



crowflight minerals inc.

INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

*for the three months ended
March 31, 2009 and 2008*

(a development stage company)

- UNAUDITED -

CROWFLIGHT MINERALS INC.

*(A development stage company)***CONSOLIDATED BALANCE SHEETS**

As at

	March 31, 2009 <i>(unaudited)</i>	December 31, 2008 <i>(audited)</i>
ASSETS		
Current		
Cash and cash equivalents	\$ 1,610,809	\$ 10,607,543
Restricted cash (Note 7)	-	2,999,998
Amounts receivable	606,878	607,125
Inventory (Note 3)	958,541	268,285
Prepaid expenses and deposits	353,676	138,463
Derivative asset (Note 4)	-	8,668,392
	3,529,904	23,289,806
Deposits and advances	536,709	536,709
Equipment	100,059	109,241
Exploration and development property, plant and equipment and deferred expenditures (Note 5)	165,718,779	153,939,715
	\$ 169,885,451	\$ 177,875,471
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 13,009,346	\$ 14,950,385
Equipment leases (Note 6)	42,477	48,129
Derivative liability (Note 4)	-	624,223
	13,051,823	15,622,737
Equipment leases (Note 6)	96,173	107,286
Long term debt (Note 7)	-	7,600,000
Asset retirement obligations (Note 8)	914,026	359,000
Future income tax liability (Note 11)	26,855,000	24,139,000
	40,917,022	47,828,023
SHAREHOLDERS' EQUITY		
Common shares (Note 9(a))	96,342,779	99,289,864
Warrants (Note 9(b))	4,944,374	4,944,374
Contributed surplus (Note 9(d))	13,830,633	13,485,751
Retained earnings	13,850,643	12,327,459
	128,968,429	130,047,448
	\$ 169,885,451	\$ 177,875,471

Commitments and contingencies (Notes 1, 5, 6, 8, and 14)

Subsequent events (Note 16)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:"Michael Hoffman", Director"Bruce Humphrey", Director

CROWFLIGHT MINERALS INC.

(A development stage company)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

unaudited

	Common Shares		Warrants	Contributed Surplus	Retained Earnings/ (Deficit)	Shareholders' Equity
	No.	\$	\$	\$	\$	\$
Balance, December 31, 2007	249,978,487	86,671,512	2,025,712	10,193,512	(22,151,940)	76,738,796
Private placement	39,680,000	15,251,000	-	-	-	15,251,000
Value of warrants granted related to debt facility	-	-	3,719,479	-	-	3,719,479
Value of warrants to be granted	-	-	849,709	-	-	849,709
Exercise of warrants and broker warrants	1,115,836	446,334	-	-	-	446,334
Valuation allocation on exercise of warrants	-	118,742	(118,742)	-	-	-
Exercise of stock options	2,530,000	569,531	-	-	-	569,531
Valuation allocation on exercise of stock options	-	979,566	-	(979,566)	-	-
Stock based compensation	-	-	-	2,364,835	-	2,364,835
Flow through share tax effect	-	(3,563,000)	-	-	-	(3,563,000)
Value of broker warrants	-	(375,186)	375,186	-	-	-
Valuation allocation on expiry of warrants and broker warrants	-	-	(1,906,970)	1,906,970	-	-
Share issue costs	-	(1,198,635)	-	-	-	(1,198,635)
Tax effect of cost of issue	-	390,000	-	-	-	390,000
Income for the period	-	-	-	-	34,479,399	34,479,399
Balance, December 31, 2008	293,304,323	99,289,864	4,944,374	13,485,751	12,327,459	130,047,448
Stock based compensation - shares	174,572	34,915	-	-	-	34,915
Stock based compensation - options	-	-	-	344,882	-	344,882
Flow through share tax effect	-	(2,982,000)	-	-	-	(2,982,000)
Income for the period	-	-	-	-	1,523,184	1,523,184
Balance, March 31, 2009	293,478,895	96,342,779	4,944,374	13,830,633	13,850,643	128,968,429

-- See Notes to the Interim Unaudited Consolidated Financial Statements --

CROWFLIGHT MINERALS INC.

*(A development stage company)***CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT***unaudited***For the three months ended March 31,**

	2009	2008
Expenses		
Professional, consulting and management fees (Notes 9(a) and (c))	\$ 584,294	\$ 719,341
General and office	124,466	72,288
Shareholder communications and investor relations	86,106	89,840
Travel	50,404	57,544
Interest expenses and bank charges	34,842	2,407
Amortization	953	2,686
	881,065	944,106
<i>(Loss)</i> before the undernoted	(881,065)	(944,106)
Interest income	21,511	51,686
Interest on long term debt	(48,192)	(63,070)
General exploration	(50,000)	-
Debt facility transaction costs	-	(2,040,905)
Accretion (Note 8)	57,416	(7,000)
Recovery of expenditures	66,958	-
Net gain on derivative instruments (Note 4)	2,090,556	-
<i>Income/(loss)</i> before income taxes	1,257,184	(3,003,395)
Future income taxes (Note 11)	266,000	163,000
<i>Income/(loss)</i> for the period	1,523,184	(2,840,395)
RETAINED EARNINGS/(DEFICIT), beginning of period	<u>12,327,459</u>	<u>(22,151,940)</u>
RETAINED EARNINGS/(DEFICIT), end of period	<u>\$ 13,850,643</u>	<u>\$ (24,992,335)</u>
<i>Earnings/(loss)</i> per share - basic	\$ 0.01	\$ (0.01)
<i>Earnings/(loss)</i> per share - diluted	\$ 0.01	\$ (0.01)
Weighted average number of shares - basic	293,306,263	250,608,767
Weighted average number of shares - diluted	293,311,875	250,608,767

-- See Notes to the Interim Unaudited Consolidated Financial Statements --

CROWFLIGHT MINERALS INC.

(A development stage company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

unaudited

For the three months ended March 31,

	2009	2008
OPERATING ACTIVITIES:		
Net income/(loss) for the period	\$ 1,523,184	\$ (2,840,395)
Charges not affecting cash:		
Amortization	953	2,686
Stock-based compensation expense (Notes 9(a) and (c))	365,547	522,557
Accretion (Note 8)	(57,416)	7,000
Debt facility transaction costs	-	2,040,905
Change in value of derivative instruments	8,044,169	-
Future income tax recovery (Note 11)	(266,000)	(163,000)
Net change in non-cash working capital	(1,118,963)	(452,465)
	8,491,474	(882,712)
FINANCING ACTIVITIES:		
Debt facility, net of transaction costs	(7,600,000)	15,917,649
Shares issued from exercise of warrants and options	-	435,447
Payments on equipment leases	(16,765)	(27,109)
	(7,616,765)	16,325,987
INVESTING ACTIVITIES:		
Exploration and development property, plant and equipment, and deferred expenditures	(11,144,143)	(16,770,258)
(Decrease)/increase in accounts payable attributable to property development and exploration	(1,727,298)	3,489,717
Release of restricted cash	2,999,998	-
	(9,871,443)	(13,280,541)
CHANGE IN CASH AND CASH EQUIVALENTS	(8,996,734)	2,162,734
CASH AND CASH EQUIVALENTS, beginning of period	10,607,543	9,004,788
CASH AND CASH EQUIVALENTS, end of period	\$ 1,610,809	\$ 11,167,522
Cash and cash equivalents consist of:		
Cash	801,384	9,186,268
Cash equivalents	809,425	1,981,254
	\$ 1,610,809	\$ 11,167,522
SUPPLEMENTAL INFORMATION:		
Warrants granted related to debt facility	-	3,719,479
Stock based compensation charged to exploration properties	14,250	-
Amortization of assets deferred to exploration properties	8,229	7,194
Interest received	22,191	58,411
Interest paid	50,551	157,393
Income taxes paid	-	-

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

1. NATURE OF OPERATIONS AND GOING CONCERN

These interim financial statements are unaudited.

Crowflight Minerals Inc. (the "Company") is a development stage company in accordance with Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 11, and currently has mineral exploration and development properties in Canada. The Company is currently focusing its resources on the development of the Bucko Deposit and the exploration of the Thompson Nickel Belt, both in the province of Manitoba.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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 and development 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, aboriginal land claims and non-compliance with regulatory and environmental requirements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") 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 these financial statements. Such adjustments could be material.

Operating results for the three months ended March 31, 2009 are not indicative of the results that may be expected for the full year ending December 31, 2009. The disclosure in these interim unaudited consolidated financial statements may not conform in all respects to generally accepted accounting principles in Canada for annual financial statements.

The Company has a need for working capital for operations and for the 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. The financial markets throughout the world have experienced a dramatic decline which has affected the market value of the Company's shares. The decline in equity markets and value of the Company's shares may affect its ability to finance further exploration for the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's annual consolidated financial statements for the year ended December 31, 2008, except as described below.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements

Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for the Company commencing January 1, 2009. This standard is effective for years beginning on or after January 1, 2009. The Company is currently in the process of evaluating the impact of this standard.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company is continually evaluating its counterparties and their credit risks.

Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee ("EIC") issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009. The Company has adopted EIC-174.

Future Accounting Pronouncements

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards. Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended March 31, 2009

3. INVENTORY

The major components of the Company's inventory are as follows:

	March 31, 2009	December 31, 2008
Nickel in process	\$ 119,032	\$ -
Nickel concentrate	102,137	-
Nickel in transit	149,111	-
Materials and supplies	588,261	268,285
	<u>\$ 958,541</u>	<u>\$ 268,285</u>

All inventory is valued at the lesser of cost or Net Realizable Value. As at March 31, 2009 and December 31, 2008, nickel in process, nickel concentrate and nickel in transit are recorded at Net Realizable Value, while materials and supplies are recorded at cost.

4. DERIVATIVE INSTRUMENTS

In January 2009, the Company entered into additional forward sales contracts for a total of 700,000 pounds of nickel at a price of US\$5.32 per pound. In addition, the Canadian dollar was hedged at a weighted average exchange rate of 1.1959 for these contracts. At the end of 2008, the Company held future sales contracts for a total of 2.3 million pounds of nickel at a price of US\$8.49 as well as forward currency contracts to sell US\$19,200,000 at forward exchange rates ranging from \$1.183 to \$1.191 per US dollar. The Company classified these derivative instruments as held-for-trading, consequently the change in estimated fair market value of these instruments is recognized in the statement of operations. The Company does not use hedge accounting for its derivative instruments.

In February 2009, the Company monetized their forward sales contract position of 2.97 million pounds of nickel and corresponding foreign exchange price protection for 2009 for net proceeds of approximately \$10,000,000. A portion of the proceeds of this monetization has been used to repay the \$7,600,000 debt facility plus interest (See Note 7). The Company recognized a net gain on this monetization of \$2,090,556.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended March 31, 2009

5. EXPLORATION AND DEVELOPMENT PROPERTY PLANT AND EQUIPMENT AND DEFERRED EXPENDITURES

	MANITOBA				ONTARIO	TOTAL
	BUCKO PROJECT	BUCKO FEASIBILITY	THOMPSON NICKEL BELT	PURE NICKEL JV	SUDBURY	
	(\$)	(\$)	(\$)	(\$)	(\$)	
Balance, January 1, 2009	114,524,749	22,660,493	15,440,513	513,107	800,853	153,939,715
<i>Acquisition or property maintenance costs</i>	6,684	-	23,804	-	-	30,488
<i>Project capital costs</i>	1,885,048	-	-	-	-	1,885,048
<i>Project development costs</i>	8,719,829	-	-	-	-	8,719,829
<i>Exploration costs</i>	899,882	-	23,546	5,486	-	928,914
<i>Asset retirement obligations</i>	612,442	-	-	-	-	612,442
<i>Less: preproduction revenue</i>	(265,036)	-	-	-	-	(265,036)
<i>Less: government assistance</i>	-	-	(115,463)	(17,158)	-	(132,621)
Balance, March 31, 2009	126,383,598	22,660,493	15,372,400	501,435	800,853	165,718,779

MANITOBA

Bucko Deposit and Thompson Nickel Belt

The Company owns a 100% interest in the Bucko Lake Lease, subject to a 2.5% Net Smelter Royalty ("NSR") payable to Xstrata Nickel ("Xstrata"). The Bucko Lake property is also subject to a \$500,000 payment due on commencement of commercial production.

The Company reviewed the Bucko Deposit for impairment during the first quarter of 2009 as a result of declining nickel prices. At March 31, 2009, management determined that the project was not impaired, and no write-downs were necessary.

Pursuant to the Exploration Option Agreement whereby the Company can earn a 100% interest in the Thompson Nickel Belt properties by incurring \$13,200,000 in expenditures from January 1, 2007 up to and including December 31, 2013 (the "Option Period"), the Company is required to spend approximately \$1,350,000 during 2009 to meet its expenditure commitment for the year, and \$7,355,000 to meet its expenditure commitment over the next five years as follows:

- \$2,200,000 by December 31, 2009 (\$845,000 incurred to March 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.

The properties under the Exploration Option Agreement are also subject underlying agreements, specifically i) a 2% NSR; and ii) a 10% net proceeds of production royalty.

The Company also received \$115,463 (2008 - \$228,063) in government assistance related to its exploration expenditures in the Thompson Nickel Belt which has been applied directly against this expenditure.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

5. EXPLORATION AND DEVELOPMENT PROPERTY PLANT AND EQUIPMENT AND DEFERRED EXPENDITURES (continued)

Pure Nickel Joint Venture

In November 2007, the Company entered into a 50-50 Joint Venture Agreement with Pure Nickel Inc. ("Pure Nickel") to explore and develop nickel deposits on properties controlled by both parties near Wabowden, Manitoba near the past-producing Manibridge Nickel Mine. The Company will also have the right to permit, operate and close the historic tailings facility in the joint venture.

Each party contributed property to the joint venture and agreed to make an initial aggregate contribution of \$6,000,000 by the end of 2011 to fund preliminary exploration activities within the joint venture area. Pure Nickel also has the option to earn a 50% interest in an expanded area surrounding the Manibridge deposit by incurring increased exploration expenditures totalling \$3,000,000 by 2012.

Pursuant to an option agreement with Hudson Bay Exploration and Development Company Limited, the Company can acquire a 100% interest in two claims within the area of interest of the Pure Nickel joint venture by making payments of \$250,000 and funding a total of \$750,000 in exploration expenditures by 2011, subject to a back in clause, right of offer for off-take and a 2% Net Smelter Royalty.

The Company received \$17,158 (2008 - \$nil) in government assistance related to its exploration expenditures on the Pure Nickel JV properties.

6. EQUIPMENT LEASE OBLIGATION

As at March 31, 2009, the future minimum lease payments under the equipment lease arrangements were:

<u>Equipment lease obligations</u>	
2009	39,228
2010	53,186
2011	46,148
2012	9,836
2013	9,836
	<hr/>
	158,234
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Less: Amounts representing interest	(19,584)
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	138,650
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Less: Current portion	(42,477)
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Long-term portion	96,173
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CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended March 31, 2009

7. LONG-TERM DEBT

At the end of 2008, the Company carried \$7,600,000 in debt related to an amended loan facility agreement entered into with First Rand Ireland Plc during 2008. Through this loan facility, the Company was required to enter into a price protection program, and acquired forward nickel and currency contracts. During the quarter, the Company monetized these contracts for net proceeds of approximately \$10,000,000, of which \$7,600,000 was used to pay off the outstanding debt (Note 4). The restriction on a \$3,000,000 debt reserve was lifted and these funds became available to the Company.

As well, in January 2009, 17,324,786 warrants with an exercise price of \$0.64 were cancelled in accordance with the debt facility restructuring agreement. These were replaced with 20,000,000 warrants at a strike price of \$0.2125 expiring three years from the date of issue (Note 9(b)). The grant date fair value of these warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield: 0%; expected volatility: 93%; risk-free interest rate: 1%; and expected life: 3 years. The value of these warrants was recorded during the year ended December 31, 2008.

8. ASSET RETIREMENT OBLIGATIONS

The Company's asset retirement obligations ("ARO") are based on management's estimates of costs to abandon and reclaim exploration and development property, plant and equipment as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the ARO associated with the retirement of the Company's exploration and development property, plant and equipment:

	March 31, 2009	December 31, 2008
Balance, beginning of period	\$ 359,000	\$ 331,000
Liabilities incurred	\$ 612,442	\$ -
Accretion expense	\$ (57,416)	\$ 28,000
Balance, end of period	\$ 914,026	\$ 359,000

The Company has estimated the present value of its total asset retirement obligations to be \$914,026 (2008 – \$359,000) at March 31, 2009 based on a total future liability estimated to be approximately \$2,273,000 (2008 - \$632,000). The credit adjusted risk-free rates used in estimating the site restoration obligation were 8.75% and 8.4%. Reclamation is expected to take place in 2021. As a result of increased reserves and a longer mine life, the Company changed the assumptions used to discount the prior year's asset retirement obligations, such that an adjustment to accretion expense was recorded.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

9. CAPITAL STOCK

Authorized

Unlimited common shares without par value

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	Shares	Value
Balance, December 31, 2007	249,978,487	\$ 86,671,512
Private placement, flow through	31,615,000	10,250,700
Private placement, non flow through	8,065,000	5,000,300
Exercise of warrants	1,115,836	446,334
Exercise of warrants - warrant valuation	-	118,742
Exercise of options	2,530,000	569,531
Exercise of options - option valuation	-	979,566
Flow-through share tax effect	-	(3,563,000)
Cost of issue	-	(1,573,821)
Tax effect of cost of issue	-	390,000
Balance, December 31, 2008	293,304,323	\$ 99,289,864
Shares issued through share compensation plan	174,572	34,915
Flow-through share tax effect	-	(2,982,000)
Balance, March 31, 2009	293,478,895	\$ 96,342,779

The Company has a Share Compensation Plan, approved by the shareholders of the Company, designed to advance the interest of the Company by rewarding performance without the use of cash resources. The Share Compensation Plan is in addition to the Company's stock option plan, and provides that shares issued under the Plan since inception together with the number of options outstanding under the stock option plan at that time do not exceed 10% of the Company's issued and outstanding shares. The common shares issued under the Plan cannot be sold for a period of twelve months from the date of issue.

The Company has authorized and reserved 2,095,000 common shares to be issued through the Share Compensation Plan in twelve equal instalments at quarterly intervals over a period of three years. During the quarter, 174,572 common shares were issued under the plan at a value of \$0.20 per share or \$34,915, being the fair market value on the date of grant. Of this value, \$20,665 was charged to professional, consulting and management fees and \$14,250 was charged to exploration and development costs.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

9. CAPITAL STOCK (continued)

b) Warrants

	March 31 2009		December 31, 2008	
	Number of warrants	Weighted Average price (\$)	Number of warrants	Weighted Average price (\$)
Balance, beginning of period	19,705,586	0.61	11,248,650	1.03
Granted, broker options	-	-	2,380,800	0.36
Granted, facility loan	20,000,000	0.21	17,324,786	0.64
Exercised	-	-	(1,115,836)	0.40
Expired	(17,324,786)	0.64	(10,132,814)	1.10
Balance, end of period	22,380,800	0.23	19,705,586	0.61

As at March 31, 2009, the following warrants were outstanding:

Value (\$)	Number of Warrants	Exercise Price (\$)	Expiry Date
244,831	963,900	0.62	April 30, 2010
130,355	1,416,900	0.18	December 17, 2010
4,569,188	20,000,000	0.21	January 16, 2012
4,944,374	22,380,800		

c) Stock Options

The following are the stock option transactions during the period:

	March 31, 2009		December 31, 2008	
	Number of options	Average price	Number of options	Average price
Balance, beginning of period	19,644,375	\$ 0.55	21,510,000	\$ 0.54
Granted	2,765,000	\$ 0.20	4,340,000	\$ 0.63
Exercised	-	\$ -	(2,530,000)	\$ 0.23
Expired	(2,500,000)	\$ 0.68	(150,000)	\$ 0.61
Forfeited	(3,591,875)	\$ 0.45	(3,525,625)	\$ 0.84
Balance, end of period	16,317,500	\$ 0.49	19,644,375	\$ 0.55

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

unaudited

For the three months ended March 31, 2009

9. CAPITAL STOCK (continued)

As of March 31, 2009, the following stock options were outstanding:

Estimated Grant Date Fair Value	Number of Options	Number of Options Exercisable	Exercise Price	Expiry Date
\$ 3,480	10,000	10,000	\$ 0.520	April 30, 2009
1,714	3,750	3,750	\$ 0.480	April 30, 2009
2,057	37,500	37,500	\$ 0.225	June 1, 2009
34,394	100,000	100,000	\$ 0.405	June 1, 2009
44,940	70,000	70,000	\$ 0.940	June 1, 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
19,800	100,000	100,000	\$ 0.290	February 21, 2010
7,100	50,000	50,000	\$ 0.200	July 14, 2010
300,303	1,510,000	1,510,000	\$ 0.225	March 13, 2011
84,740	350,000	350,000	\$ 0.280	July 5, 2011
3,446	15,000	15,000	\$ 0.300	August 9, 2011
31,394	100,000	100,000	\$ 0.365	August 15, 2011
44,295	150,000	150,000	\$ 0.350	September 28, 2011
607,030	1,785,000	1,785,000	\$ 0.405	January 10, 2012
6,423	56,250	56,250	\$ 0.500	February 20, 2012
138,600	200,000	200,000	\$ 1.020	April 9, 2012
1,197,330	1,865,000	1,865,000	\$ 0.940	June 28, 2012
604,031	1,500,000	1,312,500	\$ 0.600	September 17, 2012
69,234	150,000	112,500	\$ 0.710	November 21, 2012
98,466	240,000	180,000	\$ 0.630	November 22, 2012
38,953	120,000	75,000	\$ 0.520	February 1, 2013
57,937	180,000	112,500	\$ 0.540	March 31, 2013
40,374	100,000	50,000	\$ 0.680	April 30, 2013
1,239,611	3,215,000	1,607,500	\$ 0.690	May 26, 2013
43,017	165,000	82,500	\$ 0.480	June 30, 2013
12,350	75,000	28,125	\$ 0.320	July 31, 2013
1,929	30,000	7,500	\$ 0.150	October 31, 2013
11,711	150,000	37,500	\$ 0.190	November 30, 2013
6,285	95,000	11,875	\$ 0.200	January 31, 2014
13,902	260,000	32,500	\$ 0.185	February 28, 2014
112,169	2,410,000	301,250	\$ 0.200	March 20, 2014
\$ 5,126,265	16,317,500	11,578,750		

CROWFLIGHT MINERALS INC.

(A development stage company)

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9. CAPITAL STOCK (continued)

During the quarter ended March 31, 2009, 2,765,000 stock options (Q1 2008 – 335,000) were granted to directors, officers, employees and consultants of the Company. These options vest one eighth every quarter from the date of grant over a two-year term. An amount of \$344,882 (Q1 2008 - \$522,577) was recorded for all options that vested during the period and is included in professional, consulting and management fees on the statement of operations. The weighted average grant date fair value of options granted during the period ended March 31, 2009 was \$0.14 (Q1 2008 - \$0.35). 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>Q1-2009</u>	<u>Q1-2008</u>
Expected dividend yield	0%	0%
Expected volatility	87%	82%
Risk-free interest rate	1.7%	3.9%
Expected average life (yrs)	5	5

d) Contributed Surplus

	March 31, 2009	December 31, 2008
Balance, beginning of period	\$ 13,485,751	\$ 10,193,512
Stock options granted and/or vested during the period:		
Directors, officers and employees	324,552	2,140,846
Consultants	20,330	223,989
Exercise of stock options, reallocation of valuation	-	(979,566)
Expiry of warrants, reallocation of valuation	-	1,906,970
Balance, end of period	\$ 13,830,633	\$ 13,485,751

10. 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, 2009 an amount of \$2,799 (2008 - \$nil) is payable in relation to these expenses. During the comparative quarter, the Company prepaid and was owed \$27,319. Amounts payable and prepaid are unsecured, non-interest bearing with no fixed terms of repayment.

The Company was charged \$15,000 during the quarter ended March 31, 2009 (Q1 2008- \$15,000) by a company controlled by a director of the Company for administration services.

During the quarter ended March 31, 2009, 1,700,000 stock options were granted to directors and officers of the Company compared to nil options for the quarter ended March 31, 2008.

CROWFLIGHT MINERALS INC.

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11. FUTURE INCOME TAX LIABILITY

In February 2009, the Company renounced \$10,250,700 of Canadian exploration expenditures related to proceeds from flow-through shares with an effective date of December 31, 2008. As a result, based on an estimated statutory tax rate of approximately 29%, an amount of \$2,982,000 was debited to common shares, increasing the future income tax liability by this amount.

The Company also recorded future income taxes of \$266,000 based on differences in the tax basis and carrying values of the Company's assets at March 31, 2009.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Company's capital consists of common shares, warrants and contributed surplus. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and development stage; as such the Company is dependent on external financing to fund its activities, as well as the achievement of profitable operations. In order to carry out the planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the quarter ended March 31, 2009.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and capital leases. The Company's risk management objectives include minimizing risk relating to cash and cash equivalents to preserve capital for strategic investing. The Company does not enter into or trade financial instruments for speculative purposes.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

CROWFLIGHT MINERALS INC.

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For the three months ended March 31, 2009

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

The Company's credit risk is primarily attributable to cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of guaranteed investment certificates and bankers acceptance, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of goods and services tax due from the Federal Government of Canada and receivables from related and unrelated companies. Management believes that the credit risk concentration with respect to these financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2009, the Company had a cash and cash equivalents balance of \$1,610,809 (December 31, 2008 - \$10,607,543) to settle current liabilities of \$13,051,823 (December 31, 2008 - \$15,622,737). Most of the Company's financial liabilities have contractual maturities of between 30 – 60 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash and cash equivalent balances subject to fluctuations in interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Upon production, the Company will be exposed to foreign exchange risk as a result of sales transactions being denominated in US dollars. The Company monetized its derivative currency contracts, and currently does not hedge for foreign exchange risk (Note 4).

(c) Commodity price risk

The Company is exposed to price risk with respect to commodity prices, specifically nickel prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. The Company's future mining operations will be significantly affected by changes in the market prices for nickel. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for nickel, the level of interest rates, the rate of inflation, investment decisions by large holders of nickel and stability of exchange rates can all cause significant fluctuations in nickel prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

The Company monetized its remaining forward nickel contracts during the quarter, and currently does not hedge for commodity price risk (Note 4).

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For the three months ended March 31, 2009

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Sensitivity analysis

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Financial instruments included in amounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Equipment leases are classified as held-to-maturity and measured at amortized cost. Derivative financial instruments are classified as held-for trading.

As at March 31, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately the same due to the limited terms of these instruments. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

The Company holds certain cash equivalents that upon renewal will earn interest at the then market rate for such deposits. A 1% decrease in interest rates based on the cash and cash equivalents balance at March 31, 2009 will generate a decrease in interest income of approximately \$16,000.

The Company currently carries receivables in foreign currencies that are exposed to foreign exchange risk. A change of 1% in the Canadian dollar compared to the US dollar based on the US denominated accounts receivable balance at March 31, 2009 will generate an increase or decrease in the receivable of approximately \$2,000. As production ramps up and the accounts receivable balance increases, the change could be significant.

14. COMMITMENTS AND CONTINGENCIES

(a) The Company issued 23,615,000 flow-through shares in December 2008 and as a result, the Company is committed to expend \$4,250,700 in qualified exploration expenditure by December 31, 2009. As of March 31, 2009, the Company has spent approximately \$1,960,000, and will be required to spend approximately \$2,291,000 by December 31, 2009.

(b) The Company is party to certain management contracts which require that additional payments of approximately \$3,500,000 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. Minimum commitments under these contracts are approximately \$733,000, all of which is due within one year.

(c) The Company entered into an agreement on February 28, 2007 with a general contractor for the Bucko Lake mine. If the agreement is terminated without cause, the Company must give 90 days notice and is liable for demobilization fees.

(d) Outstanding legal issues relate to a claim for damages by the Company to Met-Chem Canada Inc. ("Met-Chem"), the engineering firm hired by the Company to design the processing facility. The claim is for corrective measures required to the crushing plant building due to engineering errors by Met-Chem. The cost of expected corrective measures is \$230,000.

CROWFLIGHT MINERALS INC.

(A development stage company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended March 31, 2009

15. INTEREST IN JOINT VENTURE

The Company's proportionate share of the assets, liabilities and cash flows of its joint venture included in these unaudited interim consolidated financial statements are as follows:

	Pure Nickel JV	
	March 31, 2009	December 31, 2008
Current assets	5,546	18,146
Exploration properties and deferred exploration expenditures	409,657	420,751
Current liabilities	-	-
Revenues	-	1,272
Expenses	-	-
Cash flows from operating activities	(12,600)	116
Cash flows from investing activities	11,094	(420,751)
Cash flows from contributions	-	435,000

16. SUBSEQUENT EVENTS

On April 30, 2009, the Company closed a brokered private placement financing through the issuance of 46,000,000 units of the Company at a price of \$0.17 per unit for total gross proceeds of \$7,820,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at a price of \$0.20 for a period of two years from the date of grant.

As well, on April 17, 2009, the Company entered into an agreement with Dumas Contracting Limited ("Dumas"), its contract mining company at the Bucko Lake Mine. Under the agreement, Dumas agreed to purchase, on a non-brokered private placement basis, 29,411,765 units of the Company at a price of \$0.17 per unit for gross proceeds of \$5,000,000. These units were issued on April 30, 2009. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share of the Company at a price of \$0.20 for a period of two years from the date of grant. The net proceeds were used to settle current trade payables owed to Dumas for underground mining carried out by Dumas at the Bucko Lake Mine.



crowflight minerals inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the three months ended March 31, 2009

(a development stage company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

of financial condition and results of operations
for the three months ended March 31, 2009

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Crowflight Minerals Inc. ("we", "our", "us", "Crowflight", or the "Company") for the quarter ended March 31, 2009 and should be read in conjunction with our unaudited interim consolidated financial statements for the quarter ended March 31, 2009 in addition to our annual audited consolidated financial statements and notes for the year ended December 31, 2008. The financial statements and related notes of Crowflight have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information, including our press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at www.sedar.com.

The scientific and technical information contained in this report has been prepared under the supervision of, and reviewed by, Mr. Paul Keller, P.Eng., and Mr. Greg Collins, P.Geo., officers of the Company, both of whom are "Qualified Person(s)" within the meaning of National Instrument 43-101.

This MD&A reports our activities through May 7, 2009 unless otherwise indicated. All figures are in Canadian dollars unless otherwise indicated.

References to the first quarter of 2009 or Q1-2009 and the first quarter of 2008 or Q1-2008 mean the three months ended March 31, 2009 and 2008 respectively.

HIGHLIGHTS FOR THE FIRST QUARTER OF 2009

- On February 13, 2009, the Company announced the first shipment of nickel concentrate from the Bucko Lake Nickel Mine (Bucko) and announced completion of the Bucko Mine mill construction. Shipments of nickel concentrate continue to be delivered to Xstrata Nickel Plc ("Xstrata"). The pre-production statistics and metal sales revenues for the first quarter are reported in the table below.

2009 Quarterly Bucko Mine Operations Pre-Production and Financial Data

	Q1
Pre-production Operating Statistics:	
Tonnes ore mined	31,091
Nickel ore (%Ni)	0.95%
Tonnes ore milled	29,303
Concentrate grade (% Nickel)	16.23%
Recovery	31.97%
Nickel pounds:	
Produced	138,956
Payable sold	65,498
Pre-production Metal Sales Revenue:	
Average Ni price (US\$/lb)	\$ 4.46
\$/US\$ exchange rate	\$ 1.26
Nickel revenue	368,318
Other metals revenue ¹	5,935
Total metal revenue²	374,253

¹ Copper, Cobalt and Precious Metals² Pre-production Revenues recorded against Capital Project

- Work continues to ramp up to full commercial production in the second quarter of 2009. Surface and underground activities at Bucko during the first quarter of 2009 focused on completing the commissioning of the processing plant and underground development to access high grade stoping areas between the 1,000 and 900 foot levels. Development progress was behind plan in the first quarter due to underground equipment availability and delays in the development of the ore and waste handling system. To remedy this, the contractor increased the underground equipment fleet and increased the manpower as additional work headings became available during the quarter. The availability of the additional resources and workplaces has resulted in increased development advance and a number of high grade stoping areas were accessed by the end of the quarter. The majority of milled tonnage during the quarter was development tonnes and low grade early ore from the conventional stoping block. By the end of January, the processing plant construction was essentially complete after final installation of the piping circuits, process plant automation and the reclaim water system. Prior to this, the lack of reclaim water for mill operation limited the daily milling to 6 hours per day. The reagent addition systems only came on line late in the quarter due to equipment commissioning issues and the lack of programming, so reagents had to be manually fed to the circuit initially. Availability of mine tonnes and equipment reliability due to plant commissioning caused weaker-than-expected performance during the quarter. The grinding circuit was operating at plan near the end of the quarter with room available to increase throughput. Lack of feed ore and the variability of ore (especially with some very low grade material from early ore and development ore) hampered the ability to tune the reagent system until late in the quarter. As the systems were corrected and proper reagent addition was available, the plant began behaving to design, giving recoveries of up to 85% depending on feed grade. Xstrata Process Support group were contracted to provide operational support to assist Crowflight in reaching throughput, recovery and operating parameters for various ore types.
- The Phase 1 underground delineation drilling was completed, the results of which were used to update the mineral resource estimates at Bucko, and the Phase 2 program is now underway. Assay results from the programs were released on June 25, 2008, October 1, 2008, January 22, 2009 and March 30, 2009. Results to date are interpreted to be consistent with the mine design tonnage and feasibility grade model.
- In January 2009, 17,324,786 warrants with an exercise price of \$0.64 were cancelled in accordance with the debt facility restructuring agreement. These were replaced with 20,000,000 warrants at a strike price of \$0.21.
- On January 13, 2009, Crowflight entered into additional forward sales contract agreements in accordance with its risk management strategy to manage commodity price exposure on nickel sales and foreign exchange

rates. Forward sale contracts were entered into for the first and second quarters of 2009 for a total of 700,000 pounds of nickel at a price of US\$5.32 per pound. In addition, the Canadian dollar was hedged on these quantities. These were subsequently monetized on February 26, 2009 when the Company monetized the entire hedge position of 2.97 million pounds at an average realized price of US\$7.74 per pound nickel. This included a CAD\$1.19 to US\$1.0 exchange rate for net proceeds of \$10,134,725. Of this, \$7,648,258 was used to pay off the outstanding balance of the debt facility plus accrued interest. As well, the restriction on the debt reserve account was lifted, providing the Company with cash of approximately \$5.5 million. The Company has no remaining hedges as at the date of this report.

- In February 2009, the Company signed a letter of intent with Auramet Trading LLC for a working capital line of credit of US\$10,000,000. Finalization of the facility remains subject to due diligence and final binding agreements.
- On March 12, 2009, Crowflight announced an updated National Instrument 43-101 compliant Mineral Reserve and Resource estimate for its Bucko Lake Nickel Mine, which saw fully diluted Proven and Probable Reserves at Bucko increase to 3,708,393 tonnes grading 1.45% nickel. This represents a 22% increase in contained nickel over the 2007 Bankable Feasibility Study (BFS). The table below presents the updated Reserves and Resources prepared in accordance with NI 43-101 guidelines. Please see the press release dated March 12, 2009 for further details.

NI 43-101 Compliant Mineral Reserves and Resources at Bucko as at December 31, 2008

Category	Cut-Off Grade	Tonnes	Ni %	Contained Nickel millions (lbs)
Proven Reserves*	1.25%	359,000	1.63	12.9
Probable Reserves*	1.25%	3,349,000	1.44	105.3
Total Reserves	1.25%	3,708,000	1.45	118.2
Measured Resources	1.0%	495,000	1.48	16.2
Indicated Resources	1.0%	2,264,000	1.53	76.9
Total Measured and Indicated Resources	1.0%	2,759,000	1.53	93.1
Inferred Resources	1.0%	5,468,000	1.34	161.6
Total Inferred Resources	1.0%	5,468,000	1.34	161.6

* Proven and Probable Reserves determined from Measured and Indicated Resources using a 1.25% nickel cut-off

- During Q1-2008, 2,500,000 options expired unexercised, while 3,591,875 were forfeited.

OVERVIEW

Crowflight is a development stage company in accordance with Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 11, and currently has mineral exploration and development properties in Canada. The Company is currently focusing its resources on the development and ramping up of production at the Bucko Lake Nickel Mine and the exploration of the Thompson Nickel Belt ("TNB"), both in the province of Manitoba.

Crowflight owns a 100% interest in the Bucko Lake deposit, subject to certain external rights held by Xstrata, and operates a mine and mill complex on the Bucko Lake mine site near Wabowden, Manitoba. The Company maintains an interest in a variety of grass roots and advance-staged exploration properties in the TNB and Sudbury district, Ontario.

MINERAL PROPERTIES

THOMPSON NICKEL BELT PROPERTIES ("TNB") – MANITOBA

The Company owns or holds under option claims and leases totaling 731.7 square kilometers in the Province of Manitoba. These properties are situated in the TNB and Crowflight has interpreted the claims to host extensions of geology known to host, or capable of hosting, nickel sulphide deposits.

The TNB hosts nickel mineralization along a well-established geological trend that extends for over 250 kilometers. An estimated 4.5 billion pounds of nickel has been previously produced from the TNB. Crowflight's Joint Venture partner, Xstrata, through predecessor companies, has been an active participant in the TNB since the early 1960s and has produced an extensive technical database for this section of the TNB.

CROWFLIGHT - XSTRATA AGREEMENTS

Bucko Mining Lease, Offtake, and TNB Exploration Option Agreements

On January 31, 2007, Crowflight entered into an amended Agreement with Xstrata Nickel that provided Crowflight the right to: (1) earn a 100% interest in mining lease ML-031 which contains the Bucko Lake Nickel Deposit and a 5.5 kilometer area surrounding the Bucko Deposit; and (2) earn a 100% interest in all of the advanced-stage exploration ground previously the subject of the separate TNB South and TNB North Agreements. At the end of this reporting period, property maintained by Crowflight and covered by this Agreement approximately totalled 586.4 square kilometers.

The Company also secured a definitive offtake agreement. See Definitive Offtake Agreement section below.

Right to Earn a 100% Interest in the Bucko Lake Nickel Deposit – Bucko Lease Transfer Agreement

Under the terms of the jointly signed Bucko Lake Deposit Lease Transfer Agreement, in Q2-2007, Crowflight earned a 100% interest in the Bucko Lake Nickel Deposit Mining Lease ML-031, subject to a 2.5% Net Smelter Return royalty ("NSR"), after having completed its expenditure commitments and having completed a Bankable Feasibility

Study of a technical standard acceptable to a bank in the context of financing such a project's development. On the exercise of its rights Crowflight issued 2,000,000 shares to Xstrata Nickel. The issuance of these shares was a condition dating back to the original and amended versions of the Agreement governing the Bucko Deposit and Mining Lease.

Crowflight's 100% interest in ML-031 is subject to a Back-in Right whereby should Crowflight outline a Threshold Deposit - a new Deposit (outside of the currently known Bucko Resources) exceeding 200,000,000 pounds of nickel in Measured and Indicated Resources - Xstrata Nickel has the right to Back-in for a 50% interest and to become the operator of the new Threshold Deposit by paying to Crowflight an amount equal to the aggregate of all direct expenditures which were incurred by Crowflight in carrying out Mining Operations on the Bucko Lake Lease outside of the Bucko Resource Block prior to the date of exercise of the Back-in Right. A royalty payment of \$500,000 is payable at the start of commercial production.

Right to Earn a 100% Interest in the TNB Exploration Properties – Exploration Option Agreement

Under the terms of a jointly signed Exploration Agreement, Crowflight has the right to earn a 100% interest in Xstrata's TNB Properties (formerly referred to as the TNB North and TNB South Exploration Properties), which includes approximately 580 square kilometers of advanced-stage exploration ground. Crowflight will earn an initial 35% interest upon its expenditure of \$7.2 million in exploration activities on the combined TNB Exploration Properties (TNB North and/or TNB South at Crowflight's discretion) no later than December 31, 2009. At the end of Q1-2009, Crowflight has incurred gross exploration expenditures, which includes a 10% administration charge, of approximately \$6.38 million of the required \$7.2 million expenditure commitment. The Company will earn a 100% interest upon its expenditure of a further \$6.0 million in exploration activities on the combined TNB Exploration Properties no later than December 31, 2013.

Crowflight's 100% interest in the Exploration Properties is subject to a Back-in Right whereby should Crowflight outline a Threshold Deposit or Deposits, each of which exceed 500,000,000 pounds of nickel in Measured and Indicated Resources, Xstrata Nickel has the right to Back-in for a 50% interest and become the operator of the Threshold Deposit or Deposits by incurring expenditures on the property in an amount equal to two times the aggregate of all expenditures which were incurred by Crowflight in carrying out mining operations on the property prior to the Back-in, provided that if Xstrata Nickel exercises more than one Back-in Right, then in calculating the required Back-in expenditures for each subsequent Back-in Right expenditures relating to any previously exercised Back-in Right are excluded from such expenditure calculation.

Definitive Offtake Agreement

Based on the results of a feasibility study concluded in December 2005 (refer to press release dated December 16, 2005), the Bucko Lake Nickel Deposit has the potential to produce on average approximately 33,000 tonnes of nickel concentrates annually with an annual average of 11.1 million pounds of payable nickel. Crowflight has entered into a life of mine contract with Xstrata Nickel for the purchase of 100 percent of the nickel concentrates at commercially competitive terms over the current approximate nine year life of the mine. These agreements replace former agreements with Falconbridge Ltd. (Xstrata Nickel) dated June 2004 and January 2005.

MANIBRIDGE JOINT VENTURE – MANITOBA

The Company holds an interest in 55 claims totaling approximately 145.3 square kilometers centered around the past-producing Manibridge Nickel Mine, located approximately 20 kilometres south of Wabowden, Manitoba. The property covers extensions of prospective geology interpreted to be associated with the Manibridge mine horizon and hosts several known occurrences of nickel sulphide mineralization. In August 2007, the Company acquired a 100% interest in the Owl Claim from Ferreira Ltd., subject to a 2% Net Smelter Return royalty ("NSR").

In November 2007, the Company entered into two separate but related transactions:

Firstly, Crowflight entered into an option agreement with Hudson Bay Exploration and Development Ltd. (HBED) to acquire a 100% interest in two claims located close to the Manibridge mine. 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% NSR.

Secondly, Crowflight entered into a 50-50 Joint Venture agreement with Pure Nickel Inc. ("Pure Nickel") to explore and develop nickel deposits on properties controlled by both parties near the past producing Manibridge Nickel Mine (the "Pure Nickel Agreement"). Under the terms of the Pure Nickel Agreement, both parties have agreed to contribute property to the Joint Venture and make an aggregate contribution of \$6 million over a three year period to fund preliminary exploration activities within the joint venture area. Pure Nickel contributed two claims containing the Manibridge Deposit. Crowflight contributed 62 claims it owned, including claims held under option from HBED.

In November 2008, the terms of the Pure Nickel Agreement were amended to allow Pure Nickel the option to earn a 50% interest in an expanded area surrounding the Manibridge deposit by incurring additional exploration expenditures by 2012. In addition, the period for funding preliminary exploration activities in the joint venture area was extended until 2011.

SUDBURY PROPERTIES – ONTARIO

In the Sudbury Basin, Crowflight maintains an interest in approximately 75.4 square kilometers of mining property which includes: (1) the AER Kidd Project adjacent to Inco Limited's Totten Deposit (10.1 million tonnes grading 1.5% nickel, 2.0% copper and 4.8 g/t PGMs); and (2) the Peter's Roost Property.

AER Kidd Property

There is currently no activity on this property. Crowflight maintains a 100% interest in the mining patents associated with this property. In 2008, the company wrote down its value of \$5,244,395.

Peter's Roost Property

In June 2006, the Company reached a formal agreement with Wallbridge Mining Company Limited ("Wallbridge") to earn an initial and conditional 50% interest in the Company's interests in the Peter's Roost group of properties. Wallbridge was required to incur \$700,000 in exploration expenditures on the properties by December 31, 2007 in order to earn an initial 50% interest. Wallbridge has 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. See Exploration Activities section below for current status.

For any new properties Wallbridge acquires within the joint venture area, the Company will have the right to acquire a 25% participating interest, at such time as an indicated resource is established, by reimbursing Wallbridge 50% of its exploration costs to that point.

EXPLORATION ACTIVITIES

Thompson Nickel Belt Properties

In 2008, a total of 8,200 metres in 21 holes were drilled on Xstrata JV property to expand resources at Halfway Lake and M11A and to evaluate exploration targets located in close proximity to the Bucko Lake Nickel Deposit. The results from this work were used to calculate updated Inferred Resources at the Halfway Lake and M11A North deposits.

At Manibridge the results from a six hole, 2,496 metre program were reviewed and assay results were communicated in a press release dated September 10, 2008. The program was successful in discovering two new zones of nickel mineralization near the past producing Manibridge Deposit which operated from 1972 to 1976 and produced approximately 900,000 tonnes grading 1.86% nickel.

During the current reporting period, exploration work has concentrated on review of data and target generation in preparation for work programs planned for the fourth quarter of 2009.

Bucko Lake Nickel Mine

At Bucko, the second phase of definition drilling from the 1,000 foot mining level is in progress. By the end of the first quarter of 2009, 30 holes for a total of 6,850 metres of underground drilling had been completed. Results from the program remain consistent with the mine design tonnage and grade expectations.

Sudbury Properties

In January 2008, Wallbridge earned an initial 50% interest in the property and submitted a proposal for additional work in 2008. During 2008, Wallbridge focused its efforts on Area 4, completing a high resolution airborne geophysical survey, mapping and the drilling of three holes totaling 335 metres. Two holes intersected semi-massive sulphides containing anomalous nickel copper sulphide mineralization. Additional drilling to follow up geophysical anomalies associated with this mineralization was undertaken by Wallbridge during Q1-2009. Assay results from this work were not available as of the effective date of this report.

OPERATIONAL AND DEVELOPMENT ACTIVITIES

Bucko Lake Nickel Mine

Work continues to ramp up to full commercial production in the second quarter of 2009. Surface and underground activities at Bucko during the first quarter of 2009 focused on completing the commissioning of the processing plant and underground development to access high grade stoping areas between the 1,000 and 900 foot levels. Development progress was behind plan in the first quarter due to underground equipment availability and delays in the development of the ore and waste handling system. To remedy this, the contractor increased the underground equipment fleet and increased the manpower as additional work headings became available during the quarter. The availability of the additional resources and workplaces has resulted in increased development advance and a number of high grade stoping areas were accessed by the end of the quarter. The majority of milled tonnage during the quarter was development tonnes and low grade early ore from the conventional stoping block.

By the end of January, the processing plant construction was essentially complete after final installation of the piping circuits, process plant automation and the reclaim water system. Prior to this, the lack of reclaim water for mill operation limited the daily milling to 6 hours per day. The reagent addition systems only came on line late in the quarter due to equipment commissioning issues and the lack of programming loops, so reagents had to be manually fed to the circuit initially. Availability of mine tonnes and equipment reliability due to plant commissioning caused weaker-than-expected performance during the quarter. The grinding circuit was operating at plan near the end of the quarter with room available to increase throughput. Lack of feed ore and the variability of ore (especially with some very low grade material from early ore and development ore) hampered the ability to tune the reagent system until late in the quarter. As the systems were corrected and proper reagent addition was available, the plant began behaving to design, giving recoveries of up to 85% depending on feed grade. Xstrata Process Support group were contracted to provide operational support to assist Crowflight in reaching throughput, recovery and operating parameters for various ore types.

Crowflight completed the recycle water system, process plant electrical, HVAC, process plant automation and reagent system in the first quarter. As a result, the Bucko Mine mill construction is now complete. Moving forward, Crowflight plans to continue to optimize mill throughput, concentrate quality and mill recoveries. Higher grade mill feed from stoping tonnes is expected to help increase recoveries and concentrate quality. The reagent system is now fully functional and able to provide quantity and strength to manage the milling operation at design addition rates. The nuclear density gauges are not yet installed and are awaiting delivery, thereby limiting the fine tuning of the operation in the meantime; however, the mill operators have been trained in managing the plant to design in order to reduce the impact of operating at lower than planned density, which is a major impact to plant performance. Some further refinements are planned and Xstrata Process Support group has been contracted to provide advanced technical support to achieve optimum performance on various operating scenarios and ore types. Opportunities exist to reduce reagent consumption by using alternate reagents by replicating real operating conditions in the lab. XPS have extensive nickel recovery knowledge and advanced lab tools to perform numerous operating improvement conditions applicable to the Bucko ore types.

During the first quarter, Crowflight was mining in the first high grade stope area on the 1,000 foot level underground at Bucko. As planned, lower grade stopes on the 1,000 foot level were mined and the high grade stope area on the 900 foot level is now being developed and mined. The main ramp has been developed approximately 380 feet down vertically from surface. By the end of the first quarter, access to six main stopes were developed representing approximately 60,000 tonnes of mill feed spread over the next six months. Advance in the underground development has been steadily improving and nearing planned targets by month end due to increased workplaces, improved ventilation, additional mining equipment and completion of the main ore and waste handling systems.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's Annual Audited Financial Statements for the year ended December 31, 2008. The following is a list of the accounting policies that the Company believes are critical, as they are subject to estimates and key judgments about future events, many of which are beyond management's control.

- Carrying value of exploration and development properties and deferred expenditures
- Asset retirement obligations
- Income taxes

Carrying value of exploration and development properties and deferred expenditures

Crowflight reviews and evaluates the carrying value of its exploration and development properties for impairment whenever events or circumstances indicate that the carrying amounts of these assets might not be recoverable. If the carrying amount exceeds the undiscounted cash flow, an impairment loss is measured and recorded. Future cash flows are based on estimated recoverable production as determined from Proven and Probable Reserves and Measured, Indicated and Inferred Resources. Assumptions underlying the cash flow estimates include, but are not limited to, forecasted prices for nickel, the CAD/US foreign exchange rate, production levels, and operating, capital and reclamation costs. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. It is therefore possible that any change in estimates with respect to the Company's mine plans could occur and could affect the expected recoverability of Crowflight's investments in the carrying value of the assets. Management's assessment of the exploration property's estimated current value is based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

Asset retirement obligations

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are subject to change and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. The Company records the estimated present value of reclamation liabilities in the period in which they are incurred. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to exploration and development properties and deferred. This liability can also be adjusted for changes in the estimate of the amount, timing and cost of the work to be carried out. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each property. Actual costs incurred may differ from those amounts estimated and any future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities. See Note 2 of the Company's Annual Audited Financial Statements for the year ended December 31, 2008. Assessing the recoverability of future income tax assets requires management to make significant estimates of future taxable income as estimates of future taxable income are subject to changes as discussed above in "Carrying value of exploration and development properties and deferred expenditures". Should future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could affect the Company's ability to obtain tax deductions in future periods.

RECENT ACCOUNTING CHANGES AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Please refer to Note 2 of the Company's Annual Audited Financial Statements for the year ended December 31, 2008 and Note 2 of the Q1-2009 financial statements.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2009, the Company had a working capital deficit of \$9,521,919 compared to working capital of \$7,667,069 as at December 31, 2008. The cash balance as at March 31, 2009 was \$1,610,809 (2008 – \$10,607,543) and the restricted cash balance was \$nil (2008 – \$2,999,998).

In October 2008, the Company restructured its \$55 million debt facility agreement with FirstRand Ireland Plc. As at December 31, 2008, the balance owing on this facility was \$7,600,000, and the Company carried forward nickel and currency contracts as required by the terms of the agreement. In January 2009, the Company entered into additional forward nickel and currency contracts for the first and second quarters of 2009. In February 2009, the Company monetized its total hedge position of 2.97 million pounds of nickel, allowing Crowflight to repay its remaining \$7,600,000 debt plus accrued interest. The restriction was released from the debt reserve account as a result.

Related to the debt facility agreement, a total of 17,324,786 warrants had been issued to RMB with an exercise price of \$0.64 per share during 2008. With the restructuring of the debt facility, these warrants were cancelled in January 2009, and were replaced with 20,000,000 warrants at an exercise price of \$0.21 expiring three years from the date of issuance.

Subsequent to the quarter's end, in April 2009, the Company announced two private placement financings. The Company raised \$7,820,000 through the issuance of 46,000,000 units of the Company. As well, the Company issued 29,411,765 units for gross proceeds of \$5,000,000. Each Unit consists of one common share of Crowflight (a "Unit Share") and one-half of one common share purchase warrant (each full warrant, a "Warrant"), each full Warrant being exercisable to acquire one common share of Crowflight at a purchase price of \$0.20 for a period of 24 months following the Closing Date. Please see the Subsequent Events section of this report for details of these financings.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments during the quarter consisted of cash and cash equivalents, restricted cash, receivables, payables and accruals, long-term debt, capital leases and derivative instruments. The Company's risk management objectives include minimizing risk relating to cash and cash equivalents to preserve capital for strategic investing. The Company does not enter into or trade financial instruments for speculative purposes.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash equivalents and amounts receivable included in other assets. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of guaranteed investment certificates and bankers acceptance, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of goods and services tax due from the Federal Government of Canada and receivables from related and unrelated companies. Receivables from operations will be from one customer, as a result of

the off-take agreement with Xstrata. Management believes that the credit risk concentration with respect to these financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2009, the Company had a cash and cash equivalents balance of \$1,610,809 (December 31, 2008 - \$10,607,543) to settle current liabilities of \$13,051,823 (December 31, 2008 - \$15,622,737). The Company's trade payables balance was \$9.8 million and normally have contractual maturities of 30 to 45 days and are subject to normal trade terms. The remaining accrued liabilities have maturities greater than approximately 60 days. The Company has the potential to raise additional funds and negotiate longer payment terms as required to meet obligations as they come due. In addition, revenues from nickel concentrate sales have commenced.

Market risk

(a) Interest rate risk

The Company has cash balances subject to fluctuations in interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company assesses interest rate risk as remote and does not hedge against this risk.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. With the start of nickel production, the Company is exposed to foreign exchange risk as a result of sales transactions being denominated in US dollars. The Company monetized its forward currency contracts during the first quarter, and currently does not hedge for foreign currency risk although it may in the future.

(c) Commodity price risk

The Company is exposed to price risk with respect to commodity prices, specifically nickel prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. The Company's future mining operations will be significantly affected by changes in the market prices for nickel. Prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for nickel, the level of interest rates, the rate of inflation, investment decisions by large holders of nickel and stability of exchange rates can all cause significant fluctuations in nickel prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

The Company monetized its forward nickel contracts during the first quarter of 2009, and currently does not hedge against commodity price risk although it may in the future.

Sensitivity analysis

The Company has designated its cash as held-for-trading, measured at fair value. Financial instruments included in other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Long-term debt is classified as held-to-maturity and measured at amortized cost. Derivative financial instruments are classified as held-for-trading.

As at March 31, 2009, the carrying and fair value amounts of the Company's financial instruments are the same. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

The Company holds certain cash equivalents that upon renewal will earn interest at the then-market rate for such deposits. A 1% decrease in interest rates based on the cash and cash equivalents balance at December 31, 2008 will generate a decrease in interest income of approximately \$16,000.

The Company currently carries accounts receivable in foreign currencies giving rise to exposure to foreign exchange risk. A change of 1% in the Canadian dollar compared to the US dollar based on the US denominated accounts receivable balance at March 31, 2009 will generate an increase or decrease in accounts receivable of approximately \$2,000. As production ramps up and the accounts receivable balances increase, this change could be significant.

RESULTS OF OPERATIONS

The Company reported net income of \$1,523,184 (\$0.01 per share - diluted) for the quarter ended March 31, 2009 compared to a net loss of \$2,840,395 (loss of \$0.01 per share) for the quarter ended March 31, 2008.

The Company realized net gains of \$2,090,556 as a result of the monetization of their forward nickel and currency contracts as discussed above. The nickel contracts increased in value as a result of declining nickel prices since entering into the contracts, while the currency contracts decreased in value as a result a weaker Canadian dollar.

General and administrative expenses decreased by approximately \$63,000 from the comparative quarter as a result of several variances. These include stock-based compensation expense, which decreased by \$157,000; however, this was offset by increases in general and office expenses and interest expenses. The Company incurred lease improvement costs on its shared office space during the quarter. As well, the Company accrued for capital taxes during the quarter for which no charge was recorded during the comparative period. The Company accrued for flow-through interest penalties during the quarter on unspent flow-through expenditures subject to the look-back rule. The Company had met all flow-through expenditure commitments during the comparative quarter and no such accrual was necessary.

The Company also incurred a non-cash accretion reversal on the asset retirement obligation of approximately \$57,000 for the quarter ended March 31, 2009 as a result of a change in assumptions, namely the life of mine, used in discounting the obligation. During the comparative quarter, the Company recorded a charge of \$7,000.

Interest income earned during the current quarter totaled \$21,511 compared to \$51,686 during the quarter ended March 31, 2008. The Company did not hold large balances in investments during the quarter. As well, interest rates were lower this quarter. The Company incurred \$48,192 in interest expense on long term debt during Q1-2009 compared to \$63,070 incurred during Q1-2008 as a result of balances owed on the debt facility. The cost of debt was lower during the quarter as result of lower interest rates. As well, the debt was retired during the current quarter. The Company incurred costs of \$2,040,905 during the comparative quarter to secure the debt facility.

The Company paid \$50,000 to maintain the AER Kidd property in good standing during the quarter (Q1-2008 – \$nil). The Company recorded a recovery of \$66,958 during Q1-2009 as a result of the reversal of stale-dated accruals.

During the quarter ended March 31, 2009, the Company recognized a future income tax recovery of \$266,000 compared to a recovery of \$163,000 during the quarter ended March 31, 2008.

QUARTERLY INFORMATION

The quarterly results have been as follows:

Summary Financial Information for the Eight Quarters Ended March 31, 2009

Tabular amounts in \$000 except for per share amounts.

<u>Period</u>	<u>Revenues</u>	<u>Total Assets</u>	<u>Net Income (Loss)</u>	<u>Net Income (Loss) per Share basic and diluted</u>	<u>Long Term Financial Liabilities</u>
1 st Quarter 2009	Nil	169,885	1,523	0.01	1,010
4 th Quarter 2008	Nil	177,875	28,958	0.11	8,066
3 rd Quarter 2008	Nil	170,826	9,891	0.04	39,901
2 nd Quarter 2008	Nil	121,927	(1,530)	(0.01)	7,140
1 st Quarter 2008	Nil	106,508	(2,840)	(0.01)	6,795
4 th Quarter 2007	Nil	88,214	(380)	(0.01)	331
3 rd Quarter 2007	Nil	86,874	(2,239)	(0.01)	Nil
2 nd Quarter 2007	Nil	83,304	(1,117)	(0.00)	Nil

The Company did not have any operating revenue as at March 31, 2009.

Income earned during Q1-2009 and Q4-2008 resulted from realized net gains on the monetization of forward nickel and currency contracts, net of future income taxes. During Q3-2008, income resulted from the unrealized gain recognizing the increase in fair value of forward nickel contracts entered into by the Company. The net losses in Q1-2008 and Q2-2008 result primarily from corporate overheads, including stock-based compensation.

The Company has invested in capital assets for the development of the Bucko Lake Nickel Mine, which accounts for the continued increases in total assets. Total assets have decreased during Q1-2009 as a result lower cash balances from clearing current and long term liabilities, as well as the monetization of derivative assets.

In Q4-2008, as a result of the restructuring of the debt facility, the remaining value of warrants was expensed at the time of settlement for that portion of the debt facility. As well, an incremental value on the warrants was determined and \$849,709 was charged during Q4-2008. During the second and third quarters of 2008, the Company incurred a non-cash accretion charge of \$475,485 and \$292,696 respectively as a result of the accretion of the value of warrants charged against the debt facility. During the first quarter of 2008, the Company expensed \$2,040,905 in debt facility costs.

Long-term liabilities in Q4-2007 relate to asset retirement obligations. In Q1-2008, the Company entered into a long term loan facility agreement, and drew down funds against this facility accounting for the sharp rise in long term debt. The Company drew down the majority of the Final Tranche of the debt facility during Q3-2008. During Q4-2008, the Company restructured its debt facility and settled the majority of this debt. In Q1-2009, the Company paid the remaining debt in its entirety.

CASH FLOWS

Cash provided by Operating Activities was \$8,491,474 during the quarter ended March 31, 2009, compared to the use of \$882,712 during the same period in 2008. Cash of \$10,134,725 was generated from the monetization of the Company's forward nickel and currency contracts. The change in non-cash working capital used was \$1,118,963 during the quarter ended March 31, 2009 compared to the use of \$452,465 in non-cash working capital during the quarter ended March 31, 2008.

Cash from Financing Activities used \$7,616,765 during the quarter ended March 31, 2009 compared to providing \$16,325,987 for Q1-2008. As described in the Liquidity and Capital Resources section above, the Company retired the remaining debt facility of \$7,600,000. During the comparative quarter in 2008, the Company drew down \$15,917,649 net of transaction costs from this facility. Also during the comparative quarter, the Company received \$435,447 from the exercise of warrants and options. The Company made lease payments of \$16,765 during Q1-2009 compared to \$27,109 during Q1-2008.

Cash used in Investing Activities during the quarter ended March 31, 2009 was \$9,871,443 compared to \$13,280,541 used in investing activities during the quarter ended March 31, 2008. Cash spending on exploration and development of its properties in the TNB as well as the acquisition of capital assets related to exploration and development for the current quarter was \$11,144,143, net of government assistance, compared to \$16,770,258 during Q1-2008. Specifically, the Company used \$11,224,532 in cash in the development of the Bucko Mine (Q1-2008 -- \$13,939,385). The Company received \$115,463 in government assistance (Q1-2008 -- \$42,424) related to the TNB Joint Venture and incurred expenditures during the quarter of \$46,746 (Q1-2008 -- \$2,514,781). The Company received \$17,158 in government assistance (Q1-2008 -- \$nil) related to the Pure Nickel Joint Venture and incurred \$5,486 in expenditures (Q1-2008 -- \$nil). Accounts payable related to exploration and development expenditures decreased by \$1,727,298 during the current quarter compared to an increase of \$3,489,717 during the comparative quarter. During the quarter, \$2,999,998 held in a debt reserve account as a requirement of the debt facility agreement was released with the retirement of the debt facility.

Cash Expenditures on Exploration Property, Plant and Equipment and Deferred Exploration Expenditures

For the three months ended March 31, 2009:

	MANITOBA				ONTARIO	TOTAL
	BUCKO PROJECT	BUCKO FEASIBILITY	THOMPSON NICKEL BELT	PURE NICKEL JV	SUDBURY	
	(\$)	(\$)	(\$)	(\$)	(\$)	
<i>Acquisition or property maintenance costs</i>	6,684	-	23,804	-	-	30,488
<i>Project capital costs</i>	1,885,048	-	-	-	-	1,885,048
<i>Project development costs</i>	8,697,954	-	-	-	-	8,697,954
<i>Exploration costs</i>	899,882	-	22,942	5,486	-	928,310
<i>Less: Preproduction revenue</i>	(265,036)	-	-	-	-	(265,036)
<i>Less: government assistance</i>	-	-	(115,463)	(17,158)	-	(132,621)
Balance, March 31, 2009	11,224,532	-	(68,717)	(11,672)	-	11,144,143

COMMITMENTS AND CONTINGENCIES

The Company issued 23,615,000 flow-through shares in December 2008 and as a result, the Company is committed to expending \$4,250,700 in qualified exploration expenditure by December 31, 2009. As of March 31, 2009, the Company had spent approximately \$1,960,000, and will be required to spend approximately \$2,291,000 by December 31, 2009.

TRANSACTIONS WITH RELATED PARTIES

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, 2009, an amount of \$2,799 (Q1 2008 - \$nil) is payable in relation to these expenses. During the comparative quarter, the Company prepaid and was owed \$27,319. Amounts payable and prepaid are unsecured, non-interest bearing with no fixed terms of repayment.

During the three months ended March 31, 2009, \$36,000 was paid to directors of the Company (Q1 2008 - \$185,500) as remuneration for services provided as well as bonuses.

The Company was charged \$15,000 during the quarter ended March 31, 2009 (Q1 2008 - \$15,000) by a company controlled by a director of the Company for administration services.

OUTSTANDING SHARE DATA

As at May 7, 2009, 368,890,660 common shares of the Company were outstanding. Of the options to purchase common shares issued to service providers under the share option plan of the Company, 16,303,750 remain outstanding with exercise prices ranging from \$0.15 to \$1.02, with expiry dates ranging between June 1, 2009 and March 20, 2014. If exercised, 16,303,750 common shares would be issued for proceeds of \$8,001,962.

As at May 7, 2009, 62,846,682 share purchase warrants and broker options were outstanding with an exercise prices ranging from \$0.17 to \$0.62 expiring between April 30, 2010 and January 16, 2012. If all warrants were exercised, 62,846,682 common shares would be issued for proceeds of \$13,113,036.

SUBSEQUENT EVENTS

On April 30, 2009, Crowflight completed a private placement financing with a syndicate of underwriters led by Macquarie Capital Markets Canada Ltd. and including Cormark Securities Inc. and TD Securities Inc. (collectively the "Underwriters"). The Underwriters purchased, on an underwritten private placement basis, 46,000,000 units (the "Units") of the Company at a price of \$0.17 (the "Issue Price") for each Unit for total gross proceeds of \$7,820,000. Each Unit consisted of one common share of Crowflight (a "Unit Share") and one-half of one common share purchase warrant (each full warrant, a "Warrant"), each full Warrant being exercisable to acquire one common share of Crowflight at a purchase price of \$0.20 for a period of 24 months following the Closing Date. The net proceeds of the financing will be used to fund the continued ramp up of the Bucko Lake Nickel Mine in the Thompson Nickel Belt, Manitoba and for general corporate and working capital purposes.

On April 30, 2009, Crowflight also completed a private placement financing with Dumas Contracting Ltd. ("Dumas"), its contract mining company at the Bucko Lake Nickel Mine. Dumas purchased, on a non-brokered private placement basis, 29,411,765 units (the "Units") of the Company at a price of \$0.17 (the "Issue Price") for each Unit for total gross proceeds of Cdn\$5,000,000. Each Unit consisted of one common share of Crowflight (a "Unit Share") and one-half of one common share purchase warrant (each full warrant, a "Warrant"), each full Warrant being exercisable to acquire one common share of Crowflight at a purchase price of \$0.20 for a period of 24 months following the Closing Date. The net proceeds of the financing will be used to settle accounts payable owed to Dumas for underground mining of the Bucko Lake Nickel Mine in the Thompson Nickel Belt, Manitoba.

RISKS AND UNCERTAINTIES

The exploration for, development and mining of mineral deposits involve significant risks, that even a combination of careful evaluation, experience and knowledge may not eliminate. Certain risk factors listed below are related to the mining industry in general, while others are specific to Crowflight.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. Our operations are subject to the hazards and risks normally encountered in the exploration, development and production of nickel, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of nickel to be mined and processed, ground conditions, the configuration of the deposit, expected recovery rates of minerals, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating

costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of nickel.

Liquidity Concerns and Future Financings

While it is anticipated that the Company has sufficient funds to complete the development of its Bucko Lake Mine there is no assurance that the Company will be successful in ramping up production and producing positive cash flow when planned. Volatile markets may make it difficult or impossible for the Company to further finance to complete commissioning of the Bucko Lake Mine. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Nickel Prices

Our principal business is the exploration and future production of nickel. Crowflight's future profitability is largely dependent on movements in the price of nickel. Nickel prices have historically been volatile and are primarily affected by the demand for and price of nickel alloys and stainless steel in addition to the supply/demand balance. Given the historical volatility of nickel prices, there are no assurances that the nickel price will remain at economically attractive levels. An increase in nickel supply without a corresponding increase in nickel demand would be expected to result in a decrease in the price of nickel. A decline in nickel prices would adversely impact the business of Crowflight.

Nickel prices are also affected by numerous other factors beyond our control, including the relative exchange rate of the United States dollar with other major currencies, global and regional demand, political and economic conditions, production levels and costs and transportation costs in major nickel producing regions.

The mining sector has continued to exhibit slowing global demand, illiquid markets and tight credit conditions. Nickel prices have declined dramatically over the last months. If nickel prices continue to decline such that cash operation costs were to significantly exceed metal revenues, the feasibility of continuing operations would be evaluated and, if warranted, discontinued.

Foreign Exchange

Nickel is sold in US dollars thus Crowflight is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. To the extent that we generate revenue upon reaching the production stage on our properties, it will be subject to foreign exchange risks as revenues will be received in US dollars while operating and capital costs will be incurred primarily in Canadian dollars. A continuing decline in the US dollar would result in a decrease in the real value of Crowflight's revenues and adversely impact our financial performance.

Mineral Resource and Mineral Reserve Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond our control. Such estimates are a subjective process, and the accuracy of any mineral resources and mineral reserves estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of nickel from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on our financial position and results of operations.

Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and actual events could have a material adverse effect on our mineral reserve estimates.

Licenses and Permits, Laws and Regulations

Our exploration and development activities, including mine, mill and roads, require permits and approvals from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, we may be required to compensate those suffering loss or damage by reason of its activities. We are required to obtain additional licenses and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no guarantee that we will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental

Our activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on Crowflight, including the suspension or cessation of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. We hold an interest in the Thompson Nickel Belt properties through mining claims and leases. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which we may have an interest, which, if successful, could result in the loss or reduction of our interest in the properties.

Uninsured Risks

We maintain insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of our common shares.

Competition

We compete with many other mining companies that have substantially greater resources than we have. Such competition may result in us being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund our operations and develop our properties. Our inability to compete with other mining companies for these resources would have a material adverse effect on our results of operations and business.

Reduced Global Demand for Steel or Interruptions in Steel Production

The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in nickel demand. A decrease in economic growth rates could lead to a reduction in demand for nickel. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for nickel.

Availability of Reasonably Priced Raw Materials and Mining Equipment

We will require a variety of raw materials in our business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, our production and financial performance could be adversely impacted.

Failure to Meet Production Target and Cost Estimates

We prepare future production and capital cost estimates. If commercial production commences, actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the nickel varying in the actual nickel mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in production capabilities. If commercial production begins, production costs may also be affected by increased stripping costs, increases in level of nickel impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on our sales, profitability, cash flow and overall financial performance.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Crowflight's share price will not occur.

Conflicts of Interest

Certain of our directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which we may participate, the directors of Crowflight may have a conflict of interest in negotiating and concluding terms respecting such participation.

OFF BALANCE SHEET ITEMS

There are no off balance sheet items.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the Company's internal controls over financial reporting that occurred during the three months ended March 31st, 2009 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

OUTLOOK

Due to commissioning issues in the first quarter of this year, Crowflight has revised its 2009 guidance from 362,000 tonnes of 1.65% nickel to recover 9.1 million pounds of payable nickel to 326,000 tonnes of 1.59% nickel to recover 7.9 million pounds of payable nickel. Average operating cash cost¹ (after declaration of commercial production) remains unchanged at US\$3.61 per pound at an exchange rate of 1.20 to 1.00 Canadian to the US dollar.

Further information is available on the Company's web site at www.crowflight.com.

¹ Non-GAAP Measure

This MD&A refers to cash cost per pound which is not a recognized measure under Canadian GAAP. This non-GAAP financial measure does not have any standardized meaning prescribed by Canadian GAAP and is therefore unlikely to be comparable to a similar measure presented by other issuers. Management uses this measure internally. The use of this measure enables management to better assess performance trends. Management understands that a number of investors and others who follow the Company's performance assess performance in this way. Management believes that this is a better indication of its expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Crowflight, certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of nickel and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward - looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Company's projects are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors that are set out herein. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. These estimates are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Crowflight to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks

related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.