorded as cost of issue.

b) Warrants

	March 31, 2006		December 31, 2005	
	Number of warrants	Average price	Number of warrants	Average price
Balance, beginning of period	29,434,356	$ 0.45	26,033,465	$ 0.42
Granted, private placements	6,485,000	0.29	11,451,500	0.40
Granted property acquisition	-	-	1,000,000	0.55
Exercised	-	-	(2,560,000)	0.20
Expired or cancelled	-	-	(6,490,609)	0.36
Balance, end of period	35,919,356	0.45	29,434,356	0.45

A summary of the outstanding warrants as of March 31, 2006 are as follows:

Value ($)	Number of Warrants	Exercise Price ($)	Expiry Date
377,500	2,500,000	0.350	June 17, 2006
242,500	2,500,000	0.750	June 17, 2006
650,000	5,000,000	0.300	October 12, 2006
568,462	3,667,500	0.600	November 4, 2006
502,801	2,940,356	0.500	November 4, 2006
574,287	9,901,500	0.400	December 8, 2006
4,000	50,000	0.400	December 17, 2006
43,875	375,000	0.600	December 29, 2006
67,500	500,000	0.350	January 18, 2007
39,000	500,000	0.750	January 18, 2007
121,500	1,500,000	0.400	March 8, 2007
174,000	3,000,000	0.300	July 20, 2007
33,580	460,000	0.225	August 28, 2007
175,450	3,025,000	0.300	August 28, 2007
3,574,455	35,919,356		

3. CAPITAL STOCK (continued)

c) Stock Options

The following are the stock option transactions during the period:

	March 31, 2006		December 31, 2005	
	Number of stock options	Weighted average exercise price ($)	Number of stock options	Weighted average exercise price ($)
Balance, beginning of period	7,405,000	0.30	5,755,000	0.36
Granted	3,270,000	0.23	1,650,000	0.31
Exercised	-	-	-	-
Cancelled/expired	-	-	-	-
Balance, end of period	10,675,000	0.28	7,405,000	0.30

As of March 31, 2006, the following stock options were outstanding:

	VALUE $	NUMBER OF OPTIONS	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE $	EXPIRY DATE
	60,840	150,000	150,000	0.60	September 18, 2006
	11,100	150,000	150,000	0.25	June 7, 2007
	19,000	100,000	100,000	0.30	December 31, 2007
	973,440	2,400,000	2,400,000	0.20	June 5, 2008
	121,680	300,000	300,000	0.35	June 5, 2008
	152,100	375,000	375,000	0.35	July 18, 2008
	40,560	100,000	100,000	0.56	November 21, 2008
	20,280	50,000	50,000	0.70	November 17, 2008
	76,050	187,500	187,500	0.62	December 11, 2008
	86,000	200,000	200,000	0.56	January 20, 2009
	11,150	50,000	50,000	0.35	June 17, 2009
	37,312	187,500	187,500	0.62	June 17, 2009
	4,050	30,000	30,000	0.20	October 1, 2009
	285,000	1,425,000	1,425,000	0.25	October 12, 2009
	14,850	50,000	50,000	0.39	October 20, 2009
	40,050	150,000	150,000	0.35	November 8, 2009
	19,600	100,000	100,000	0.30	January 10, 2010
*	32,527	200,000	100,000	0.28	February 14, 2010
	39,600	200,000	200,000	0.29	February 21, 2010
*	192,057	1,000,000	500,000	0.33	March 1, 2010
	7,100	50,000	50,000	0.20	July 14, 2010
**	8,906	100,000	25,000	0.24	October 18, 2010
***	170,654	3,120,000	390,000	0.23	March 13, 2011
		10,675,000	7,270,000		

3. CAPITAL STOCK (continued)

During the quarter ended March 31, 2006, 3,270,000 stock options (2005 - 1,500,000) were granted to directors, officers and consultants of the Company. Of these options granted, 3,120,000 (***) options vest one eighth every quarter from the date of grant over a two year term and expire five years from the date of grant. The remaining 150,000 options granted during the quarter vest immediately and expire in 2007. A portion of the options granted in 2005 (* and **) also vested during the quarter ended March 31, 2005. The fair value of each option granted was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: expected dividend yield 0% (2005 - 0%); expected volatility of 89.78% (2005 - 89.78%); risk free interest rate ranging from 3.8% to 4.1% (2005 - 3.6%); and an expected average life of 2 to 5 years (2005 - 5 years). For the quarter ended March 31, 2006, an amount of $221,044 (2005 - $92,573) was recorded as stock based compensation expense for all vested options.

d) Contributed Surplus

	March 31, 2006	December 31, 2005
Balance, beginning of period	$ 3,842,714	$ 3,049,199
Stock options granted and/or vested during the period:		
Directors and officers	$ 169,860	$ 214,000
Consultants	$ 51,184	$ 46,500
Expiry of warrants, reallocation of valuation	$ -	$ 533,015
Balance, end of period	$ 4,063,758	$ 3,842,714

4. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company shares its premises with other companies that have common directors. The Company reimburses the related companies for their proportionate share of the expenses. At March 31, 2006 an amount of $30,797 (2005 - $133,100) is payable in relation to these expenses. As well, the Company is owed $34,461 (2005 - $3,400) at March 31, 2006 for shared expenses.

During the quarter ended March 31, 2006, the Company granted 2,550,000 stock options to directors and officers of the Company.

5. FUTURE TAX LIABILITIES

In February 2006, the Company renounced $3,725,750 of Canadian exploration expenditures related to proceeds from flow through shares with an effective date of December 31, 2005. As a result, assuming a statutory tax rate of approximately 36%, an amount of $1,341,000 was debited to common stock. Consequently, this reduced the future income tax asset by $598,000 and increased the future income tax liability by $743,000.

In February 2005, the Company renounced $3,234,000 related to proceeds from flow-through shares with an effective date of December 31, 2004. Consequently, a non-cash future income tax recovery of $1,164,240 was recognized during the quarter ended March 31, 2005.

6. COMMITMENTS

Pursuant to the issuance of 14,903,000 flow through shares in June 2005, the Company renounced $3,725,750 on qualified exploration expenditures with an effective date of December 31, 2005 in February 2006. As of March 31, 2006, the Company has met its exploration commitments.

7. SUBSEQUENT EVENTS

In May 2006, the Company entered into an agreement in principle with Wallbridge Mining Company Limited ("Wallbridge") to option out an initial and conditional 50% interest in the Company's interests in the Peter's Roost group of properties as described in the Exploration Properties section of this report.