CROWFLIGHT MINERALS INC.
CONSOLIDATED BALANCE SHEETS
(Prepared by Management)

	March 31, 2004 (Unaudited)	December 31, 2003 (Audited)
ASSETS		
Current		
Cash and short term investments	$ 5,127,774	$ 6,924,080
Accounts receivable	190,999	110,276
Prepaid expenses	-	32,015
	5,318,773	7,066,371
Long-term		
Property, plant and equipment	70,352	27,915
Mining interest (Note 5)	5,215,174	3,663,568
	5,285,526	3,691,483
	$ 10,604,299	$ 10,757,854
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 398,571	$ 458,604
SHAREHOLDERS' EQUITY		
Common Shares (Note 2)	21,207,542	21,132,600
Warrants (Note 2)	890,559	910,808
Contributed surplus (Note 6)	2,453,655	1,808,655
Common shares to be issued	-	-
Deficit	(14,346,028)	(13,552,813)
	10,205,728	10,299,250
	$ 10,604,299	$ 10,757,854

Responsibility for Financial Statements

The accompanying consolidated financial statements for Crowflight Minerals Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2003 audited consolidated financial statements. Only changes in accounting policies have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Estimates and approximations have been made using careful judgement. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

CROWFLIGHT MINERALS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(Prepared by Management - Unaudited)

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
Expenses		
Professional and consulting	$ 96,780	$ 25,841
General and office expenses	30,471	10,216
Shareholder communications	44,782	4,805
Travel expenses	1,933	-
Stock option compensation (Note 6)	645,000	-
Interest expenses and bank charges	769	18,194
Depreciation	1,990	337
	821,725	59,393
Loss before the undernoted	(821,725)	-
Interest	27,139	-
Recovery of expenses	1,371	-
Net loss for the period	(793,215)	(59,393)
DEFICIT, beginning of period	(13,552,813)	(12,231,343)
DEFICIT, end of period	$ (14,346,028)	$ (12,290,736)

CROWFLIGHT MINERALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Prepared by Management - Unaudited)

	Three Months Ended March 31, 2004	Three Months Ended March 31, 2003
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES:		
Net loss for the period	$ (793,215)	$ (59,393)
Charges not affecting cash:		
Depreciation	1,990	337
Stock option compensation	645,000	-
Net change in non-cash working capital:		
Accounts receivable and prepaid expenses	(48,708)	(10,721)
Accounts payable and accrued liabilities	(60,033)	(46,015)
	(254,966)	(115,792)
FINANCING ACTIVITIES:		
Common shares issued	54,693	-
	54,693	-
INVESTING ACTIVITIES:		
Mining interest	(1,551,606)	(304,211)
Property, plant and equipment	(44,427)	-
	(1,596,033)	(304,211)
CHANGE IN CASH AND SHORT-TERM INVESTMENTS	(1,796,306)	(420,003)
CASH AND SHORT-TERM INVESTMENTS, beginning of period	6,924,080	421,836
CASH AND SHORT-TERM INVESTMENTS, end of period	$ 5,127,774	$ 1,833

1. ACCOUNTING POLICIES

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

The management of Crowflight Minerals Inc. (the "Company") has prepared these unaudited consolidated financial statements for the three months ended March 31, 2004 in accordance with generally accepted accounting principles in Canada. These financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2003.

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

Operating results for the three months ended March 31, 2004 are not indicative of the results that may be expected for the full year ending December 31, 2004.

The Company uses the same methods and accounting policies described in the December 31, 2003 audited consolidated financial statements.

2. CAPITAL STOCK

AUTHORIZED

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

COMMON SHARES ISSUED	No of Shares	Value
Balance, beginning of year (December 31, 2003)	50,462,651	$ 21,132,600
Adjustment	(110)	-
Exercise of warrants	225,000	45,000
Exercise of warrants - warrant valuation	-	20,250
Exercise of stock options	25,000	8,750
Recovery of issue costs		20,000
Cost of issue	-	(19,058)
Balance, end of period (March 31, 2004)	50,712,541	$ 21,207,542

WARRANTS

A summary of the outstanding warrants as of March 31, 2004 are as follows:

Value ($)	Number of Warrants	Exercise Price ($)	Expiry Date
-	570,000	0.25	May 22, 2004 and
-	-	0.30	May 22, 2005
560,622	5,940,000	0.20	June 4, 2005
196,968	2,380,950	0.60	August 20, 2005
21,383	1,180,830	1.00	November 28, 2004
84,796	1,486,667	1.25	November 28, 2004
6,383	319,170	1.25	December 10, 2004
17,114	159,051	0.49	August 20, 2005
3,293	30,608	0.49	September 3, 2005
890,559	12,067,276		

2. CAPITAL STOCK (continued)

Units

Value ($)	Number of Units	Exercise Price ($)	Expiry Date
43,873	506,283 *	0.42 - 0.80	November 2004 - August 2005

* If the units in aggregate are exercised, the unit-holders will be entitled to 506,283 common shares and 253,141 common share purchase warrants with expiry dates ranging from November 2004 to August 2005.

3. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share is the same as basic loss per share. Stock options and warrants were not included in the fully diluted loss per share calculation since the calculation would have been ant-dilutive.

The following table sets out the computation for basic and diluted loss per share:

	Q1 2004	Q1 2003
Numerator:		
Loss for the period	$ (793,215)	$ (59,393)
Denominator:		
Average number of common shares outstanding	50,629,317	22,608,283
Basic and diluted loss per share	$ (0.02)	$ -

4. INCOME TAXES

The estimated taxable income for the period is nil. Based upon the level of historical taxable income, it cannot be reasonably estimated at this time, if it is more likely than not that the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities.

Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by a valuation allowance. The estimated valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some portion of or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the December 31, 2003 audited consolidated financial statements. The benefit of these losses and the estimated loss for the three months ended March 31, 2004 have not been recognized in these unaudited consolidated financial statements.

5. MINERAL PROPERTIES

Acquisition costs and deferred exploration expenditures are as follows:

Acquisition costs:		
Opening balance, December 31, 2003 (audited)	$	1,252,600
Staking costs and option payments		68,000
Ending balalnce		1,320,600
Deferred exploration expenditures:		
Opening balance, December 31, 2003 (audited)		2,410,968
Geological and geophysical		126,662
Site activities		1,194,216
Consulting and report writing		149,037
Travel and transportation		13,691
Ending balalnce		3,894,574
		5,215,174

Mining properties acquired during the period were as follows:

Copenhagen Property:

On February 19, 2004 the Company entered into an option agreement to acquire 100% interest in 624 hectares of the Copenhagen Property in the Sudbury Basin.

The total consideration is as follows:

(i) Cash payments totaling $230,000; $9,000 paid on April 6, 2004; $8,000 paid on April 20, 2004; $8,000 payable on July 1, 2004; $25,000 payable on February 19, 2005; $30,000 payable on February 19, 2006 and $150,000 payable on February 19, 2007.

(ii) The issuance of 100,000 Common shares of which, 15,000 common shares were issued on April 6, 2004 with a deemed value of $4,350; 15,000 common shares were issued on April 21, 2004 with a deemed value of $5,100; 20,000 Common shares are to be issued by July 1, 2004 and 50,000 Common shares are to be issued by February 19, 2005.

(iii) The Company is to maintain the property in good standing

The vendor will retain 2.5% Net Smelter Royalty (NSR) and will be paid semi-annual royalty payments of $10,000 commencing on August 19, 2007. The Company has the option to repurchase 60% of NSR for $1,500,000, with all advances and regular royalty payments reducing the $1,500,000 buyout amount on a dollar-for-dollar basis.

Peter's Roost Property:

The Company has acquired by staking the Peter's Roost Property, a major land package along the North Range of the Sudbury Basin, A total of 927 claim units covering some 14,830 hectares in Hutton, Kitchener, Tyrone, Leinster, Creelman, Roberts and Botha Townships were acquired during the first quarter of 2004.

The property extends along two predominantly east-west trending concentric corridors extending from the Company's Marble Mountain Option at the Parkins Offset Dyke in the east, to beyond the Foy Offset Dyke in the west, a distance of over 40 kilometres. The property encompasses the Company's recently acquired Copenhagen Property.

6. STOCK OPTIONS

The following are the stock option transactions during the period:

	Number of Stock Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	4,525,000	$ 0.41
Granted during the period	1,500,000	0.56
Exercised during the period	(25,000)	0.35
Cancelled during the period	(1,125,000)	0.62
Outstanding at the end of the period	4,875,000	$ 0.42

As of March 31, 2004, the following stock options were outstanding:

EXERCISABLE OPTIONS	NUMBER OF OPTIONS	EXERCISE PRICE $	EXPIRY DATE
2,512,500	2,512,500	0.20	June 5, 2008
300,000	300,000	0.35	June 5, 2008
375,000	375,000	0.35	July 18, 2008
400,000	400,000	0.56	November 21, 2008
75,000	150,000	0.60	September 18, 2006
87,500	187,500	0.62	December 11, 2008
50,000	50,000	0.70	November 17, 2008
900,000	900,000	0.56	January 20, 2009
4,700,000	4,875,000		

During the period, 1,500,000 stock options were issued to directors, officers and consultants of the Company. These options were expensed in the statement of operations and deficit, accordingly, $645,000 was recorded as stock option compensation and contributed surplus. For the purposes of the 1,500,000 options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 4.00% and an expected average life of five years.

7. RELATED PARTY TRANSACTIONS

The Company was charged $48,500 by directors or companies controlled by directors for professional and consulting fees during the quarter ended March 31, 2004.

The Company shares its premises with other companies that have common directors, the Company reimburses the related companies for their proportional share of the expenses.

8. SUBSEQUENT EVENTS

Mystery Offset Dyke Property:

On April 8, 2004 the Company entered into an agreement to acquire 100 % of the "Mystery Offset Dyke Property" (MOD Property), along the Mystery Offset Dyke, located in Lorne Township of the South Range sector of the Sudbury Basin.

Under the agreement the Company can acquire an initial 51% interest in the property as follows:

- making a $50,000 payment on the signing of a letter of intent (completed on April 8, 2004)·

- issuing 1,000,000 transferable share purchase warrants on or before May 30, 2004. The 1,000,000 warrants will consist of 500,000 warrants exercisable into common shares of the Company at a price of $0.75 per warrant, valid for a period of two years from the date of issue and 500,000 warrants exercisable into common shares of the Company at a price of $1.25 per warrant also valid for a period of 2 years from the date of issue

- making a payment of $450,000 on or before May 30, 2004 on completion of due diligence.

- $250,000 on or before April 5, 2005; or the Company may elect, in its sole discretion, to issue 500,000 Units to the Vendor. Each unit will consist of one common share and one common

  share purchase warrant of the Company, with each warrant exercisable at a price of $0.75 for a period of 2 years from the date of issuance

Upon earning a 51% interest in the MOD Property, the Company has the option to acquire the remaining 49% interest by:

- making payments of $5,000 per month for a period of 24 months; and

- incurring exploration expenditures of $2,000,000 prior to May 30, 2006

Additionally, at any time, the Company will have the option to acquire the surface rights of the north half of the MOD property for $250,000. Also, the Company will have a first-right-of refusal (for a period of 10 days) on any ground acquired by the Vendor within a radius of 100 km from the intersections of Highway 17 and 69 in Sudbury. The final agreement is subject to a due diligence review prior to May 30, 2004, and regulatory approvals.

All warrant and share issues are subject to regulatory approval

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current reporting period

CROWFLIGHT MINERALS INC.
Management Discussion and Analysis of financial condition and results of operations for the three months ended March 31, 2004

The following MD&A should be read in conjunction with the Company's Unaudited Consolidated Financial Statements for the three months ended March 31, 2004 and the Company's Annual Audited Consolidated Financial Statements for the year ended December 31, 2003. The reader is also directed to the Management Discussion and Analysis filed with the annual report for the year ended December 31, 2003.

The statements for the quarter ended March 31, 2004 have not been reviewed by the Company's auditors.

References to the first quarter of 2004 and the first quarter of 2003 mean the three months ended March 31, 2004 and the three months ended March 31, 2003 respectively.

OVERVIEW

Crowflight Minerals Inc. is a junior mining company exploring for Copper, Nickel and Platinum Group Metals ("PGM's") on several properties of high potential, near the Sudbury Basin area of Ontario, Canada. Encouraging results have been reported from neighboring properties owned by Inco and Falconbridge.

The Company's mining interests are 100% situated in Sudbury, Ontario, Canada

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain future financing. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

During the last half of 2003, the Company raised $10 million in private placements of which $4.5 million related to flow-through shares. Prior to June 2003, exploration progress on the Sudbury Basin properties by the previous management had been slow due to lack of financial capacity. Since June 2003 there has been major activity. The following commentary will include all material events and activities to the date of this report as well as a description of each active property and the cost commitments by the Company related to those properties.

SIGNIFICANT ACCOUNTING POLICIES:

A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's Annual Audited Consolidated Financial Statements for the year ended December 31, 2003. The company has used the same accounting policies as outlined in note 2 of the 2003 annual audited financial statements in the preparation of the financial statements for the quarter ended March 31, 2004.

EXPLORATION PROPERTIES:
AER-Kidd PROPERTY

The property has been mined several times since its discovery in the 1880's. The last mining endeavor occurred in the mid 1960's when an estimated 250,000 tonnes of ore was mined, processed and shipped to local smelters for further treatment. The AER-Kidd property is a 1.8 km strike length located between Inco's Totten and McIntyre projects on the Worthington Offset Dyke, a radial fracture at the southwestern margin of the Sudbury Igneous Complex (SIC) in Ontario.

Inco's Totten property, adjacent to the west of the AER-Kidd project along the Worthington Offset Dyke, was mined from the 1880's until the mid 1970's. No production figures are available. During the mid 1990's, Inco commenced an exploration program on the property and has reported an estimated resource of 10.1 million tonnes grading 2.0% copper, 1.5% nickel and 4.8 g/t PGM's.

The FNX Victoria Project is located 1.5 km northeast of the AER-kidd property along the Worthington Offset at the contact with the Sudbury Igneous Complex (SIC). Inco operated the Victoria project from 1900 to 1978, where a reported 1.5 million tonnes grading 2.26% copper and 1.57% nickel were reportedly processed. FNX Mining acquired the Victoria Project in the late 1990's.

FNX recently discovered the Powerline Zone, which is immediately adjacent to the Victoria property but hosted by the radial Worthington Quartz Diorite Offset Dyke. This discovery was made following a geophysical survey in 2002. It has been reported from exploration core drilling, that intersections grading 7.7% copper, 1.5% nickel and 15.5 g/t PGM's have been encountered. FNX continues its exploration on the Powerline Zone.

A technical report on the AER-Kidd property was prepared by John Buckle P.Geo., and is filed on SEDAR to which the reader is directed. In general, potential polymetallic Nickel bearing sulphide ore deposits are found in two prominent settings. The embayment situated deposits, essentially mined and controlled by Inco and Falconbridge, are located along the footwall contact of the Sudbury Igneous Complex.

The second setting, situated in the country rocks, occurs in association with radial offset dykes of quartz diorite composition (example, Inco's Copper Cliff offset which has yielded approximately 60 billion (US) in 2001 dollars) and concentric Sudbury Breccias/Quartz Diorite (example, Inco's Frood Stobie which has yielded approximately 160 billion (US) in 2001 dollars). Both these Inco operations were discovered prior to 1900 and are still large contributors to Inco's financial success.

Crowflight's program of data compilation on the AER-Kidd project began anew on June 5, 2003. Drill core data from previous mining operations, past exploration programs, and geophysics data from previous Crowflight exploration programs were assembled and reviewed. A new Sudbury office was established where all previous drill core was re-logged and re-sampled where deemed necessary.

A number of continuous channel sample traverses were initiated following detail geological mapping and verification of relevant geological structures along the Worthington Quartz Diorite Offset Dyke.

A 10,000-meter drilling program commenced in October 2003 and is still ongoing at the time of this report. Ten targets have been identified from the data compilation process located at depths from 400 to 1,000 meters from surface.

AIRPORT PROPERTY

Crowflight has a 50% interest in the Airport project with Millstream Mines on this eight-claim property located east of the southeast rim of the Sudbury Basin, in Falconbridge Township. The property contains several anomalous nickel-copper-PGM showings within unusually wide thicknesses of Sudbury Breccia. In order to maintain its 50% interest in the Airport J.V. Property, Crowflight has to fund a total of $1,000,000 of exploration expenditures over a two-phase exploration program which is expected to be completed by the forth quarter of 2004. Millstream was the operator for Phase I. For Phase II Crowflight is the operator.

Significantly, the Crowflight-Millstream Sudbury Breccias appear to be inadequately studied and evaluated despite representing the east to north extension of the Kirkwood-Frood Stobie Sudbury Breccias – Quartz Diorite bearing ores.

An exploration plan employing an integration of geological mapping, trenching, sampling and geophysics programs is underway. A small core-drilling program has been included in the Phase 1 budget to allow core drilling of three classes of geophysical anomalies, identified by geophysical techniques at depth.

MARBLE MOUNTAIN

In December 2003, the Company acquired 100% of the Marble Mountain Prospect located 10 km northeast of the Sudbury Igneous Complex (SIC) in Parkin Township. The property covers a 6.5 km strike length of an apparently previously unrecognized concentric offset dyke which appears to be the western extension of the Parkin offset immediately to the west of property. The Milnet Mine, a former Ni-Cu-PGM producer, is located on the Parkin offset. The 2,000 hectare land package consists of 60 mining claims (comprising 73 claim units).

Under the agreement the Company can acquire a 100% interest in the property by providing the Vendors with:

(1) $20,000 and 50,000 common shares on or before January 4, 2004 (paid and issued);
(2) $25,000 and 50,000 common shares on or before December 1, 2004;
(3) $30,000 on or before December 1, 2005; and
(4) $150,000 on or before December 1, 2006.

The Vendors will retain a 2.5% net smelter royalty (the "NSR") and will be paid a semi-annual royalty payment of $10,000 commencing on June 1, 2007. The Company has the option to purchase 1.5% of this NSR for $1,500,000, with all advance and regular royalty payments reducing the $1,500,000 buyout amount on a dollar for dollar basis. In addition, the Company is required to carry out a minimum work commitment of $600 per unit each year ($43,800 annually) to maintain the property in good standing.

COPENHAGEN PROPERTY

On February 19, 2004, the Company entered into an option agreement to acquire 100 % of the Copenhagen Property located in the Kitchener and Hutton Townships of the North Range sector of the Sudbury Basin. The property consists of 39 claim units totaling 624 hectares. The property hosts similar type mineralization to the Marble Mountain Project.

Exploration activities on the property commenced in the early 1900's with the development of the Copenhagen shaft. Limited production of Copper and Nickel was reported from the shaft area and surface trenches as reported in an Ontario Department of Mines report, 1932.

Under the agreement the Company can acquire a 100% interest in the property by providing the vendors with:

(1) $9,000 and 15,000 common shares on the completion of due diligence (paid and issued on April 6, 2004);
(2) $8,000 and 15,000 common shares on or before May 1, 2004 (paid and issued on April 20 and April 21, 2004 respectively);
(3) $8,000 and 20,000 common shares on or before July 1, 2004;
(4) $25,000 and 50,000 common shares on or before February 19, 2005;

(5) $30,000 on or before February 19, 2006; and
(6) $150,000 on or before February 19, 2007.

The vendor will retain a 2.5% net smelter royalty (the "NSR") and will be paid a semi-annual royalty payment of $10,000 commencing on August 19, 2007. The Company has the option to re-purchase 60% of this NSR (or the equivalent of a 1.5% NSR) for $1,500,000, with all advance and regular royalty payments reducing the $1,500,000 buyout amount on a dollar for dollar basis. In addition, the Company is required to carry out a minimum work commitment of $600 per unit each year (approximately $33,000 annually) to maintain the property in good standing.

PETER'S ROOST

The Company has acquired by staking the Peter's Roost Property, a major land package along the North Range of the Sudbury Basin, a total of 927 claim units covering 14,830 hectares in Hutton, Kitchener, Tyrone, Leinster, Creelman, Roberts and Botha Townships were acquired during the first quarter of 2004.
The property extends along two predominantly east-west trending concentric corridors extending from the Company's Marble Mountain Option at the Parkins Offset Dyke in the east, to beyond the Foy Offset Dyke in the west, a distance of over 40 kilometres. The property encompasses the Company's recently acquired Copenhagen Property.

MYSTERY OFFSET DYKE PROPERTY

On April 8, 2004 the Company entered into an agreement to acquire 100% of the "Mystery Offset Dyke Property" (MOD Property), along the Mystery Offset Dyke, located in Lorne Township of the South Range sector of the Sudbury Basin.

Under the agreement the Company can acquire an initial 51% interest in the property as follows:

- making a $50,000 payment on the signing of a letter of intent (completed on April 8, 2004);
- issuing 1,000,000 transferable share purchase warrants on or before May 30, 2004. The 1,000,000 warrants will consist of 500,000 warrants exercisable into common shares of the Company at a price of $0.75 per warrant, valid for a period of two years from the date of issue, and 500,000 warrants exercisable into common shares of the Company at a price of $1.25 per warrant, valid for a period of 2 years from the date of issue;
- $450,000 on or before May 30, 2004 on completion of due diligence;
- $250,000 on or before April 5, 2005; or the Company may elect, in its sole discretion, to issue 500,000 Units to the Vendor. Each Unit will consist of one common share and one common share purchase warrant of the Company, with

each warrant exercisable at a price of $0.75 for a period of 2 years from the date of issuance.

Upon earning a 51% interest in the MOD Property, the Company has the option to acquire the remaining 49% interest by:

- making payments of $5,000 per month for a period of 24 months; and
- incurring exploration expenditures of $2,000,000 prior to May 30, 2006.

Additionally, at any time, the Company will have the option to acquire the surface rights of the north half of the MOD property for $250,000. Also, the Company will have a first-right-of refusal (for a period of 10 days) on any ground acquired by the Vendor within a radius of 100 km from the intersections of Highway 17 and 69 in Sudbury. The final agreement is subject to a due diligence review prior to May 30, 2004, and regulatory approvals.

All warrant and share issues are subject to regulatory approval

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2004, the Company had working capital of $4,920,202 compared to working capital of $6,607,767 as at December 31, 2003. The Company has continued its exploration programs on the AER Kidd Property and the Airport Property and has used working capital to complete its staking of the Peter's Roost Property and to make the initial property payments on the Marble Mountain property and the Copenhagen Property.

The Company has sufficient capital resources to complete the exploration programs described under the Exploration Properties section of this report, and to carry the corporate burn rate through September 2005.

RESULTS OF OPERATIONS

The loss for the quarter ended March 31, 2004 was $793,215 compared to $59,393 for the same period in 2003. Included in the loss for the quarter ended March 31, 2004 is a non-cash expense of $645,000 related to the application of the fair value based method of accounting for stock based compensation. The Company adopted the new requirements of CICA HB 3870 prospectively in December of 2003. In calculating the stock based compensation the Company applies the fair value method of accounting for all stock based compensations using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 100%, risk free interest 4% and an expected life of 5 years.

Upon removing the large non-cash expense, the other expenses were $148,215 for the quarter ended March 31, 2004 compared to $59,393 for the quarter ended March 31, 2003

Crowflight repositioned itself during the last half of 2003 which is reflected in the increased spending levels during the first quarter of 2004 as compared to the first quarter of 2003. A professional management and consulting team was put in place and the Company has increased spending in most areas to enhance shareholder communication, streamline administration and position itself for exploration growth.

Professional and consulting expenses were $96,780 for the first quarter of 2004 compared to $25,841 for the first quarter of 2003. General and administration expenses were $30,471 in the first quarter of 2004 compared to $10,216 during the first quarter of 2003, Shareholder communication was $44,782 during the first quarter of 2004 compared to $4,805 for the first quarter of 2003, travel expenses were $1,933 during the first quarter of 2004 compared to $0 during the first quarter of 2003, depreciation was $1,990 compared to $337 during the first quarter of 2003 and interest expense and bank charges decreased to $769 compared to $18,194 during the first quarter of 2003. The company also earned interest of $27,139 on its cash reserves and recognized a recovery of expenses of $1,371 during the first quarter of 2004.

Quarterly information

The quarterly results have been as follows:
Tabular amounts in $000 except for per share amounts

	Q1	Q2	Q3	Q4
2004				
Net Income (loss)	(793)			
Income (loss) per share basic and fully diluted	(0.02)			
Total assets	10,604			
Total Long term liabilities	0			
2003				
Net Income (loss)	(59)	(157)	(224)	(881)
Income (loss) per share basic and fully diluted	0	(0.01)	(0.01)	(0.02)
Total assets	2,569	3,732	6,946	10,758
Total Long term liabilities	0	0	0	0
2002				
Net Income (loss)	(30)	(35)	(18)	(302)
Income (loss) per share basic and fully diluted	0	0	0	(0.01)
Total assets	2,373	2,391	2,393	2,664
Total Long term liabilities	0	0	0	0

Annual information
The annual results have been as follows:
Tabular amounts in $000 except for per share amounts

	2003	2002	2001
Net Income (loss)	(1,321)	(385)	(422)
Income (loss) per share basic and fully diluted	(0.04)	(0.02)	(0.02)
Total assets	10,758	2,664	2,356
Total Long term liabilities	0	0	0

CASH FLOWS

Cash Flows (to) Operating Activities for the quarter ended March 31, 2004 were ($254,966) compared to ($115,792) to operating activities for the same period last year.
Cash Flows (to) Operating Activities reflect the higher level of expenses addressed earlier.

Cash Flows from Financing Activities were $54,693 for the quarter ended March 31, 2004 compared to $nil during the same period for 2003. The cash inflow from financing activities was a result of warrants being exercised in the amount of $53,750 and a net recovery of share issue costs of $943.

Cash Flows (to) Investing Activities for the quarter ended March 31, 2004 were ($1,596,033) compared to ($304,211) for the same period last year. During the quarter ended March 31, 2004, the Company spent $1,230,445 on the AER KIDD property, $53,841 on the Airport Property, $72,590 in the Sudbury Basin in general related to all projects, $117,500 on Peter's Roost, $69,230 on the Marble Mountain Property, $8,000 on the Copenhagen Property and $44,427 on fixed assets. The Company is nearing completion of its 10,000-meter program on the AER Kidd Property and the current cash will be utilized to complete this program, support the commitments as outlined under the Exploration Properties section and support the corporate burn rate.

RISKS AND UNCERTAINTIES

Mining exploration inherently contains a high degree of risk and uncertainty. Solid professional management and experienced personnel with high standards of care can mitigate some of these risks. Risks would include but not be limited to unfavourable drill results including uneconomic grades or costs of recovery, falling copper, nickel or PGM commodity prices, a strengthening Canadian dollar versus the US dollar, unfavourable costs, falling capital markets and key personnel changes.

OUTLOOK

The Company looks forward to the next year as it endeavors to prove out the high degree of the development potential of the AER-Kidd project and in the Sudbury Basin. The Company is adequately funded to complete the AER-Kidd 10,000 meter drilling program and to complete the two phase exploration program on the Airport property, and to meet the property payment commitments as outlined under the exploration properties as described above.

These projects are located within the Sudbury Basin which is a world class mining centre. We are excited by the potential opportunities in the projects.

FORWARD-LOOKING STATEMENTS

The quarterly report, including this MD&A, contains certain forward-looking statements related to, among other things, expected future events, future spending levels and the future financial and operating results of the Company. Forward-looking statements are encouraged to enhance communication but are subject to inherent risks and uncertainties including but not limited to, market and general economic conditions, changes arising as drilling results unfold, changes in regulatory environments affecting the Company and the availability and terms of subsequent financings. Other risks and uncertainties are detailed above. Consequently, actual results and events may differ materially from those included in, contemplated or implied by such forward-looking statements for a wide variety of reasons. Readers are therefore cautioned not to place undue reliance on any forward looking statement.

May 31, 2004