



Crowflight Minerals Inc.
Canada's Next Nickel Producer

FINANCIAL STATEMENTS

for the nine months ended September 30, 2007

(a development stage company)

Q3

BALANCE SHEETS

As at

	September 30, 2007 (unaudited)	December 31, 2006 (audited)
ASSETS		
Current		
Cash and cash equivalents	\$ 22,361,887	\$ 13,800,920
Amounts receivable (Note 3)	1,033,856	298,580
Prepaid expenses and deposits	289,587	143,092
Future income tax asset	-	842,000
	23,685,330	15,084,592
Deposits and advances	125,000	206,571
Prepaid exploration expenditures (Note 3)	-	327,311
Exploration property, plant and equipment and deferred exploration expenditures (Note 3)	62,955,776	35,371,564
Equipment	107,902	64,879
	\$ 86,874,008	\$ 51,054,917
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 6,722,237	\$ 2,201,979
Future income tax liability (Note 6)	\$ 4,940,788	\$ -
SHAREHOLDERS' EQUITY		
Common Shares (Note 4(a))	85,470,318	58,437,271
Warrants (Note 4(b))	2,123,830	1,773,748
Contributed surplus (Note 4(d))	9,388,668	6,328,590
Deficit	(21,771,833)	(17,686,671)
	75,210,983	48,852,938
	\$ 86,874,008	\$ 51,054,917

Commitments and Contingencies (Notes 1 and 6)

-- See Notes to the Financial Statements --

STATEMENTS OF OPERATIONS AND DEFICIT

For the three and nine months ended September 30, 2007

(in Canadian dollars - unaudited, prepared by management)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Expenses				
Professional, consulting and management fees (Note 4(c))	\$ 2,393,567	\$ 286,019	\$ 4,163,486	\$ 944,357
Shareholder communications and investor relations	32,987	75,687	286,976	241,885
General and office	105,253	23,889	227,416	72,137
Travel	10,770	46,067	114,686	67,541
Amortization	882	4,590	3,329	15,374
Interest expenses and bank charges	11,220	945	13,675	1,952
	2,554,679	437,197	4,809,568	1,343,246
Loss before the undernoted	(2,554,679)	(437,197)	(4,809,568)	(1,343,246)
Interest and dividend income	315,169	7,116	724,406	7,674
Recovery of expenses	-	-	-	6,068
Loss for the period	(2,239,510)	(430,081)	(4,085,162)	(1,329,504)
DEFICIT, beginning of period	<u>(19,532,323)</u>	<u>(16,853,774)</u>	<u>(17,686,671)</u>	<u>(15,954,351)</u>
DEFICIT, end of period	\$ <u>(21,771,833)</u>	\$ <u>(17,283,855)</u>	\$ <u>(21,771,833)</u>	\$ <u>(17,283,855)</u>
Loss per share - basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of shares basic and diluted	247,901,936	140,004,291	226,373,752	124,482,228

STATEMENTS OF CASH FLOWS

For the three and nine months ended September 30, 2007

(in Canadian dollars - unaudited, prepared by management)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
OPERATING ACTIVITIES:				
Net loss for the period	\$ (2,239,510)	\$ (430,081)	\$ (4,085,162)	\$ (1,329,504)
Charges not affecting cash:				
Amortization	882	4,590	3,329	15,374
Stock-based compensation expense (Note 4(c))	1,699,259	130,818	3,216,483	486,153
Net change in non-cash working capital	818,524	(48,298)	(856,884)	309,926
	279,155	(342,971)	(1,722,234)	(518,051)
FINANCING ACTIVITIES:				
Common shares issued through private placements	-	-	23,640,625	9,483,350
Warrants issued through private placements	-	-	1,359,375	349,450
Shares issued from exercise of warrants and options	954,000	126,100	8,358,789	126,100
Financing costs	364	(41,015)	(2,229,275)	(757,545)
	954,364	85,085	31,129,514	9,201,355
INVESTING ACTIVITIES:				
Exploration properties and deferred exploration expenditures	(12,094,968)	(6,089,209)	(25,684,841)	(10,651,905)
(Increase) decrease in deposits and prepaid exploration expenditure	62,915	818,476	408,882	(616,413)
(Decrease) increase in accounts payable attributable to property exploration	953,660	2,970,417	4,495,369	2,324,522
Property, plant and equipment	(12,503)	-	(65,723)	(25,044)
	(11,090,896)	(2,300,316)	(20,846,313)	(8,968,840)
CHANGE IN CASH	(9,857,377)	(2,558,202)	8,560,967	(285,536)
CASH, beginning of period	32,219,264	2,906,335	13,800,920	633,669
CASH, end of period	\$ 22,361,887	\$ 348,133	\$ 22,361,887	\$ 348,133
Cash and cash equivalents consists of:				
Cash	914,971	348,133	914,971	348,133
Equivalents	21,446,916	-	21,446,916	-
	\$ 22,361,887	\$ 348,133	\$ 22,361,887	\$ 348,133

STATEMENTS OF CASH FLOWS

For the three and nine months ended September 30, 2007

(in Canadian dollars - unaudited, prepared by management)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
SUPPLEMENTAL INFORMATION:				
Common shares issued for interest in exploration properties	\$ 1,880,000	\$ -	\$ 1,880,000	\$ 270,000
Common shares committed to be issued for purchase of exploration assets	-	500,000	-	500,000
Stock options granted for interest in exploration property	-	9,450	-	9,450
Common shares issued as cost of issue	\$ -	\$ -	\$ -	\$ 87,400
Warrants granted as cost of issue	\$ -	\$ -	\$ 547,594	\$ 133,579
Amortization of assets deferred to exploration properties	\$ 13,787	\$ -	\$ 19,371	\$ -
Interest received	\$ 470,719	\$ 7,116	\$ 694,677	\$ 7,674
Interest paid	\$ 479	\$ 18	\$ 977	\$ 18
Income taxes paid	\$ -	\$ -	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

1. NATURE OF OPERATIONS 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 nine months ended September 30, 2007 in accordance with generally accepted accounting principles in Canada. The most significant of these accounting principles have been set out in the December 31, 2006 audited financial statements. The Company uses the same methods and accounting policies described in the December 31, 2006 audited financial statements except as described in note 2 below. These financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2006.

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 nine months ended September 30, 2007 are not indicative of the results that may be expected for the full year ending December 31, 2007.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non compliance with regulatory requirements.

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. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 2 to the Company's financial statements for the year ended December 31, 2006.

New accounting pronouncements

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountant ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 3865, *Hedges*. These new standards resulted in no changes to amounts previously reported.

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

(ii) Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

(iii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the nine month period ended September 30, 2007, the Company had no hedges.

The application of these new standards has had no impact on the Company's financial statements as at and for the nine month period ended September 30, 2007, and as such, a statement of comprehensive income has not been included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007

(prepared by management – Unaudited)

3. EXPLORATION PROPERTY PLANT AND EQUIPMENT AND DEFERRED EXPLORATION EXPENDITURES

	MANITOBA		SUDBURY, ONTARIO			TOTAL
	Bucko Deposit	Thompson Nickel Belt Joint Venture	AER Kidd	Peter's Roost	New Exploration	
<u>Acquisition costs</u>						
Balance, December 31, 2006	1,769,118	478,927	1,094,924	127,757	-	3,470,726
Acquisition and property costs	1,882,184	92,547	103,520	-	-	2,078,251
Write off of property costs	-	-	-	-	-	-
Balance, September 30, 2007	3,651,302	571,474	1,198,444	127,757	-	5,548,977
<u>Exploration and development expenditure</u>						
Balance, December 31, 2006	16,812,781	9,475,605	4,939,586	669,604	3,262	31,900,838
Drilling	241	1,635,218	-	-	-	1,635,459
Assaying, laboratory, metallurgy	23,109	83,296	-	-	-	106,405
Geology & Geophysics	33,348	150,297	-	-	-	183,645
Advanced technical studies	139,385	-	-	-	-	139,385
Staff and consultants	687,145	378,671	-	-	-	1,065,816
Roads and trenches	-	123,039	-	-	-	123,039
Travel and transportation	203,635	74,762	-	-	-	278,397
Reports	56,891	-	-	-	-	56,891
Mine and mill design	34,256	-	-	-	-	34,256
Surface development	2,162,617	-	-	-	-	2,162,617
Underground development	3,701,081	-	-	-	-	3,701,081
Operating costs	150,717	-	-	-	-	150,717
Off-take contract	1,772	-	-	-	-	1,772
Mine closure bond	281,066	-	-	-	-	281,066
Engineering and procurement	2,161,855	-	-	-	-	2,161,855
Environment and permitting	242,571	-	1,094	-	-	243,665
Human Resources	115,505	-	-	-	-	115,505
Field and office support	198,308	84,193	2,718	-	-	285,219
Management fees	24	2,695	-	-	-	2,719
Amortization charge for use of assets	17,696	1,675	-	-	-	19,371
Incurred to date	27,024,003	12,009,451	4,943,398	669,604	3,262	44,649,717
Capital purchases	12,981,000	-	-	-	-	12,981,000
Less: Government assistance	-	(223,918)	-	-	-	(223,918)
Balance, September 30, 2007	40,005,003	11,785,533	4,943,398	669,604	3,262	57,406,799
TOTAL DEFERRED COSTS						
September 30, 2007	43,656,305	12,357,007	6,141,842	797,361	3,262	62,955,776

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

3. EXPLORATION PROPERTY PLANT AND EQUIPMENT AND DEFERRED EXPLORATION EXPENDITURES (continued)

MANITOBA

Bucko Deposit and Thompson Nickel Belt

On January 30, 2007, the Company amended their existing option agreements with Xstrata Nickel ("Xstrata") by entering into the Bucko Lake Lease Transfer Agreement which includes the Exploration Option Agreement and the Off-take agreement. The Bucko Lake Lease Transfer Agreement provides for the transfer of the Bucko Lake Lease to the Company free and clear of all liens on the Closing Date, which will be the 10th business day following the date on which the Company delivers the Bankable Feasibility Study ("BFS") and BFS Acceptance Letter to Xstrata.

As well, on the Closing Date, the Company will issue 2,000,000 shares to Xstrata, and deliver a royalty agreement where the Company grants to Xstrata a 2.5% Net Smelter Royalty with respect to the Bucko Lake Lease. In order to retain its 100% undivided interest in the Bucko Lake Lease following the Closing Date, the Company is required to make a decision within six months of the completion of the BFS to put the Bucko Deposit into commercial production.

In July 2007, the Bucko Lake Lease was transferred to the Company and 2,000,000 shares of the Company were granted to Xstrata at a deemed value of \$1,880,000.

The Exploration Option Agreement amalgamates both the Thompson Nickel Belt South and North agreements whereby the Company can earn a 100% interest in these properties by incurring \$13,200,000 in expenditures from January 1, 2007 up to and including December 31, 2013 (the "Option Period") according to the following schedule:

- " \$2,500,000 by December 31, 2007;
- " \$2,500,000 by December 31, 2008;
- " \$2,200,000 by December 31, 2009;
- " \$1,500,000 by December 31, 2010;
- " \$1,500,000 by December 31, 2011;
- " \$1,500,000 by December 31, 2012;
- " and \$1,500,000 by December 31, 2013.

In addition, the Company will become the operator of the project during the Option Period.

The amended agreement also provides Xstrata a back in right, property buy-back right, Joint Venture bump-up option, Net Smelter Returns royalty, an off-take right, and an off take option on both the Peter's Roost Property and Airport Property.

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.

A balance of \$326,159 remained in trust with Xstrata as the Company became operator of the project effective January 1, 2007 according to the revised terms of the agreement. This balance was refunded to the Company during the current quarter upon delivery of the BFS.

Also, throughout the nine months ending September 20, 2007, the Company purchased and paid deposits on various capital assets and leases for the development of the Bucko Deposit amounting to \$12,981,000. As well, the Company received \$223,918 in government assistance related to its exploration expenditure which has been applied directly against this expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007

(prepared by management – Unaudited)

4. 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) <u>Common shares issued</u>	<u>Shares</u>		<u>Value</u>
Balance, December 31, 2005	98,621,254	\$	30,375,246
Private placement - non flow-through	6,000,000		1,140,000
Private placement - flow-through	10,377,776		2,335,000
Private placement - non flow-through	6,050,000		1,149,500
Private placement - flow-through	17,361,000		5,208,300
Private placement - non flow-through	20,854,859		7,299,200
Private placement - flow-through	21,300,000		8,520,000
Issue of warrants - warrant valuation	-		(1,194,072)
Commission shares issued	460,000		87,400
Shares issued in acquisition of property	1,000,000		270,000
Shares issued in acquisition of asset	1,666,667		500,000
Exercise of warrants	14,426,500		5,230,600
Exercise of warrants - warrant valuation	-		1,196,737
Exercise of options	400,000		88,000
Exercise of options - option valuation	-		128,974
Flow-through shares tax effect	-		(1,341,000)
Cost of issue	-		(2,556,614)
Balance, December 31, 2006	198,518,056	\$	58,437,271
Private placement, flow through	12,500,000		12,500,000
Private placement, non flow through	15,625,000		12,500,000
Value of warrants granted	-		(1,359,375)
Exercise of warrants	19,181,271		8,059,251
Exercise of warrants - warrant valuation	-		1,450,385
Exercise of options	1,032,500		299,538
Exercise of options - warrant valuation	-		262,905
Property acquisition (note 3)	2,000,000		1,880,000
Cost of issue	-		(2,776,869)
Flow-through shares tax effect	-		(5,782,788)
Balance, September 30, 2007	248,856,827	\$	85,470,318

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007

(prepared by management – Unaudited)

4. CAPITAL STOCK (continued)

On April 12, 2007, the Company completed a bought deal private placement of 15,625,000 units of the Company at a price of \$0.80 per unit and 12,500,000 flow-through common shares of the Company at a price of \$1.00 per share for gross proceeds of \$25,000,000. Each unit consists of one common share and one half of one common share purchase warrant, each whole common share purchase warrant entitling the holder to purchase one common share of the Company for \$1.15 for a period of one year, subject to a shorter exercise period based on certain market price conditions. The offering was completed by a syndicate of underwriters who received a commission of 6% of the gross proceeds received as well as 1,546,875 compensation options, each of which entitle the underwriter to purchase one unit at a price of \$0.80 per unit until April 12, 2008. Each unit consists of one common share of the Company and half of once common share purchase warrant each whole common share purchase warrant entitling the holder to purchase one common share of the Company for \$1.15 for a period of one year, subject to a shorter exercise period based on certain market price conditions. The fair value of the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0% (2006: 0%); expected volatility of 91% (2006: 69% to 90%); risk free interest rate of 4.1% (2006: 3.8% to 4.3%); and an expected life of 1 year (2006: eighteen months).

On May 11, 2007, the Company announced that it was exercising its right to have the share purchase warrants that were issued in October 2006 expire early. As the majority of the common shares of the Company traded on the TSX Venture Exchange at prices over \$0.75 per share during the 15 consecutive trading days ended May 8, 2007, the Company provided warrant holders with notice of the accelerated expiry time, in accordance with the terms of the warrant agreement. These warrants were to expire on June 26, 2007 unless duly exercise, and all were exercised by the early expiry date.

During the nine months ended September 30, 2007, 19,181,271 warrants were exercised at a weighted average exercise price of \$0.42 generating gross proceeds of \$8,059,251. As well, 1,032,500 options were exercised at a weighted average exercise price of \$0.29 for gross proceeds of \$299,538.

b) Warrants

	September 30, 2007		December 31, 2006	
	Number of warrants	Average price	Number of warrants	Average price
Balance, beginning of period	22,308,769	\$ 0.42	29,434,356	\$ 0.45
Granted, private placements	7,812,500	\$ 1.15	16,452,429	\$ 0.43
Granted, broker warrants	2,320,312	\$ 0.92	3,756,340	\$ 0.35
Granted property acquisition	-	\$ -	-	-
Exercised	(19,181,271)	\$ 0.42	(14,426,500)	\$ 0.36
Expired or cancelled	(1,000,000)	\$ 0.55	(12,907,856)	\$ 0.54
Balance, end of period	12,260,310	\$ 0.97	22,308,769	\$ 0.42

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007

(prepared by management – Unaudited)

4. CAPITAL STOCK (continued)

A summary of the outstanding warrants as of September 30, 2007 are as follows:

Value (\$)	Number of Warrants	Exercise Price (\$)	Expiry Date
87,519	911,660	\$ 0.30	21-Dec-07
16,156	132,424	\$ 0.35	30-Apr-08
107,823	1,017,200	\$ 0.40	30-Apr-08
5,363	66,214	\$ 0.50	30-Apr-08
413,016	1,546,875	\$ 0.80	12-Apr-08
1,493,953	8,585,937	\$ 1.15	12-Apr-08
\$ 2,123,830	12,260,310		

c) Stock Options

The following are the stock option transactions during the period:

	September 30, 2007		December 31, 2006	
	Number of options	Average price	Number of options	Average price
Balance, beginning of period	9,070,000	\$ 0.27	7,405,000	\$ 0.30
Granted	13,115,000	\$ 0.71	4,070,000	\$ 0.25
Exercised	(1,032,500)	\$ 0.29	(400,000)	\$ 0.22
Expired or cancelled	(143,750)	\$ 0.41	(2,005,000)	\$ 0.36
Balance, end of period	21,008,750	\$ 0.54	9,070,000	\$ 0.27

CROWFLIGHT MINERALS INC.
(A development stage company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007

(prepared by management – Unaudited)

4. CAPITAL STOCK (continued)

As of September 30, 2007, the following stock options were outstanding:

Value (\$)	Number of Options	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
811,200	2,000,000	2,000,000	\$ 0.200	June 5, 2008
10,140	25,000	25,000	\$ 0.350	June 5, 2008
40,560	100,000	100,000	\$ 0.560	November 21, 2008
20,280	50,000	50,000	\$ 0.700	November 17, 2008
50,700	125,000	125,000	\$ 0.620	December 11, 2008
14,925	75,000	75,000	\$ 0.620	June 17, 2009
175,000	875,000	875,000	\$ 0.245	October 12, 2009
14,850	50,000	50,000	\$ 0.390	October 20, 2009
19,600	100,000	100,000	\$ 0.300	January 10, 2010
39,800	200,000	200,000	\$ 0.280	February 14, 2010
39,600	200,000	200,000	\$ 0.290	February 21, 2010
235,000	1,000,000	1,000,000	\$ 0.330	March 1, 2010
7,100	50,000	50,000	\$ 0.200	July 14, 2010
490,551	2,576,250	2,380,000	\$ 0.225	March 13, 2011
80,579	350,000	218,750	\$ 0.280	July 5, 2011
11,487	50,000	50,000	\$ 0.300	August 9, 2011
28,999	100,000	62,500	\$ 0.365	August 15, 2011
39,714	150,000	93,750	\$ 0.350	September 28, 2011
829,758	3,117,500	1,181,250	\$ 0.405	January 10, 2012
47,319	150,000	56,250	\$ 0.500	February 20, 2012
201,514	1,000,000	500,000	\$ 0.600	March 30, 2009
179,347	1,000,000	500,000	\$ 0.700	March 30, 2009
160,347	1,000,000	500,000	\$ 0.800	March 30, 2009
144,514	1,000,000	500,000	\$ 0.900	March 30, 2009
131,055	1,000,000	500,000	\$ 1.000	March 30, 2009
138,600	200,000	200,000	\$ 1.020	April 9, 2012
1,055,439	2,965,000	741,250	\$ 0.940	June 25, 2012
229,819	1,500,000	187,500	\$ 0.600	September 17, 2012
5,247,797	21,008,750	12,521,250		

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

4. CAPITAL STOCK (continued)

During the nine months ended September 30, 2007, 13,115,000 stock options (2006 - 3,920,000) were granted to directors, officers, employees and consultants of the Company. Of these options granted, 5,000,000 vest one quarter every quarter over a one year term, 7,915,000 options vest one eighth every quarter from the date of grant over a two year term and 200,000 vest immediately. For the nine months ended September 30, 2007, an amount of \$3,216,483 (2006 - \$486,153) was recorded for all vested options and is included in Professional, consulting and management fees. The fair value of each option granted was estimated on the date of grant using the Black Scholes option pricing model with the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>
Expected dividend yield	0%	0%
Expected volatility	89%	90%
Risk-free interest rate	4.3%	4.1%
Expected average life	5	5

d) Contributed Surplus

	September 30, 2007	December 31, 2006
Balance, beginning of period	\$ 6,328,590	\$ 3,842,714
Stock options granted and/or vested during the period:		
Directors and officers	\$ 2,236,557	\$ 653,544
Consultants	\$ 979,926	\$ 161,968
Property acquisition	\$ -	\$ 9,450
Exercise of stock options, reallocation of valuation	\$ (262,905)	\$ (128,974)
Expiry of warrants, reallocation of valuation	\$ 106,500	\$ 1,789,888
Balance, end of period	\$ 9,388,668	\$ 6,328,590

5. 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 September 30, 2007 an amount of \$49,210 (2006 - \$35,803) is payable in relation to these expenses. As well, the Company is owed \$678 (2006 - \$1,640) at September 30, 2007 for shared expenses.

During the nine months ended September 30, 2007, the Company granted 6,270,000 (2006: 2,900,000) stock options to directors and officers of the Company. As well, during the nine month period, a director of the Company exercised 1,071,428 warrants at an exercise price of \$0.50 for gross proceeds of \$535,714.

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

6. FUTURE TAX LIABILITIES

In February 2007, the Company renounced \$16,063,300 of Canadian exploration expenditures related to proceeds from flow through shares with an effective date of December 31, 2006. As a result, assuming a statutory tax rate of approximately 36%, an amount of \$5,782,788 was debited to common stock. Consequently, this reduced the future income tax asset by \$842,000 and increased the future income tax liability by \$4,940,788.

7. COMMITMENTS

Pursuant to the issuance of 49,038,776 flow through shares during 2006, the Company renounced \$16,063,300 on qualified exploration expenditures with an effective date of December 31, 2006 in February 2007. As of September 30, 2007, the Company has met its expenditure commitments related to this renunciation. The Company raised a further \$12,500,000 in April of 2007 which it intends to renounce with an effective date of December 31, 2007. At September 30, 2007, the Company has spent \$4,433,175 in qualifying expenditures, and will be required to spend the remaining \$8,066,825 by December 31, 2008.

The Company is committed to minimum amounts under long-term lease agreements for vehicles and mine infrastructure amounting to \$386,000 over three years.

The Company is party to certain management contracts which require that additional payments of up to \$3,000,000 be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these financial statements.

8. FINANCIAL INSTRUMENTS

Fair Value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities reflected in the balance sheet approximate fair value because of the limited term of these instruments.

Commodity Price Risk

The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of certain minerals.

CROWFLIGHT MINERALS INC.
(A development stage company)

NOTES TO THE FINANCIAL STATEMENTS

For the three and nine months ending September 30, 2007
(prepared by management – Unaudited)

9. SUBSEQUENT EVENTS

In November 2007, the Company entered into two separate but related transactions, including a 50-50 Joint Venture agreement with Pure Nickel Inc. to explore and develop nickel deposits on properties controlled by both parties near the past producing Manibridge Nickel Mine, approximately 20 km south of the town of Wabowden, Manitoba. Each party will be required to contribute property to the Joint Venture and make an initial aggregate contribution of \$6 million over a three year period to fund preliminary exploration activities within the joint venture area.

In addition, Pure Nickel will be able to earn a 50% interest in a block of claims surrounding the joint venture claims by spending \$1.5 million in exploration over 3 years. The Company will also have the right to permit, operate and close the historic tailings facility in the joint venture area.

As well, the Company entered into an option agreement with Hudson Bay Exploration and Development Ltd. to acquire a 100% interest in two claims within the area of interest of the Pure Nickel Joint Venture. Under the terms of this option agreement, the Company will be required to make payments of \$250,000 and fund a total of \$750,000 in exploration expenditure by 2011 to earn a 100% interest in the property, subject to a back in clause, right of offer for off-take and a 2% Net Smelter Royalty.